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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

☒ **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 _____

or

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

Commission file number: 001-38440

Grindrod Shipping Holdings Ltd.
(Exact name of registrant as specified in its charter)

(Not Applicable)
(Translation of the registrant's name into English)

Republic of Singapore
(Jurisdiction of incorporation or organization)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Ordinary shares, no par value	GRIN	NASDAQ Global Select Market

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

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 18,484,861 ordinary shares (excluding treasury shares)

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Note-Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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 (§232.405 of this chapter) 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, or a non-accelerated filer, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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† provided pursuant to Section 13(a) of the Exchange Act. ☒

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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 which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

INTRODUCTION

On November 2, 2017, we incorporated as a private company, Grindrod Shipping Holdings Pte. Ltd., in accordance with the laws of the Republic of Singapore for the purpose of acquiring the shipping business from Grindrod Limited, a public company incorporated in accordance with the laws of the Republic of South Africa, or Former Parent. On April 25, 2018, Grindrod Shipping Holdings Pte. Ltd. was converted from a private company to a public company incorporated in accordance with the laws of the Republic of Singapore and it changed its name to Grindrod Shipping Holdings Ltd., or Grindrod Shipping. On June 18, 2018, or the Closing Date, Former Parent sold all of the shares it held in its wholly-owned subsidiaries, Grindrod Shipping Pte. Ltd., or GSPL, and Grindrod Shipping (South Africa) Pty Ltd, or GSSA, to Grindrod Shipping, in exchange for a market related consideration. On the Closing Date, Former Parent made a *pro rata* distribution to its shareholders that resulted in its shareholders receiving Grindrod Shipping ordinary shares in the same proportion as they held their Former Parent ordinary shares immediately prior to the distribution. We refer to the entire transaction as described above as the Spin-Off.

As of the Closing Date, Former Parent and Grindrod Shipping became independent, publicly traded companies having separate public ownership. Grindrod Shipping has its own board of directors, a majority of whom do not overlap with Former Parent's board of directors. Grindrod Shipping has its own management team which was the same management team that operated Former Parent's shipping business immediately prior to the Spin-Off.

Grindrod Shipping's ordinary shares are listed on the NASDAQ Global Select Market, or NASDAQ and quoted on the Main Board of the JSE Limited, or the JSE.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our consolidated financial statements and, unless otherwise indicated, other financial information concerning us included in this annual report, are presented in U.S. dollars. We have prepared our consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standard Board, or IASB.

Our audited consolidated financial statements presented in this annual report represent the consolidated financial statements of Grindrod Shipping as a separate publicly traded company on and subsequent to June 18, 2018 following the Spin-Off.

MARKET AND INDUSTRY DATA

This annual report includes estimates regarding market and industry data that we prepared based on our management's knowledge of and experience to date in the markets in which we operate, together with information obtained from various sources, including publicly available information, industry reports and publications, surveys, our customers, distributors, suppliers, trade and business organizations and other contacts in the markets in which we operate.

In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources and on our knowledge of, and our experience to date in, the markets for our products and services. Market data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of market share data. In addition, customer preferences are subject to change. Accordingly, you are cautioned not to place undue reliance on such market share data or any other such estimates. While we believe such information is reliable, we cannot guarantee the accuracy or completeness of this information, we have not independently verified any third-party information and data from our internal research has not been verified by any independent source. While we believe the estimated market and industry data included in this annual report are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise.

Projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Item 3. Key Information—Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements". These and other factors could cause results to differ materially from those expressed in the estimates made by any third parties and by us.

DEFINED TERMS AND CONVENTIONS

In this annual report, unless otherwise indicated, all references to "we", "us," "our", "Company" and "Grindrod Shipping" refer to Grindrod Shipping Holdings Ltd. and its subsidiaries. Grindrod Shipping Holdings Ltd. is a public company incorporated under the laws of the Republic of Singapore.

In this annual report all references to "Fleet" mean the 32 vessels we operate, listed in "Item 4. Information on the Company—B. Business Overview—Our Fleet".

In this annual report, all references to "Singapore" mean the Republic of Singapore, all references to "South Africa" mean the Republic of South Africa, all references to "EU" mean the European Union and all references to the "United States" and "U.S." mean the United States of America, its territories and possessions and any state of the United States and the District of Columbia.

In this annual report, "R" and "Rand" refer to the South African Rand and "Rand cents" refers to subunits of the South African Rand, "¥" and "Yen" refer to the Japanese Yen and "Yen cents" refers to subunits of the Japanese Yen, "$", "U.S.$" and "U.S. dollars" refer to United States dollars and "U.S. cents" refers to subunits of the U.S. dollar.

This annual report contains descriptions of shipping and the shipping industry. In order to facilitate a better understanding of these descriptions, below is a glossary defining a number of technical and shipping terms as used in this annual report.

Glossary of Shipping Terms

The following explanations are not intended as technical definitions, but rather are intended to assist the reader in understanding some of the shipping terms used in this annual report.

Available days. The total number of calendar days a vessel is in our possession for the relevant period after subtracting off-hire days for scheduled drydocking and special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which vessels should be available for generating revenue.

Baltic Dry Index. The Baltic Dry Index, or BDI, is a leading daily drybulk charter market indicator published by the Baltic Exchange Limited, which combines information for handysize, supramax, panamax and capesize drybulk vessels. For periods after March 1, 2018, handysize vessels are no longer included in the BDI.

Bareboat charter. Charter for an agreed period of time during which the vessel owner provides only the vessel, while the charterer provides the crew, together with all stores and bunkers and pays all vessel operating costs, including maintenance and repairs.

Ballast. Heavy material, usually seawater, taken into and removed from a vessel as required from time to time, in order to provide stability to the vessel.

Bunker(s). Fuel, consisting principally of fuel oil and diesel, burned in the vessel's engines and certain ancillary equipment.

Capesize vessel. Drybulk carrier with a capacity of about 130,000 to 200,000 dwt which, due to its size, must transit when loaded the Atlantic to the Pacific via Cape Horn or the Cape of Good Hope and is typically used for long voyages in the coal and iron ore trades.

Charter hire. The basic payment from the charterer for the use of the vessel under time charter. The amount is usually for a fixed period of time at rates that are generally fixed, but may contain a variable component based on inflation, interest rates, or current shipping market rates.

Charterer. A person, firm or company hiring or employing a vessel for the carriage of goods or other purposes.

Charter party. A document containing all the terms and conditions of the contract between the owner of a vessel and a charterer for the use of a vessel, signed by both parties or their agents, for the hire of a vessel or the space in a vessel.

Commercial management. Management of those aspects of vessel owning and operation that relate to obtaining economic value from the vessel which may include vessel financing, sale and purchase, chartering or vessel employment, voyage execution, insurance and claims handling, accounting and corporate administration.

Commercial pools. A pool of vessels for the purpose of economies of scale and where the earnings of each vessel in the pool are not determined by the specific voyages undertaken by the individual vessel but by an agreed allocation of the pooled earnings of all the vessels in the pool. A pool manager is responsible for the commercial operation of the commercial pool service.

Contract of affreightment. A contract of affreightment, or COA, is similar to a voyage charter, but covers two or more shipments over an agreed period of time (this could be over a number of months or years) and a particular vessel is not necessarily specified.

Deadweight tonne, or dwt. The unit of measurement of weight capacity of vessels, which is the total weight (usually in metric tons) the vessel can carry, including cargo, bunkers, water, stores, spares and crew at a specified draft.

Demurrage. An agreed amount payable to the vessel owner or disponent owner by the charterer when the agreed time allowed for loading or unloading cargo has been exceeded through no fault of the owner.

Disponent Owner. A person or a company that is not registered as owner of a vessel, but who has control over the commercial operations of the vessel through a bareboat or time charter, and has, as a disponent owner, the right to "dispose of" the ship by sub-chartering it to a third party.

Drybulk carrier. Vessel designed to carry dry, loose cargoes in bulk.

Drydocking. The removal of a vessel from the water for inspection, maintenance and/or repair of parts that are normally submerged.

Fixed revenue cover. The percentage of operating days in a period in which our vessels are fixed pursuant to vessel employment agreements into which we have already entered.

Flag state or Flagged. The country where the vessel is registered.

Fleet utilization. The percentage of time that vessels are available for generating revenue, determined by dividing the number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure a company's efficiency in technically managing its vessels.

Forward freight agreement. A forward freight agreement, or FFA, is a derivative instrument that can be used as a means of hedging exposure to charter rate market risk through the purchase or sale of specified time charter rates or freight rates for forward positions. Settlement is in cash, against a daily market index published by the Baltic Exchange.

Freight rates. The rate or level of freight under a voyage charter or a contract of affreightment.

Freight revenue. The revenue earned by a vessel owner or disponent owner pursuant to a voyage charter or a contract of affreightment.

Handysize drybulk vessel. Drybulk carrier of less than 40,000 dwt which is commonly equipped with cargo gear such as cranes. This type of vessel carries principally minor bulk cargoes and limited quantities of major bulk cargoes. It is well suited for transporting cargoes to ports that may have draft restrictions or are not equipped with gear for loading or discharging drybulk cargoes.

IMO. International Maritime Organization, the international United Nations advisory body on transport by sea.

Major bulk. Drybulk cargoes such as iron ore, coal and grain.

Medium range tanker. A tanker of about 25,000 dwt to 60,000 dwt.

Minor bulk. Drybulk cargoes such as forest products, iron and steel products, fertilizers, agricultural products, minerals and petcoke, bauxite and alumina, cement, other construction materials and salt.

Newbuilding. A vessel under construction or on order for construction.

Off-hire. The period during which a vessel is not available for service due primarily to scheduled and unscheduled repairs or drydockings.

Operating days. Operating days are the number of available days in the relevant period a vessel is controlled by us after subtracting the aggregate number of days that the vessel is off-hire due to a reason other than scheduled drydocking and special surveys, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels are actually available to generate revenue.

P&I. Protection and indemnity insurance coverage taken by a vessel owner or charterer against third-party liabilities such as those arising from oil pollution, cargo damage, crew injury or loss of life.

Product tanker. A tanker designed to carry refined petroleum products in bulk.

Resale agreement. An agreement to acquire the rights and obligations under a shipbuilding contract or a contract to acquire a newbuilding.

Spot market. The market for immediate chartering of a vessel, usually for a single voyage or short-term trading.

Spot market-oriented pool. A commercial pool that primarily employs vessels in the spot market.

Spot rate. Charter rate agreed on the basis of the prevailing spot market.

Supramax/ultramax vessel. Drybulk carrier of about 40,000 dwt to 65,000 dwt, which is usually grab fitted and carries a wide variety of cargoes including major bulk and minor bulk cargoes. Supramax generally refers to vessels from 40,000 dwt to 60,000 dwt, whereas ultramax generally refers to vessels from 60,000 dwt to 65,000 dwt.

Small tanker. A tanker of about 10,000 dwt to 25,000 dwt.

Technical management. Management of those aspects of vessel owning and operation that relate to the physical operation of a vessel, including the provision of crew, routine maintenance, repairs, drydocking, supplies of stores and spares, compliance with all applicable international regulations, safety and quality management, environment protection, newbuilding plan approval, newbuilding supervision, oversight of third-party contracted supervisors, and related technical and financial reporting.

Time charter. Charter for an agreed period of time where the vessel owner or disponent owner as the case may be is paid on a per-day basis and is responsible for operating the vessel and paying the vessel operating costs while the charterer is responsible for paying the charter hire and the voyage expenses and bears the risk of filling the vessel with cargo and any delays at port or during the voyage, except where caused by a defect of the vessel.

TCE Revenue or TCE. TCE, or time charter equivalent, revenue is defined as vessel revenue less voyage expenses. Such TCE revenue, divided by the number of our operating days during the period, is TCE per day. Vessel revenue and voyage expenses as reported for our operating segments include a proportionate share of vessel revenue and voyage expenses attributable to our joint ventures based on our proportionate ownership of the joint ventures. The number of operating days used to calculate TCE revenue per day also includes the proportionate share of our joint ventures' operating days and also includes charter-in days. TCE per day is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters have to cover voyage expenses and are generally not expressed in per-day amounts while charter hire rates for vessels on time charters do not cover voyage expenses and generally are expressed in per-day amounts.

Tonnage. A generic term referring to any kind of ocean-going cargo vessel or vessels.

Vessel operating costs. Costs associated with technical management of the owned vessels in our Fleet, including crew expenses; repairs and maintenance; insurance; and other such costs.

Vessel revenue. The revenue generated by the Company that is comprised of charter hire of vessels, freight revenue, distributions from pools and distributions from third parties in respect of vessels that are externally commercially managed.

Voyage charters. Charters under which a vessel owner or disponent owner is paid on the basis of transporting cargo from a load port to a discharge port and is responsible for paying vessel operating costs, voyage expenses, and charter hire costs, as applicable.

Voyage expenses. All direct costs associated with operating a vessel between loading and discharge at the relevant ports. These expenses include pool distributions (which consist of net earnings payable to third-party and joint venture owners of vessels in the pools we manage); fuel expenses; port expenses; other expenses and FFAs.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements, including, among others, those relating to our future business prospects, revenue and income, are necessarily estimates and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Accordingly, these forward-looking statements should be considered in light of various important factors, including those set forth in detail in "Item 3. Key Information—Risk Factors" of this annual report and summarised below.

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- our future operating or financial results;
- the strength of world economies, including, in particular, in China and the rest of the Asia-Pacific region;
- the effects of the COVID-19 pandemic on our operations and the demand and trading patterns for the drybulk markets, and the duration of these effects;
- cyclicality of the drybulk industry, including general drybulk shipping market conditions and trends, including fluctuations in charter hire rates and vessel values;
- changes in supply and demand in the drybulk shipping industry, including the market for our vessels;
- changes in the value of our vessels;
- changes in our business strategy and expected capital spending or operating expenses, including drydocking, surveys, upgrades and insurance costs;
- competition within the drybulk industry;
- seasonal fluctuations within the drybulk industry;
- our ability to employ our vessels in the spot market and our ability to enter into time charters after our current charters expire;
- general economic conditions and conditions in the oil and coal industry;
- our ability to satisfy the technical, health, safety and compliance standards of our customers;
- the failure of counterparties to our contracts to fully perform their obligations with us;
- our ability to execute our growth strategy;
- international political conditions, including additional tariffs imposed by China and the United States;
- potential disruption of shipping routes due to weather, accidents, political events, natural disasters or other catastrophic events;
- vessel breakdowns;
- corruption, piracy, military conflicts, political instability and terrorism in locations where we may operate, including the recent conflicts between Russia and Ukraine;
- fluctuations in interest rates and foreign exchange rates and changes in the method pursuant to which the London Interbank Offered Rate (“LIBOR”) and other benchmark rates are determined;
- changes in the costs associated with owning and operating our vessels;
- changes in, and our compliance with, governmental, tax, environmental, health and safety regulations, including the International Maritime Organization, or IMO 2020, regulations limiting sulfur content in fuels;
- potential liability from pending or future litigation;
- our ability to procure or have access to financing, our liquidity and the adequacy of cash flows for our operations;
- the continued borrowing availability under our debt agreements and compliance with the covenants contained therein;
- our ability to fund future capital expenditures and investments in the construction, acquisition and refurbishment of our vessels;
- our dependence on key personnel;
- our expectations regarding the availability of vessel acquisitions and our ability to buy and sell vessels and to charter-in vessels as planned or at prices we deem satisfactory;
- adequacy of our insurance coverage;
- effects of new technological innovation and advances in vessel design; and
- the other factors set out in “Item 3. Key Information—Risk Factors”.

We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events except as required by law.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Capitalization and Indebtedness

Not applicable.

Reasons for the Offer and Use of Proceeds

Not applicable.

RISK FACTORS

In addition to the other information included in this annual report, the considerations listed below could have a material adverse effect on our business, financial condition or results of operations, or cash flows, or ability to pay dividends, or future prospects, or financial performance, resulting in a decline in the trading price of Grindrod Shipping's ordinary shares. The risks set forth below comprise all material risks currently known to us. These factors should be considered carefully, together with the information and financial data set forth in this annual report.

Risk Factors Summary

An investment in our common stock is subject to a number of risks. The following summarizes some, but not all, of these risks. Please carefully consider all of the information discussed in "Item 3. Key Information—Risk Factors" in this annual report for a more thorough description of these and other risks.

Risks Related to Our Industry

- Global economic conditions could negatively affect the markets in which we operate and could affect our results;
- Outbreaks of epidemic and pandemic diseases, including COVID-19, and governmental responses thereto, could affect our results;
- Charter rates and spot markets for drybulk carriers are volatile, which could affect our results;
- The fair market values of our vessels are volatile which could limit our borrowings, cause us to breach covenants or result in impairment losses;
- An inability to effectively time investments in and divestments of vessels could affect our business strategy;
- An over-supply of drybulk carrier capacity may lead to a reduction in drybulk carrier charter rates;
- We operate in the highly competitive international shipping industry and we may not be able to successfully compete;
- Our drybulk shipping charter rates and spot rates will be subject to seasonal and cyclical fluctuations;
- We are subject to complex laws and regulations, that can affect the cost, manner or feasibility of doing business;
- Climate change and greenhouse gas restrictions may adversely affect our operating results;
- Our growth depends on continued growth in demand for commodities and the seaborne transportation of such cargoes;
- If we cannot meet our customers' requirements we may not be able to operate our vessels profitably;
- World events, including terrorist attacks and regional conflict, could affect on our results;
- Increasing trade protectionism and unraveling multilateral trade agreements could impact our client's and our business;
- Acts of piracy on ocean-going vessels may impact our business;
- We are subject to international safety regulations and requirements imposed by our classification societies and the failure to comply with these regulations may affect our business;
- Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business;
- Changes in fuel, or bunker, prices may adversely affect our profits;
- Long-term technological innovations could expose us to lower vessel utilization and/or decreased charter rates;
- We operate drybulk carriers worldwide and, as a result, our business has inherent operational risks;
- Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flows;
- Labor interruptions could disrupt our business;
- Our vessels may call on ports located in countries that are subject to restrictions which could affect our reputation;
- We could be adversely affected by violations of worldwide anti-corruption laws;
- The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us; and
- Governments could requisition our vessels during a period of war or emergency, which could affect our results.

Risks Related to Our Business

- Our drybulk vessels are employed in the spot market and a decrease in drybulk spot rates could affect our results;
- A reduction in charter rates, spot market rates, market deterioration or the aging of our Fleet may result in impairment charges against our vessels;
- We depend on certain customers for our revenue who could default on their obligations;
- A drop in spot market rates may provide an incentive for customers to default on their charters and contracts;
- We are subject to certain risks with respect to our counterparties to contracts, which could cause us to suffer losses;
- We may be unable to attract and retain key management personnel and other employees, which could affect our results;
- The aging of our vessels may result in increased operating costs in the future, which could affect our results;
- We may not have adequate insurance to compensate us for losses due to the inherent risks in the industry;
- We may have difficulty managing our planned growth properly;
- Grindrod Shipping depends on its subsidiaries to distribute funds to it;
- Our future capital needs are uncertain and we may need to raise additional funds in the future;
- Servicing our current or future indebtedness and meeting certain financing obligations limits available funds;
- We are exposed to volatility in benchmark rates (in particular LIBOR) which could affect our results;
- The interest rates incurred under our credit facilities may be impacted by the phasing out of LIBOR;

- We are leveraged, which could significantly limit our ability to execute our business strategy;
- Utilising derivative instruments, such as forward freight or bunker swap agreements, could affect our results;
- We may be subject to litigation that could affect our results;
- Some of the vessels in our Fleet are operated by third-party technical managers which may affect our results;
- Some of the third-party managers are privately held companies with limited public information available;
- Security breaches and disruptions to our information technology infrastructure could affect our operations;
- Exchange rate fluctuations could cause exchange rate losses;
- If we are unable to operate our financial and operations systems effectively, our performance may be affected;
- We need to maintain our relationships with local shipping agents, port and terminal operators;
- Prolonged disruption in the loading and unloading of our vessels and port congestion could affect our operations;
- If we acquire and/or operate secondhand vessels, we could be exposed to increased operating costs;
- Technological innovation could reduce our charter hire income and the value of our vessels;
- Newbuilding projects are subject to risks that could cause delays, cost overruns or cancellations;
- Our failure to comply with data privacy laws could damage our customer relationships and expose us to litigation; and
- We currently bank with a limited number of financial institutions, which subjects us to credit risk.

Risks Relating to Our Ordinary Shares

- There may not be a liquid market for the Grindrod Shipping ordinary shares;
- Certain shareholders own large portions of our ordinary shares, which may influence the outcome of significant votes;
- The Grindrod Shipping ordinary shares are traded on two stock exchanges and this may result in price variations;
- If analysts do not publish research or reports about our business, our share price and trading volume could decline;
- Grindrod Shipping may not have sufficient distributable profits to distribute dividends or assets to shareholders;
- Any shareholder whose principal currency is not the U.S. dollar is subject to currency risk on dividends paid;
- Grindrod Shipping is a Singapore company, and shareholder rights differ from those under U.S. law;
- Grindrod Shipping is subject to the laws of Singapore, which differ from the laws of the United States;
- Anti-takeover provisions under Singapore law may affect a future takeover or change of control of Grindrod Shipping, which could affect the share price;
- Under Singapore law, shareholder approval is required to allow us to issue new shares;
- The Jumpstart Our Business Startups Act of 2012 allows us to postpone the date by which we must comply with some disclosure and investor protection laws;
- As a “foreign private issuer” we are permitted to follow certain home country corporate governance practices;
- If we lost foreign private issuer status, we would be required to comply with the Exchange Act’s domestic reporting regime;
- If we fail to establish and maintain proper internal controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired;
- We incur certain significant costs as a company whose ordinary shares are publicly traded in the United States;
- We are subject to significant scrutiny and expectations with respect to our Environmental, Social and Governance (“ESG”) policies; and
- Certain of Grindrod Shipping’s directors may have actual or potential conflicts of interest.

Tax Risks

- We may have to pay tax on U.S. source income, which would reduce our earnings;
- U.S. tax authorities could treat us as a “passive foreign investment company.”
- We may be subject to taxes, which may reduce our cash available for distribution to our shareholders; and
- Grindrod Shipping shareholders may be subject to Singapore taxes.

Risks Related to Our Industry

Global economic conditions, in particular in China and the rest of the Asia-Pacific region, could negatively affect the markets in which we operate which could have a material adverse effect on our business, financial condition, cash flows, results of operations and ability to obtain financing.

The world economy is currently facing a number of challenges, including the COVID-19 pandemic and recent turmoil and hostilities in various regions, including Ukraine, Russia, Azerbaijan, North Korea, Myanmar, the Middle East, including Iran, Iraq, Syria, the Persian Gulf, Yemen, North Africa and the Gulf of Guinea. Drybulk demand is directly linked to the global macroeconomic landscape and there has historically been a strong link between the development of the world economy and demand for energy, including iron ore, coal and other commodities. An extended period of deterioration in the outlook for the world economy could reduce the overall demand for iron ore, coal and other commodities and for our services. Continuing economic instability could have a material adverse effect on our ability to implement our business strategy.

The United States, Europe and other parts of the world are likely to see gross domestic product ("GDP") grow at a slower rate than in prior years. The credit markets in the United States and Europe have experienced significant contraction, deleveraging and reduced liquidity in 2008 and again in 2020, and the United States federal and state governments and European authorities have implemented and/or are considering a broad variety of governmental action and/or new regulation of the financial markets and may implement additional regulations in the future. Securities and futures markets and the credit markets are subject to comprehensive statutes, regulations and other requirements. The Securities and Exchange Commission, or the SEC, other regulators, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, and may effect changes in law or interpretations of existing laws.

Economic slowdown in the Asia Pacific region, particularly in China, may exacerbate the effect on us, as we anticipate a significant number of the port calls made by our vessels and those of our competitors will continue to involve the loading or discharging of drybulk commodities such as iron ore and coal in ports in the Asia Pacific region. Before the global financial crisis that began in 2008, China had one of the world's fastest growing economies in terms of GDP, which had a significant impact on shipping demand. China's GDP is estimated to have expanded for the year ended December 31, 2021, but if adjusted for the low-base in 2020 as a result of the COVID -19 pandemic, the real GDP growth rate would be lower. The real growth rate continues to remain below pre-2008 levels. It is possible that China and other countries in the Asia Pacific region will continue to experience slowed or even negative economic growth in the future. Moreover, economic slowdown in the economies of the United States, Europe and other Asian countries may further adversely affect economic growth in China and elsewhere. Our business, financial condition, cash flows and results of operations, as well as our future prospects, will likely be materially and adversely affected by a further economic downturn in any of these countries or geographic regions.

Global financial markets and economic conditions have been and continue to be volatile. Credit markets and the debt and equity capital markets have been distressed and the uncertainty surrounding the future of the global credit markets has resulted in reduced access to credit worldwide. These issues, along with significant write-offs in the financial services sector, the re-pricing of credit risk and the current weak economic conditions, have made, and will likely continue to make, it challenging to obtain additional financing. In addition, the current state of global financial markets and current economic conditions might adversely impact our ability to issue additional equity at prices which will not be dilutive to our existing shareholders or preclude us from issuing equity at all.

Also, as a result of concerns about the stability of financial markets due to supply disruptions, rising energy prices, the increase in the risk of inflation and the solvency of counterparties specifically, the cost of obtaining money from the credit markets has increased. We cannot be certain that financing will be available to the extent required to implement our business strategy, or that we will be able to refinance our credit facilities in due course, on acceptable terms or at all. If financing or refinancing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they become due or we may be unable to enhance our existing business, acquire newbuildings and additional vessels or otherwise take advantage of business opportunities as they arise.

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 and adverse changes in market conditions and regulatory climate in the United States and worldwide may adversely affect our business or affect our ability to borrow amounts under credit facilities or any future financial arrangements. The recent and developing economic and governmental factors, together with possible further declines in charter rates and vessel values, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

These global economic conditions have in the past and may continue to have in the future a number of adverse consequences for drybulk and other shipping sectors, including, among other things:

- low charter rates, particularly for vessels employed on short-term time charters or in the spot market;
- decreases in the market value of drybulk carriers and tankers and limited second-hand market for the sale of vessels;
- limited financing for vessels;
- widespread loan covenant defaults; and
- declaration of bankruptcy by certain vessel operators, vessel owners, shipyards and charterers.

The occurrence of one or more of these events could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Outbreaks of epidemic and pandemic diseases, and governmental responses thereto, could adversely affect our business. The COVID-19 pandemic, and measures to contain its spread, have impacted the markets in which we operate and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The COVID-19 pandemic, and measures to contain its spread, continues to negatively impact regional and global economies and trade patterns in markets in which we operate, the way we operate our business, and the businesses of our customers and suppliers. Governments in affected countries are imposing travel bans, quarantines and other emergency public health measures and a number of countries have implemented lockdown measures. Companies, including us, are also taking precautions, such as requiring employees to work remotely, and imposing travel restrictions. These restrictions have had an adverse impact on global economic conditions, resulted in turmoil in the shipping, credit and other markets which affect us, and introduced new risks to our operations, some of which may not yet have become evident to us. As a result of these measures, our vessels may not be able to call on ports, or may be restricted from departing from ports, and the duration of voyages may increase in order to accommodate mandatory minimum periods between port calls which could increase our costs and delay the due date for payment of freight to us. In addition we may experience severe operational disruptions and delays, unavailability of normal port infrastructure and services including limited access to equipment, critical goods and personnel, closure of ports and customs offices, inability to renew or maintain the required classifications of our vessels, difficulty in executing vessel purchases or sales, potential decreases in the market values of vessels and related impairment charges, disruptions to crew change, quarantine of ships and/or crew, counterparty credit strength, limitations on sources of cash and liquidity, noncompliance with covenants in our credit facilities and financing lease obligations, as well as disruptions in the supply chain and industrial production which may lead to reduced cargo supply and/or the demand for such cargo and thus to a decline in the demand for our services, among other potential consequences. Ongoing prevention and mitigation measures, and negative economic and trade impacts of the COVID-19 outbreak could materially and adversely affect our future operations, our business, financial condition and cash flows. The extent of the COVID-19 outbreak's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures and the impact on the global economy, all of which are uncertain and difficult to predict considering the rapidly evolving situation. As a result, the ultimate severity of the COVID-19 pandemic is uncertain at this time and therefore we cannot predict the impact it may have on our future operations, which impact could be material and adverse.

Charter rates and spot markets for drybulk carriers are volatile and may decrease in the future, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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 carriers has varied widely; however, a downturn in the drybulk charter market will severely affect the entire drybulk shipping industry and charter rates for drybulk carriers will decline significantly. In the past, time charter and voyage charter rates for drybulk carriers have declined below operating costs of vessels. The Baltic Dry Index, or the BDI, an index of daily average of charter rates for key drybulk routes published by the Baltic Exchange Limited, which has long been viewed as the main benchmark to monitor the movements of the drybulk vessel charter market and the performance of the entire drybulk shipping market, declined approximately 97.5% from its high of 11,793 in May 2008 to 290 on February 10, 2016 and has remained volatile since then. During the year ended December 31, 2021, the BDI rose to an average of 4,948 from an average of 1,066 in the previous year. As of March 23, 2022, the BDI was 2,575.

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 drybulk 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 currently employ our vessels primarily in the spot market or spot market-oriented pools and do not have a significant amount of fixed revenue cover, we are exposed to the cyclicality and volatility of the spot market. Spot rates may fluctuate significantly based upon the supply of and demand for seaborne shipping capacity, and we may employ our vessels in these short-term markets at lower rates. 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 adversely affect asset values and our profitability, cash flows and ability to pay dividends, if any, in the future, on our ordinary shares, and capital and interest on our indebtedness. Furthermore, a significant decrease in charter rates would cause asset values to decline and we may have to record an impairment charge in our financial statements which could adversely affect our financial results.

Factors that influence demand for drybulk carrier 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 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, tariffs and strikes;
- disruptions and developments in international trade including additional trade tariffs imposed;
- economic slowdowns caused by public health events such as the COVID-19 pandemic;
- the cost of steel and labor;
- the cost and availability of financing;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- environmental and other regulatory developments;
- competition from alternative sources of energy;
- international sanctions, embargoes, import and export restrictions, nationalizations and wars;
- currency exchange rates; and
- weather, natural disasters and other catastrophic events may disrupt drybulk trading patterns.

Factors that influence the supply of drybulk carrier capacity include:

- the number of newbuilding orders and deliveries, including slippage in deliveries;
- the number of shipyards and ability of shipyards to deliver vessels;
- port or canal congestion;
- the scrapping rate of older vessels;
- environmental concerns and regulations;
- changes in international regulations that may result in the reduced carrying capacity of vessels or early obsolescence of tonnage;
- speed of vessel operation;
- vessel casualties;
- weather; and
- the number of vessels that are out of service, namely those that are laid-up, drydocked, awaiting repairs or otherwise not available for hire.

In addition to the prevailing and anticipated charter rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to newbuilding and scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and 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 and other 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 carriers will be dependent upon economic growth in the world's economies, mainly China and India, seasonal and regional changes in demand, changes in the capacity of the global drybulk fleet and the sources and supply of drybulk cargo to be transported by sea. Adverse economic, political, social or other developments could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The fair market values of our drybulk carriers and remaining tanker are volatile and may decline in the future, which could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our credit facilities, or result in an impairment charge, and we may incur a loss if we sell a vessel following a decline in its market value.

The fair market values of our drybulk carriers and remaining tanker have been very volatile and may continue to fluctuate depending on a number of factors, including:

- prevailing levels of charter rates;
- the duration and impact of COVID-19;
- general economic and market conditions affecting the shipping industry;
- competition from varying types and sizes of vessels;
- the ages of vessels;
- the supply of and demand for vessels;
- other modes of transportation;
- the cost of newbuildings;
- governmental and other regulations;
- the need to upgrade vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise;
- bunker prices; and
- competition from other shipping companies.

If the fair market values of our vessels decline, the amount of funds we may draw down under our credit facilities may be limited and we may not be in compliance with certain covenants contained in our credit facilities, which may result in an event of default. In such circumstances, we may not be able to refinance our debt or obtain additional financing. If we are not able to comply with the covenants in our credit facilities, and are unable to remedy the relevant breach, our lenders could accelerate our debt and foreclose on the mortgaged vessels in our Fleet. In addition, if we sell one or more of our vessels at a time when vessel prices have fallen, the sale may be less than the vessel's carrying value on our financial statements, resulting in a loss on sale and a reduction in earnings, which could be material. See "Item 5. Operating and Financial Review and Prospects —Liquidity and Capital Resources".

Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of such acquisitions may increase and this could have a material adverse effect on our business, financial condition, cash flows and results of operations.

An inability to effectively time investments in and divestments of vessels could prevent the implementation of our business strategy and negatively impact our business, financial condition, cash flows and results of operations.

In order to maintain a young fleet, we are required to replace older vessels with newer ones over time. In order to do so, we intend to grow our Fleet by entering into long-term chartering and newbuildings contracts, making acquisitions and disposals in the resale and second-hand markets and exercising purchase options in certain of our long-term charter contracts. Our business is greatly influenced by long-term chartering contracts, the timing of investments and/or divestments, the exercise of our purchase options to acquire vessels and contracting of newbuildings. As of the date of this annual report, we have purchase options to acquire five vessels that we time charter. For a discussion of the terms of these purchase options, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Overview". If we are unable to identify the optimal timing of such investments, of the exercise of our purchase options, of divestments or of contracting of newbuildings in relation to the shipping value cycle or unable to execute at the optimal timing due to capital constraints or other reasons, this could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Drybulk carrier values have generally experienced high volatility. Investors can expect the fair market value of our vessels to fluctuate, depending on general economic and market conditions affecting the drybulk industries and competition from other shipping companies, types and sizes of vessels and other modes of transportation. In addition, as vessels age, they generally decline in value. These factors will affect the value of our vessels for purposes of covenant compliance under the credit facilities and at the time of any vessel sale. If for any reason we sell a vessel at a time when vessel prices have fallen, the sale may be at less than such vessel's carrying amount on our financial statements, with the result that we could also incur a material loss on the sale and a reduction in earnings and reserves. The carrying values of our vessels may not represent their fair market value at any point in time. At the end of each reporting period and on a continuous basis, if indicators of impairment are present, the carrying amount of tangible and intangible assets is assessed to determine whether there is any indication that those assets may have suffered an impairment loss. We also assess the carrying value of an asset when we have contracted to divest of the asset for any reason, including the age of our vessels, if a joint venture that owns vessels comes to an end in accordance with its terms or if the asset no longer fits into our strategic planning. See "Item 5. Operating and Financial Review and Prospects—Critical Accounting Policies and Estimates".

An over-supply of drybulk carrier capacity may lead in the future to a reduction or depression in drybulk carrier charter rates, as has happened in the past, and lead to a reduction in the value of our vessels, which may limit our ability to operate our drybulk carriers profitably.

The market supply of drybulk carriers has increased significantly since the beginning of 2005. As of February 2022, newbuilding orders, which extend to 2024 and beyond, had been placed for approximately 6.8% of the existing global drybulk fleet capacity for drybulk vessels greater than 10,000 dwt. The current orderbook is small but could increase once again. Drybulk carrier supply growth has in previous years outpaced drybulk carrier demand growth, causing downward pressure on drybulk charter rates. If the capacity of new drybulk carriers delivered exceeds the capacity of drybulk carriers being scrapped, drybulk capacity will increase. Until the new supply is fully absorbed by the market, drybulk charter rates may continue to be under pressure in the near to medium term and this could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We operate in the highly competitive international shipping industry and we may not be able to compete for charters and contracts of affreightment, or COAs, 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. The competition in the market is based primarily on supply and demand and we compete for charters and COAs on the basis of price, vessel location, size, age, the condition of the vessel, our and our third-party commercial managers' reputations, and, particularly in the tanker sector, the acceptability of the vessel and its technical managers and operators to the charterers.

We compete primarily with other independent and state-owned drybulk vessel-owners. Our competitors may have more resources than us and may operate vessels that are newer, and therefore more attractive to charterers, than our vessels. Ownership and control of drybulk carriers is highly fragmented and is divided among a large number of players including publicly listed and privately owned shipping companies, mining companies, commodity trading houses, private equity and other investment funds and state-controlled owners. Due in part to the highly fragmented markets in which we operate, competitors with greater resources could enter the drybulk shipping industries 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 competitors may be able to offer better prices than us, which could result in our achieving lower revenue from our vessels and our business, financial condition, cash flows and results of operations could be materially adversely affected.

Our drybulk shipping charter rates and spot rates will be subject to seasonal and cyclical fluctuations, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We operate our drybulk carriers in markets that have historically exhibited seasonal variations in demand and, as a result, in charter rates. This seasonality may result in volatility in our operating results to the extent that we enter into new charter agreements or renew existing agreements during a time when charter rates are weaker or we operate our vessels in the spot market or on index-based time charters or have index-based COAs, which may result in quarter-to-quarter volatility in our operating results.

The drybulk sector is typically stronger in the northern hemisphere fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere. The celebration of Chinese New Year in the first quarter of each year, usually results in lower volumes of seaborne trade into China during this period. In addition, unpredictable weather patterns tend to disrupt vessel routing and scheduling as well as the supply of certain commodities.

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

Our operations are subject to numerous international, national, state and local laws, regulations, treaties and conventions in force in international waters and the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. These laws and regulations include, but are not limited to, the U.S. Oil Pollution Act of 1990, or OPA, the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, the U.S. Clean Air Act of 1970, as amended by the Clean Air Act Amendments of 1977 and 1990, or the CAA, the U.S. Clean Water Act, or the CWA, and the U.S. Maritime Transportation Security Act of 2002, or the MTSA, and regulations of the UN International Maritime Organization, or IMO, including the International Convention for the Prevention of Pollution from Ships of 1973, or MARPOL, including the designation of Emission Control Areas, or ECAs, thereunder, the International Convention for the Safety of Life at Sea of 1974, or SOLAS, the International Convention on Civil Liability for Bunker Oil Pollution Damage of 2001, or BUNKER, the International Convention of Civil Liability for Oil Pollution Damage of 1969, or CLC, the International Ship and Port Facility Security Code, or the ISPS code, and the International Convention on Load Lines of 1966, or the LL Convention.

Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or implementation of operational changes, and the need for such actions may affect the resale value or useful lives of our vessels. These costs could have a material adverse effect on our business, financial condition, cash flows and results of operations, or our ability to offer competitive charter rates. 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. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with them or the impact thereof on the fair market values 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. For example, the International Convention for the Control and Management of Ships' Ballast Water and Sediments, or the BWM Convention, adopted by the IMO in February 2004, calls for the phased introduction of mandatory reduction of living organism limits in ballast water over time (as discussed further below). In order to comply with these living organism limits, vessel owners may have to install expensive ballast water treatment systems. The BWM Convention entered into force on September 8, 2017 and while we believe that our vessels have been or will be fitted with systems that will comply with the standards, there can be no assurance that these systems have been or will be approved by the regulatory bodies of every jurisdiction in which we may wish to conduct our business.

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 jointly and severally strictly liable for the discharge of oil within the 200-mile exclusive economic zone around the United States (unless the spill results solely from, under certain limited circumstances, the act or omission of a third party, an act of God or an act of war). An oil spill could result in significant liability, including fines, penalties, criminal liability and remediation costs for natural resource damages under other international and U.S. federal, state and local laws, as well as third-party damages, including punitive damages, and could harm our reputation with current or potential charterers of our drybulk carriers and tanker.

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, and certificates with respect to our operations, and satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have 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, financial condition, cash flows, or results of operations. See "Item 4. Information on the Company—Business Overview—Environmental and Other Regulations".

Climate change and greenhouse gas restrictions may adversely affect our operating results.

An increasing concern for, and focus on, climate change has promoted extensive existing and proposed international, national and local regulations intended to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Any passage of climate control legislation or other regulatory initiatives by the IMO, the European Union, the United States or other countries where we operate, or any treaty adopted at the international level, that restrict emissions of greenhouse gases could require us to make significant financial expenditures that we cannot predict with certainty at this time. Compliance with such regulations and our efforts to participate in reducing greenhouse gas emissions will likely increase our compliance costs, require significant capital expenditures to reduce vessel emissions and require changes to our business. Even in the absence of climate control legislation and regulations, our business and operations may be materially affected to the extent that climate change results in sea level changes or more intense weather events. See "Item 4. Information on the Company—Business Overview—Environmental and Other Regulations".

Adverse effects upon the oil and gas industry relating to climate change, including growing public concern about the environmental impact of climate change, may also adversely affect demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for coal in the future or create greater incentives for use of alternative energy sources. Therefore, any long-term material adverse effect on the coal industry could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Our growth depends on continued growth in demand for commodities including iron ore and coal and the continued demand for seaborne transportation of such cargoes. A shift in consumer demand towards other energy sources or changes to trade patterns for these commodities could have a material adverse effect on our business, financial condition, cash flows and results of operations.

A significant portion of our earnings are related, directly or indirectly, to the global demand for commodities including iron ore and coal. A shift in the consumer demand from these commodities towards other energy resources such as liquefied natural gas, wind energy, solar energy, or water energy will potentially affect the demand for our drybulk carriers. This could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, our growth depends on continued growth in world and regional demand for commodities and the transportation of such cargoes by sea, which could be negatively affected by a number of factors, including:

- technology developments and their effect on factors such as cost, alternative or substitute products, alternative methods of production and the location of production;
- the economic and financial developments globally, including actual and projected global economic growth;
- fluctuations in the actual or projected price of crude oil, refined petroleum products or other bulk liquids;
- refining capacity and its geographical location;
- increases in the production of oil or natural gas in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets we may serve, or the conversion of existing non-oil pipelines to oil pipelines in those markets;
- decreases in the consumption of oil or natural gas due to increases in its price relative to other energy sources, and other factors making consumption of oil or natural gas less attractive or energy conservation measures;
- availability of new, alternative energy sources; and
- negative or deteriorating global or regional economic or political conditions, particularly in oil-consuming regions, which could reduce energy consumption or its growth.

Seaborne trading and distribution patterns are primarily influenced by the relative advantage of the various sources and locations of production, locations of consumption, pricing differentials and seasonality. Changes to the trade patterns of commodities such as iron ore or coal may have a significant negative or positive impact on our revenue. This could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The refining and chemical industries may respond to any economic downturn and demand weakness by reducing operating rates, partially or completely closing refineries and plants and by reducing or cancelling certain investment expansion plans, including plans for additional refining capacity, in the case of the refining industry. Continued reduced demand for refined petroleum products and other bulk liquids and the shipping of such cargoes or the increased availability of pipelines used to transport refined petroleum products and bulk liquid chemicals would have a material adverse effect on our future growth and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

If we cannot meet our customers' quality and compliance requirements we may not be able to operate our vessels profitably which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Customers have a high and increasing focus on quality and compliance standards with their suppliers across the entire value chain, including the shipping and transportation segment. Our continuous compliance with these standards and quality requirements is vital for our operations. Related risks could materialize in multiple ways, including a sudden and unexpected breach in quality and/or compliance concerning one or more vessels, and a continuous decrease in the quality concerning one or more vessels occurring over time. Any noncompliance by us, either suddenly or over a period of time, on one or more vessels, above and beyond what we deliver, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

World events, including terrorist attacks and regional conflict, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Past terrorist attacks, as well as the threat of future terrorist attacks around the world, continue to cause uncertainty in the world's financial markets and may affect our business, operating results and financial condition. Continuing conflicts and recent developments in Ukraine, Russia, Azerbaijan, North Korea, Myanmar, the Middle East, including Iran, Iraq, Syria, the Persian Gulf, Yemen, North Africa and the Gulf of Guinea, and the presence of the United States or other armed forces in the Middle East, 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. Recently, government leaders have declared that their countries may turn to trade barriers to protect or revive their domestic industries in the face of foreign imports. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. War in a country in which a material supplier, including crew supply services, or customer of ours is located could impact that supply to us or our ability to earn revenue from that customer. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea, the Gulf of Aden off the coast of Somalia and West Africa. Restrictions on imports, including in the form of tariffs, as discussed further below, have had and could have a major impact on global trade and demand for shipping. Please also refer to "—Outbreaks of epidemic and pandemic diseases, and governmental responses thereto, could adversely affect our business. COVID-19, and measures to contain its spread, have impacted the markets we operate in and could have a material adverse effect on our business, financial condition, cash flows and results of operations." above. Any of these occurrences could have a material adverse effect on our business, financial condition, cash flows and results of operations.

An increase in trade protectionism and the unraveling of multilateral trade agreements 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.

Our operations expose us to the risk that increased trade protectionism will adversely affect our business. Government leaders may determine that their countries may turn to trade barriers to protect or revive their domestic industries in the face of foreign imports, thereby depressing the demand for shipping. The United Kingdom formally left the European Union on January 31, 2020, although a transition period remained in place until December 2020. The Brexit transition period ended in January 2021 and the EU-UK Trade and Cooperation Agreement formally entered into force in May 2021. It is still to be seen whether this and other trade agreements will encourage free trade and co-operation in the region over the long term. In the United States, the new administration under President Biden completed Phase One of the trade agreement with China which was primarily based on increased exports from the United States to China in exchange for reduced tariffs. There is still uncertainty about the future relationship between the United States and China as well as other exporting countries in the Asia Pacific region with respect to trade policies, treaties, government regulations and tariffs. Any of these recent and future changes could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Restrictions on imports, including in the form of tariffs, has had and could continue to have a major impact on global trade and demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve may cause an increase in (i) the cost of goods exported from exporting countries such as China and Mexico, (ii) the length of time required to deliver goods from exporting countries, (iii) the costs of such delivery and (iv) risks associated with exporting goods. These factors may result in a decrease in the quantity of goods to be shipped. Protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and has and may continue to significantly reduce or otherwise impact global trade, including trade between the United States and China. These developments would have an adverse impact on our charterers' business, operating results and financial condition. This could, in turn, affect our charterers' ability to make timely charter hire payments to us and impair our ability to renew charters and grow our business. This could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows.

Acts of piracy on ocean-going vessels may have a material adverse effect on our business, financial condition, cash flows and results of operations.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean, in the Gulf of Aden off the coast of Somalia and, in more recent times, the Gulf of Guinea. Sea piracy incidents continue to occur, particularly in the Gulf of Aden off the coast of Somalia, in the Gulf of Guinea and the west coast of Africa, with drybulk carriers vulnerable to such attacks. Acts of piracy may result in death or injury to persons or damage to property. If these piracy attacks result in regions in which our vessels are deployed being characterized as "war risk" zones by insurers or by the Joint War Committee of Lloyds Insurance and IUA Company, or Joint War Committee, as "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including costs of employing on-board security guards, could increase in such circumstances. In some circumstances where one of our vessels is chartered-out or on time charter, the time charterer may have limited liability for charter payments in the event of an act of piracy and may also claim that a vessel seized by pirates is not "on-hire" for a certain number of days and that they are therefore entitled to cancel the charter party, a claim that we would dispute. Voyage charterers do not bear any of the liability relating to acts of piracy except for possible contributions in general average. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, any 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 effect on our business, financial condition, cash flows and results of operations.

We are subject to international safety regulations and requirements imposed by our classification societies and the failure to comply with these regulations and requirements 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 International Management Code for the Safe Operation of Ships and for Pollution Prevention, or the ISM Code. The ISM Code requires vessel owners, vessel 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 of vessels and describing procedures for dealing with emergencies. In addition, vessel classification societies impose significant safety and other requirements on our vessels. The failure of a vessel owner 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 our vessels is ISM Code-certified or will be ISM Code-certified when delivered to us. However, if we are subject to increased liability for non-compliance, if our insurance coverage is adversely impacted as a result of non-compliance or if any of our vessels are denied access to, or are detained in, certain ports as a result of non-compliance with the ISM Code, it could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, 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 SOLAS. The cost of maintaining our vessels' classifications, or class, may be substantial. 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 have a material adverse effect on our business, financial condition, cash flows and results of 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 could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Changes in fuel, or bunker, prices may adversely affect our profits.

Fuel, or bunkers, is a significant portion of our expenses when we are responsible for voyage expenses in operating our vessels and changes in the price of fuel may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply of and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. In February 2022, crude oil prices increased to a new seven year high impacted by the Russia-Ukraine conflict and the sanctions and other measures imposed on Russia by the United Kingdom, European Union, the United States and other countries. Sanctions and trade restrictions have increased uncertainty in global energy markets and fuel may become much more expensive in the future, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, the purchase of more costly fuels for our vessels to comply with IMO 2020 regulations limiting sulfur content in fuels could negatively affect our business to the extent we are unable to recover the higher costs from our customers.

Long-term technological innovations could expose us to lower vessel utilization and/or decreased charter rates.

New vessel designs purport to offer material operational flexibility, increased speed, fuel economy and the ability to load and discharge cargo quicker when compared to older designs. Such savings could result in a substantial reduction of costs for charterers compared to vessels of ours. Competition from these more technologically advanced vessels may reduce demand for certain of our older vessels, impair our ability to re-charter such vessels at competitive rates, impair the resale value of such vessels and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We operate drybulk carriers worldwide and, as a result, our business has inherent operational risks, which may reduce our revenue or increase our expenses, and we may not be adequately covered by insurance.

The international shipping industry is an inherently risky business involving global operations of ocean-going vessels. 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 revenue, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

Changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. These hazards may result in death or injury to persons, loss of revenue or property, payment of ransoms, environmental damage, higher insurance rates, damage to our customer relationships, market disruptions, and interference with shipping routes (such as delay or rerouting), which may reduce our revenue or increase our expenses and also subject us to litigation.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that our insurance does not cover in full. 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 we may be forced to travel to a drydocking facility that is distant from the relevant vessel's position. The loss of earnings while our vessels are being repaired and repositioned or from being forced to wait for space, as well as the actual cost of repairs, could have a material adverse effect on our business, financial condition, cash flows and results of operations. Additionally, in certain cases we bareboat charter our vessels. Such vessels could require significant repairs when the vessel is returned to us.

The operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

In addition, the operation of a tanker has unique operational risks associated with the transportation of oil, including, among other things, oil spills, which we have experienced in the past and may experience in the future. An oil or other spill may cause significant environmental damage, and the associated costs could exceed the insurance coverage available to us. Compared to other types of vessels, tankers are exposed to a higher risk of damage and loss by fire, whether ignited by a terrorist attack, collision, or other cause, due to the high flammability and high volume of the oil transported in tankers.

Furthermore, the operation of certain vessel types, such as drybulk carriers, also 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 at sea. Hull breaches in drybulk carriers may lead to the flooding of the vessel's 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. Other bulk cargoes will include a certain amount of moisture and may "liquefy" under certain conditions which can cause the cargo to shift, render the vessel unstable and cause it to sink or suffer damage. Any of these circumstances or events could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator.

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 against those risks that we believe the shipping industry commonly insures against. These insurances include marine hull and machinery insurance, protection and indemnity insurance, war risk insurance and freight, demurrage and defense insurance, or FD&D insurance. We insure our vessels for third-party liability claims subject to and in accordance with the rules of the P&I Associations in which the vessels are entered. In this regard we are insured against some contractual claims and tort claims, including environmental damage, pollution and crew personal injury and illness claims (currently the amount of insurance coverage for pollution claims available to us on commercially reasonable terms through P&I Associations is limited to $1 billion per vessel per incident). The objective of a P&I Association is to provide mutual insurance based on the aggregate tonnage of a member's vessels entered into the association. Claims are paid through the aggregate premiums of all members of the association, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims payable by the association. Claims payable by the association may include those incurred by members of the association, as well as claims payable by the association from other P&I Associations with which our P&I Association has entered into inter-association agreements. We cannot assure you that the P&I Associations to which we belong will remain viable or that we will not become subject to additional funding calls which could adversely affect us.

We do not currently maintain insurance against loss of hire on our vessels resulting from business interruptions that result from the loss of use of a vessel other than limited loss coverage relating to defined war risk events. The insurers may not pay particular claims as the payment of some claims may be treated as discretionary by the board of directors of the P&I Association. 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 or prevent recovery. 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, or that we will be able to obtain certain insurance coverage. 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 business, financial condition, cash flows and results of operations.

Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flows.

In certain jurisdictions, an extensive range of claims may give rise to maritime liens, such as claims by suppliers of goods and services to a vessel and cargo claims, and maritime liens against a vessel maybe granted for claims against the time charterer of that vessel. The holder of a maritime lien is entitled to enforce the claim against the vessel notwithstanding that the claim may be against another party that has an interest in the vessel. In addition, in some jurisdictions, such as South Africa under the "associated ship" procedures, a claimant may arrest either the vessel that is subject to the claimant's maritime claim or any "associated" vessel, which is any other vessel owned by the same owner or is owned by a company that is controlled, directly or indirectly by any person or persons through the owning company or the chartering company, whomever was liable, at the time the claim arose.

The arrest or attachment of one or more of our vessels could require us to pay large sums of money to have the arrest or attachment lifted. The occurrence of any of the above events could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Labor interruptions could disrupt our business.

We could be subject to industrial action or other labor unrest that could prevent or hinder our operations from being carried out normally. If not resolved in a timely and cost-effective manner, such business interruptions could have a material adverse effect on our business, financial condition, cash flows and results of operations. These effects would be exacerbated if such a disruption were to occur on one of our vessels that are manned by masters, officers and crews that are employed by third parties that we do not control.

Our vessels may call on ports located in countries that are subject to restrictions imposed by the United States, United Kingdom, United Nations or other governments, which could adversely affect our reputation and the market for our ordinary shares.

Although we do not expect that our vessels will call on ports located in countries subject to sanctions and embargoes imposed by the U.S. government and other authorities or countries identified by the U.S. government or other authorities as state sponsors of terrorism, from time to time on charterers' instructions, our vessels may call on ports located in such countries in the future. Our vessels have called on ports in Cuba and Sudan on very limited occasions in compliance with applicable sanctions, including with respect to humanitarian shipments arranged by the United States Agency for International Development, or USAID. Prior to each voyage on behalf of USAID, we confirmed that the charterer possessed a license authorizing the transactions under U.S. sanctions laws. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the United States enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or CISADA, which amended the Iran Sanctions Act. Among other things, CISADA introduced limits on the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. In 2012, President Obama signed Executive Order 13608 which prohibits foreign persons from violating or attempting to violate, or causing a violation of any sanctions in effect against Iran or facilitating any deceptive transactions for or on behalf of any person subject to U.S. sanctions. Any persons found to be in violation of Executive Order 13608 will be deemed a foreign sanctions evader and will be banned from all contacts with the United States, including conducting business in U.S. dollars. Also in 2012, President Obama signed into law the Iran Threat Reduction and Syria Human Rights Act of 2012, or the Iran Threat Reduction Act, which created new sanctions and strengthened existing sanctions. Among other things, the Iran Threat Reduction Act intensifies existing sanctions regarding the provision of goods, services, infrastructure or technology to Iran's petroleum or petrochemical sector. The Iran Threat Reduction Act also includes a provision requiring the President of the United States to impose five or more sanctions from Section 6(a) of the Iran Sanctions Act, as amended, on a person the President determines is a controlling beneficial owner of, or otherwise owns, operates, or controls or insures a vessel that was used to transport crude oil from Iran to another country and (1) if the person is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used or (2) if the person otherwise owns, operates, or controls, or insures the vessel, the person knew or should have known the vessel was so used. Such a person could be subject to a variety of sanctions, including exclusion from U.S. capital markets, exclusion from financial transactions subject to U.S. jurisdiction, and exclusion of that person's vessels from U.S. ports for up to two years.

On November 24, 2013, the P5+1 (the United States, United Kingdom, Germany, France, Russia and China) entered into an interim agreement with Iran entitled the "Joint Plan of Action", or the JPOA. Under the JPOA it was agreed that, in exchange for Iran taking certain voluntary measures to ensure that its nuclear program is used only for peaceful purposes, the United States and E.U. would voluntarily suspend certain sanctions for a period of six months. On January 20, 2014, the United States and E.U. indicated that they would begin implementing the temporary relief measures provided for under the JPOA. These measures included, among other things, the suspension of certain sanctions on the Iranian petrochemicals, precious metals, and automotive industries from January 20, 2014 until July 20, 2014. The JPOA was subsequently extended twice.

On July 14, 2015, the P5+1 and the E.U. announced that they reached a landmark agreement with Iran titled the Joint Comprehensive Plan of Action Regarding the Islamic Republic of Iran's Nuclear Program, or the JCPOA, which is intended to significantly restrict Iran's ability to develop and produce nuclear weapons for 10 years while simultaneously easing sanctions directed toward non-U.S. persons for conduct involving Iran, but taking place outside of U.S. jurisdiction and does not involve U.S. persons. On January 16, 2016, which we refer to as Implementation Day, the United States joined the E.U. and the UN in lifting a significant number of their nuclear-related sanctions on Iran following an announcement by the International Atomic Energy Agency, or the IAEA, that Iran had satisfied its respective obligations under the JCPOA.

On August 2, 2017, the United States enacted the Countering America's Adversaries Through Sanctions Act, or CAATSA. CAATSA authorizes secondary sanctions on persons worldwide who conduct certain business with Iran, Russia, and North Korea. These include secondary sanctions on persons (1) dealing with most sectors of the North Korean economy, including the transportation sector, (2) engaging in any activity related to Iran's ballistic missile program, including transportation, and (3) dealing with certain activities in the Russian energy sector, including support of Russian energy export pipelines and certain energy projects. On September 21, 2017, President Trump issued an executive order imposing additional sanctions against North Korea, including a prohibition on vessels calling at ports in the United States that have called at North Korean ports within the past 180 days or that have engaged in vessel-to-vessel transfers with vessels that have called at North Korean ports within the past 180 days. On April 6, 2018, the United States imposed sanctions on seven Russian oligarchs and certain companies they own or control, 17 senior Russian government officials, a state-owned Russian weapons trading company, and a Russian bank. These sanctions were imposed in part under CAATSA, and some were specifically for persons operating in the energy sector of the Russian Federation economy. CAATSA also requires the mandatory imposition of secondary sanctions on any non-U.S. person that knowingly facilitates significant transactions for or on behalf of these designated Russian persons or any entities in which they own, directly or indirectly, a 50% or greater interest.

On October 13, 2017, President Trump declined to certify Iran's compliance with the JCPOA. On January 12, 2018, President Trump announced that the United States did not intend to renew its sanctions waivers under the JCPOA when the waivers next expire on May 12, 2018 unless significant changes were made to the JCPOA. On May 8, 2018, President Trump announced that the United States would withdraw from the JCPOA and begin the process of reimposing sanctions that were waived under the JCPOA. The United States determined that these sanctions would be reimposed in two tranches. One set of sanctions was reimposed after a 90-day wind down period that ended August 6, 2018, and the remainder was reimposed after a 180-day wind down period that ended November 4, 2018. All sanctions that were suspended or waived under the JCPOA, including those under CISADA and the Iran Threat Reduction Act, have been in force since November 5, 2018 at the latest. The secondary sanctions related to Iran's petroleum and petrochemical sectors, energy sector, and port operators, shipping, and shipbuilding sectors were reimposed after the 180-day wind down period that ended November 4, 2018. Since such time, Iran has breached certain of its undertakings in the JCPOA, although the remaining parties to the JCPOA all continue formally to be participants in the JCPOA. On February 21, 2020, Iran was placed on the blacklist of High-Risk Jurisdictions subject to a Call for Action by the Financial Action Task Force ("FATF").

On February 24, 2022, the United States imposed additional sanctions on Russia in response to its invasion of Ukraine. Many of these sanctions are targeted at Russian banks and energy companies and Russian sovereign debt. The range of sanctions includes prohibitions on dealings in the debt or equity of certain Russian companies, as well as blocking sanctions imposed on many Russian individuals and entities. Similar sanctions have been imposed in coordination with the United States by the United Kingdom, European Union, and other countries. On March 8, 2022, President Biden issued an executive order prohibiting the importation into the United States of Russian-origin crude oil, petroleum, petroleum fuels, oil, liquefied natural gas, coal, and coal products, and prohibiting new investment by U.S. persons in the Russian energy sector. On March 11, 2022 President Biden issued an executive order prohibiting, among other things, the importation of various Russian-origin products, including seafood, alcohol, and non-industrial diamonds, into the United States and the exportation of luxury goods to Russia.

Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in an occurrence of an event of default under our credit facilities, fines or other penalties and could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our securities may adversely affect the price at which our securities trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation or result in an inability to collect freight and demurrage when due. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments. Investor perception of the value of our securities may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries. The war in the Ukraine and sanctions against Russia has or may result in a negative impact on the availability of Russian and Ukrainian crews with a resulting global shortage of vessel crew and this may in turn result in higher crewing costs or an increase in the number of idle ship days.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, and other applicable worldwide anti-corruption laws.

We are subject to the U.S. Foreign Corrupt Practices Act, or FCPA, and other applicable worldwide anti-corruption laws, which generally prohibit corrupt payments by us, our employees, vendors, or agents. These laws include the U.K. Bribery Act, which became effective on July 1, 2011 and which is broader in scope than the FCPA, as it prohibits bribes to any person and contains no facilitating payments exception. Under the FCPA and other applicable anti-corruption laws, we may be held liable for some actions taken by strategic or local partners and agents. We operate our vessels in some jurisdictions that international corruption monitoring groups have identified as having high levels of corruption and may utilize vendors and agents to act on our behalf in those jurisdictions. Our activities create the risk of unauthorized payments or offers of payments by one of our employees, vendors, or agents that could be in violation of the FCPA or other applicable anti-corruption laws. While we devote substantial resources to our global compliance program and have implemented policies, training, and internal controls designed to reduce the risk of corrupt payments and to comply with the FCPA and other applicable anti-corruption laws, our employees, vendors, and agents may violate our policies. We also may not be able to adequately prevent or detect all possible violations of the FCPA and other applicable anti-corruption laws. If we are found to be responsible for violations of the FCPA or other applicable anti-corruption laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others), our company and our employees could suffer from substantial civil and criminal penalties, including fines, incarceration, prohibitions or limitations on the conduct of our business, the loss of our financing facilities and significant reputational damage, including our relationships with our customers, all of which could have a material adverse effect on our business, financial condition, cash flows and results of operations. Government or regulatory investigations into potential violations of the FCPA or other applicable anti-corruption laws by Grindrod Shipping or its employees, vendors, or agents could also have a material adverse effect on our business, financial condition, cash flows and results of operations. Furthermore, detecting, investigating, and resolving actual or alleged violations of the FCPA and other applicable anti-corruption laws is expensive and can consume significant time and attention of our senior management.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face reputational damage and governmental or other regulatory claims which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Governments could requisition our vessels during a period of war or emergency, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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 its owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we may 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 could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Risks Related to Our Business

A substantial number of our drybulk vessels are employed in the spot market. Any decrease in drybulk spot rates in the future could have a material adverse effect on our business, financial condition, cash flows and results of operations.

A substantial number of our drybulk carriers are currently employed in the spot market. This exposes us to fluctuations in spot rates. The spot market may fluctuate significantly based upon drybulk carrier, cargo, energy resources, commodities and industrial products supply and demand. The successful operation of our vessels in the competitive spot charter market, depends on, among other things, obtaining profitable spot contracts and minimizing, to the extent possible, time spent waiting for employment and time spent traveling unemployed to a demand area. The spot market is very volatile, and, in the past, there have been periods when spot market rates have declined below the operating cost of vessels. If future spot market 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 pay dividends in the future. Furthermore, as spot charters may last up to several weeks, during periods in which spot rates are rising we will generally experience delays in realizing the benefits from such increases.

Our ability to renew expiring contracts or obtain new contracts on favorable terms or at all will depend on the prevailing market conditions at the time. If we are not able to extend contracts in direct continuation of current contracts or we are not able to obtain new contracts for existing or new owned vessels or new chartered-in vessels upon their delivery to us, or if new charters are entered into with our customers at charter rates substantially below the existing charter rates or on terms otherwise less favorable compared to current charter terms, this could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, we cannot assure you that we will be successful in finding employment for vessels we manage in the volatile drybulk spot market or whether any such employment will be at profitable rates. We cannot assure you that our vessels will be profitably operated by ourselves where we commercially manage our vessels outside of pools.

A reduction in charter rates, spot market rates and other market deterioration or the aging of our Fleet may require us to record impairment charges related to our long-lived assets (our vessels) and such charges may be large and have a material impact on our financial statements.

At December 31, 2021, we had vessels of $436.7 million in total on our consolidated statements of financial position, representing approximately 137% of our total equity.

At the end of each reporting period, and on a continuous basis, if indicators of impairment are present, the carrying amount of tangible and intangible assets is assessed to determine whether there is any indication that those assets may have suffered an impairment loss. We also assess the carrying value of an asset when we have contracted to divest of the asset for any reason, including the age of our vessels, if a joint venture that owns vessels comes to an end in accordance with its terms or if the asset no longer fits into our strategic planning. During the year ended December 31, 2019, we impaired vessels to the extent of $15.4 million as we contracted to sell them, we impaired a handysize vessel where the recoverable amount was below the carrying value to the extent of $1.6 million and we impaired right-of-use assets to the extent of $2.3 million where the recoverable amount was below the carrying value. During the year ended December 31, 2020, we impaired vessels to the extent of $16.3 million as we contracted to sell them. During the year ended December 31, 2021, we reversed the impairment of a drybulk carrier to the extent of $3.6 million when the decision to sell was reversed and we reversed the impairment loss on the right-of-use assets to the extent of $1.0 million as the recoverable amount exceeded the carrying value.

If there is a reduction in our estimated charter rates, or if we intend to divest additional vessels, we may be required to record further impairment charges on our vessels, which would require us to write down the carrying value of these assets to their fair value. Since vessels and from time to time vessels under construction comprise a substantial portion of our consolidated statements of financial position, such charges could have a material impact on our financial statements. See “Item 5. Operating and Financial Review and Prospects—Critical Accounting Policies and Estimates”.

We depend on certain customers for our revenue. Customers may default on their obligations to us and the terms of charters may be difficult to enforce.

For the years ended December 31, 2021, 2020 and 2019, no customers accounted for 10% or more of our drybulk business revenue. The loss of any of our significant customers, a customer's failure to make payments or perform under any of the applicable contracts, a customer's termination of any of the applicable contracts, or a decline in payments under the contracts could have a material adverse effect on our business, financial condition, cash flows and results of operations. Our contracts are governed by the law of a number of jurisdictions and provide for a variety of dispute resolution mechanisms and arbitration proceedings. There can be no assurance that we would be able to enforce any judgments against these charterers in jurisdictions where they are based or have their primary assets and operations. Even after a charter contract is entered, charterers may terminate charters early under certain circumstances.

A charterer may also terminate a charter for events that may or may not be within our control. The events or occurrences that will cause a charter to terminate or give the charterer the option to terminate the charter generally include a total or constructive total loss of the related vessel, the requisition for hire of the related vessel, the event of war in specified countries, the vessel becoming subject to seizure for more than a specified number of days, our failure to deliver the related vessel within a fixed period of time or the failure of the related vessel to meet specified performance criteria.

The ability of a customer to perform its obligations under a contract will depend on a number of factors that are beyond our control. These factors may include general economic conditions, conditions specific to the customer, the condition of the drybulk sector of the shipping industry to which the customer is exposed, and the charter rates received for specific types of vessels. The costs associated with the default by a customer may be considerable and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our customers may go bankrupt or fail to perform their obligations under the contracts, they may delay payments or suspend payments altogether, they may terminate the contracts prior to the agreed-upon expiration date or they may attempt to renegotiate the terms of the contracts. The failure of a customer to perform its obligations under a contract may mean we increase our exposure to the spot market, which is subject to greater rate fluctuation than the time charter market. If we receive lower rates under replacement contracts or are unable to re-employ all of our vessels, it could have a material adverse effect on our business, financial condition, cash flows and results of operations.

A drop in spot market rates may provide an incentive for some charterers and other customers to default on their charters and contracts.

If spot market rates decline, charterers may no longer need a vessel that is then under charter or may be able to obtain a comparable vessel at lower rates. Currently, and in the future, we may employ certain of our vessels in fixed rate time charters. When we enter into a time charter, as well as bareboat charter or COA, charter rates under that charter or contract may be fixed for the term of the charter or contract. If the spot market or term charter rates available in the drybulk shipping market or tanker shipping market become significantly lower than the rates that a customer is obliged to pay us under our existing charters or contracts, the customer may have incentive to default under that charter or contract or attempt to renegotiate the charter or contract. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, it may be difficult to secure substitute employment for such vessel, and any new employment we secure in the spot market or on time charters, or as bareboat charters or under COAs, may be at lower rates. As a result, we could sustain significant losses which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We are subject to certain risks with respect to our counterparties to contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We have entered into, and may enter into, various contracts, including pool arrangements, time charters, spot voyage charters, shipbuilding contracts, credit facilities and other agreements. Such agreements subject us to counterparty risks. The ability and willingness 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 industries and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under agreements with us, or seek to renegotiate the terms of the contract, we could sustain significant losses that could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Circumstances beyond our control could affect our customers' financial strength, and because many of our customers are privately held companies, information about the financial strength of our customers may not always be available. As a result, we might have little advance warning of financial or other problems affecting our customers and their non-performance, financial or other problems could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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

Our success depends to a significant extent upon the abilities and efforts of our management team and our ability to hire and retain key members of our management team. We do not maintain "key man" life insurance on any of our officers. The loss of any of these individuals and difficulty in hiring and retaining personnel, including key personnel, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

The aging of our vessels may result in increased operating costs in the future, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As our vessels age typically they will become less fuel-efficient and more costly to maintain than more recently constructed vessels due to improvements in engine and other 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. See "—A reduction in charter rates, spot market rates and other market deterioration or the aging of our Fleet may require us to record impairment charges related to our long-lived assets (our vessels) and such charges may be large and have a material impact on our financial statements." above.

We may not have adequate insurance to compensate us for losses that may result from our operations due to the inherent risks in the industry.

There are a number of risks associated with the operation of ocean-going vessels, including mechanical failure, collision, human error, war, terrorism, piracy, loss of life, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. Any of these events may result in loss of revenue, increased costs and decreased cash flows. In addition, the operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

We are insured against some contractual claims and tort claims (including claims related to environmental damage and pollution) through memberships in protection and indemnity associations or clubs, or P&I Associations. As a result of such membership, the P&I Associations provide us coverage for such tort and contractual claims. We also carry hull and machinery insurance and war risk insurance for our vessels. We insure our vessels for third-party liability claims subject to and in accordance with the rules of the P&I Associations in which the vessels are entered. We do not maintain cover for loss of hire or earnings arising out of insured peril events other than limited loss coverage relating to defined war risk events. We can give no assurance that we will be adequately insured against all risks. We may not be able to obtain adequate insurance coverage for our vessels in the future. The insurers may not pay particular claims. Our insurance policies contain deductibles for which we will be responsible and limitations and exclusions which may increase our costs or lower our revenue or prevent recovery.

The objective of a P&I Association is to provide mutual insurance based on the aggregate tonnage of a member's vessels entered into the association. Claims are paid through the aggregate premiums of all members of the association and the P&I Association's retained earnings, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims payable by the association. Claims payable by the association may include those incurred by members of the association, as well as claims payable by the association from other P&I Associations with which our P&I Association has entered into interassociation agreements. We cannot assure you that the P&I Associations to which we belong will remain viable or that we will not become subject to additional funding calls which could adversely affect us.

We cannot assure you that we will be able to renew our insurance policies on the same or commercially reasonable terms, or at all, in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, protection and indemnity insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm our business, financial condition, cash flows and results of operations. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our vessels failing to maintain certification with applicable maritime self-regulatory organizations. Further, we cannot assure you that our insurance policies will cover all losses that we incur, or that disputes over insurance claims will not arise with our insurance carriers. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. In addition, our insurance policies are subject to limitations and exclusions, which may increase our costs or lower our revenue, and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We may have difficulty managing our planned growth properly.

Our Fleet consists of 24 owned drybulk carriers, seven long-term chartered-in drybulk carriers, and one owned tanker. One of our principal strategies is to continue to grow by expanding our operations while prioritizing risk management and balance sheet flexibility, and we may, in the future, increase the size of our Fleet. Our future growth will primarily depend upon a number of factors, some of which may not be within our control. These factors include our ability to:

- identify suitable drybulk carriers, including newbuilding slots at shipyards and/or shipping companies for acquisition at attractive prices;
- sell older vessels at an appropriate time in the market;
- obtain required financing for our existing and new vessels and operations;
- identify businesses engaged in managing, operating or owning drybulk carriers for acquisition or joint ventures;
- integrate any acquired drybulk carriers or businesses successfully with our existing operations, including obtaining any approvals and qualifications necessary to operate vessels that we acquire;
- hire, train and retain qualified personnel and crew to manage and operate our growing business and Fleet;
- identify additional new markets;
- enhance our customer base; and
- enhance our operating, financial and accounting systems and controls.

Our failure to effectively identify, acquire, develop and integrate any drybulk vessels or businesses, or our inability to effectively manage our Fleet, could materially adversely affect our business, financial condition, cash flows and results of operations.

Furthermore, the number of employees that perform services for us and our current operating and financial systems may not be adequate as we expand the size of our Fleet, and we may not be able to effectively hire more employees or adequately improve those systems. In addition, if we further expand our Fleet, we will need to recruit suitable additional seafarers and shoreside 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 enhance our financial and operating systems or to recruit suitable employees as we expand our Fleet, it could materially adversely affect our business, financial condition, cash flows and results of operations. Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel and managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. Acquisitions may require additional equity issuances, which may dilute our ordinary shareholders, or debt issuances (with amortization payments). The effect of an acquisition may be to lower our available cash. If any such events occur, it could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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.

Grindrod Shipping is a holding company and depends on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligations and to make dividend payments.

Grindrod Shipping is a holding company and its subsidiaries conduct all of its operations and own all of its operating assets. Grindrod Shipping has no significant assets other than the equity interests in and loans to its subsidiaries. As a result, its ability to satisfy its financial obligations and to pay dividends to its shareholders depend on its subsidiaries and their ability to distribute funds to it. If Grindrod Shipping is unable to obtain funds from its subsidiaries, its board of directors may exercise its discretion not to declare or pay dividends.

Our future capital needs are uncertain and we may need to raise additional funds in the future. If we are unable to fund our future capital expenditure needs, we may not be able to continue to operate some of our vessels or continue with some or all of our future Fleet expansion plans, which would have a material adverse effect on our business, financial condition, cash flows and results of operations.

We may face liquidity issues if poor market conditions in the drybulk market return for a prolonged period. In addition, we may need to raise additional capital to maintain, replace and expand the operating capacity of our Fleet and fund our operations. Our future funding requirements will depend on many factors, including the cost and timing of vessel acquisitions, and the cost of retrofitting or modifying existing vessels as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, customer requirements or otherwise.

In order to fund our capital expenditures, we may be required to incur borrowings or raise capital through the sale of debt or equity securities. Our ability to borrow money and access the capital markets through future offerings may be limited by a number of factors, including:

- our financial performance;
- our credit ratings;
- the liquidity of the overall capital markets;
- the state of the Singapore, South African, United States and global economies;
- general economic conditions and other contingencies and uncertainties that are beyond our control; and
- the state of the drybulk industry.

We cannot assure you that we will be able to obtain additional funds on acceptable terms, or at all. If we raise additional funds by issuing equity or equity-linked securities, our shareholders may experience dilution or reduced distributions. Any additional debt or equity financing that we raise may contain terms that are not favorable to us or our shareholders, including, in the case of debt financing, making us subject to more restrictive covenants than those applicable to our existing credit facilities.

Our failure to obtain the funds for necessary future capital expenditures could limit our ability to continue to operate some or all of our vessels or could cause us to impair the value of our vessels as well as limit our ability to continue with some or all of our fleet expansion plans. Any of these factors could have a material adverse effect on our business, financial condition, cash flows and results of operations. Even if we are successful in obtaining such funds through financings, the terms of such financings could further limit our ability to pay dividends.

Servicing our current or future indebtedness and meeting certain financing obligations limits funds available for other purposes and if we cannot service our debt and meet our other financing obligations, we may lose our vessels.

Borrowing under our credit facilities requires us to dedicate a part of our cash flow to paying interest and repaying capital on our indebtedness under such facilities.

These payments and certain financing obligations limit funds available for working capital, capital expenditures and other purposes, including further equity investments in our joint venture or debt financing in the future. Amounts borrowed under our credit facilities bear interest at variable rates. Increases in prevailing rates could increase the amounts that we would have to pay to our lenders, even though the outstanding principal amount remains the same, and our net income and cash flows would decrease. We expect our earnings and cash flow to vary from year to year due to the cyclical nature of the drybulk industry.

If we do not generate or reserve enough cash flow from operations to satisfy our debt obligations, we may have to undertake alternative financing plans, such as:

- seeking to raise additional capital;
- refinancing or restructuring our debt;
- selling our vessels; or
- reducing or delaying capital investments.

However, these alternative financing plans, if necessary, may not be sufficient to allow us to meet our debt obligations. In addition, our 25 owned vessels are pledged as collateral to secure our various debt obligations. If we are unable to meet our debt and other financing, lenders could elect to declare that debt, together with accrued interest and fees, to be immediately due and payable and proceed against the collateral vessels securing that debt or other assets.

We are exposed to volatility in benchmark rates (in particular LIBOR) and may selectively enter into derivative contracts, which can result in higher than market interest rates and charges against our income.

The loans under our credit facilities are generally advanced at a floating rate based on LIBOR, which was volatile in prior years and may rise in the future. LIBOR can affect the amount of interest payable on our debt, which, in turn, could have an adverse effect on our earnings and cash flow. Our financial condition could be materially adversely affected as we have not entered into interest rate hedging arrangements to hedge our exposure to the interest rates applicable to our credit facilities and may not enter into interest rate hedging arrangements for these or any other financing arrangements we may enter into in the future, including those we may enter into to finance a portion of the amounts payable with respect to newbuildings or acquisitions.

We may enter into derivative contracts to hedge our overall exposure to interest rate risk. Entering into swaps and other derivatives transactions is inherently risky and presents possibilities for incurring significant expenses. The derivatives strategies that we may employ may not be successful or effective, and we could, as a result, incur substantial additional interest and breakage costs.

Changes in the method pursuant to which LIBOR and other benchmark rates are determined may adversely affect our business and financial results.

As noted above, the loans under our credit facilities are generally advanced at a floating rate based on LIBOR. LIBOR has been the subject of recent national, international and other regulatory guidance and proposals for reform. On March 5, 2021, these reforms and other pressures caused the ICE Benchmark Administration (the "IBA"), the administrator of LIBOR, to announce the cessation of publication of certain types of LIBOR after December 31, 2021 with the cessation of the publication of remaining types of LIBOR after June 30, 2023. The United Kingdom Financial Conduct Authority (the "FCA"), which regulates LIBOR, separately announced that the IBA had notified the FCA of its intent to cease providing all LIBOR settings. While the FCA stated that, subject to the establishment of the new proposed powers, it would consult on the issue of requiring the IBA to produce certain LIBOR tenors on a synthetic basis, it confirmed that all 35 LIBOR settings will either cease to be provided by any administrator or will no longer be representative as of the dates published by the IBA. Regulators, industry groups and certain committees, such as the Alternative Reference Rates Committee (ARRC) have, among other things, published recommended fallback language for LIBOR-linked financial instruments, identified recommended alternatives for certain LIBOR rates, such as the Secured Overnight Financing Rate (SOFR) as the recommended alternative to U.S. Dollar LIBOR, and proposed implementations of the recommended alternatives in floating rate financial instruments. It is currently unknown the extent to which these recommendations and proposals will be broadly accepted, whether they will continue to evolve, and what the effect of their implementation may be on the markets for floating-rate financial instruments. At this time, it is not possible to predict the effect that these developments or any discontinuance, modification or other reforms may have on LIBOR, other benchmarks or floating-rate debt instruments, including our floating-rate debt. Any such discontinuance, modification, alternative reference rates or other reforms may materially adversely affect market rates of interest and the value of securities and other financial arrangements. These uncertainties, proposals and actions to resolve them, and their ultimate resolution also could negatively impact our funding costs, loan and other asset values, asset-liability management strategies, and other aspects of our business and financial results. As a result of LIBOR ceasing to exist, we may need to renegotiate any credit agreements or interest rate derivative agreements extending beyond 2022 that utilize LIBOR as a factor in determining the interest rate or hedge rate, which could adversely impact our cost of debt. No assurance can be provided that the uncertainties around the transition from LIBOR or their resolution will not adversely affect the use, level, and volatility of our loans under our credit facilities generally advanced at a floating rate based on LIBOR.

As of December 31, 2021, we had $279.0 million of outstanding indebtedness and finance lease obligations with interest obligations based on LIBOR plus applicable margins.

We are leveraged, which could significantly limit our ability to execute our business strategy and we may be unable to comply with our covenants in our credit facilities that impose operating and financial restrictions on us, which could result in a default under the terms of these agreements.

As of December 31, 2021, we had $245.7 million of outstanding indebtedness under our credit facilities and other borrowings.

Our credit facilities impose operating and financial restrictions on us that limit our ability, or the ability of our subsidiaries party thereto, among other things, to:

- incur additional indebtedness on the relevant vessels securing that facility;
- sell any collateral vessel (unless a corresponding amount under the relevant facility were prepaid in accordance with its terms);
- upon the happening of an event of default or potential event of default, make additional investments or acquisitions;
- upon the happening of an event of default or potential event of default, pay dividends; or
- effect a change of ownership or control of the relevant borrower group under each facility.

Therefore, we may need to seek permission from our lenders in order to engage in some corporate actions. Our lenders' interests may be different from ours and we may not be able to obtain our lenders' permission when needed. This may limit our ability to pay dividends on our ordinary shares if we determine to do so in the future, pay interest on our indebtedness, finance our future operations or capital requirements, make acquisitions or pursue business opportunities.

In addition, our credit facilities require us to maintain specified financial ratios and satisfy financial covenants, including ratios and covenants based on the market value of the vessels in our Fleet. Should our charter rates or vessel values materially decline in the future or for other reasons, we may seek to obtain waivers or amendments from our lenders with respect to such financial ratios and covenants, or we may be required to take action to reduce our debt or to act in a manner contrary to our business objectives to meet any such financial ratios and satisfy any such financial covenants.

Events beyond our control, including changes in the economic and business conditions in the shipping markets in which we operate, may affect our ability to comply with these covenants. We cannot assure you that we will meet these ratios or satisfy these covenants or that our lenders will waive any failure to do so or amend these requirements. A breach of any of the covenants in, or our inability to maintain the required financial ratios under, our credit facilities would prevent us from borrowing additional money under our credit facilities and could result in a default under our credit facilities. If a default occurs under our credit facilities, the lenders could elect to declare the outstanding debt, together with accrued interest and other fees, to be immediately due and payable and foreclose on the collateral securing that debt, which could constitute all or substantially all of our assets. Additionally, if not repaid the interest rate on the outstanding debt can be increased. Moreover, in connection with any waivers or amendments to our credit facilities that we may obtain, our lenders may impose additional operating and financial restrictions on us or modify the terms of our existing credit facilities including an increase in the interest rate. These restrictions may further restrict our ability to, among other things, pay dividends, repurchase our ordinary shares, make capital expenditures, or incur additional indebtedness.

Furthermore, certain of our debt agreements contain cross-default provisions that may be triggered if we default under the terms of other of our financing agreements. In the event of default by us under one of our debt agreements, the lenders under our other debt agreements could determine that we are in default under such other financing agreements. Such cross defaults could result in the acceleration of the maturity of such debt under these agreements and the lenders thereunder may foreclose upon any collateral securing that debt, including our vessels, even if we were to subsequently cure such default. In the event of such acceleration or foreclosure, we might not have sufficient funds or other assets to satisfy all of our obligations, which would have a material adverse effect on our business, financial condition, cash flows and results of operations. Please see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources".

Utilising derivative instruments, such as forward freight or bunker swap agreements, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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 our exposure to the various markets. A hedge may be contracted 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. The hedge reserve which represents the fair value gains and losses on the effective portion of the cash flow hedge was $5.5 million on FFAs and bunker swaps as at December 31, 2021. Movements in the hedging reserve are detailed in the Statement of comprehensive income.

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.

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 our business, financial condition, cash flows and results of operations.

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, 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 costs and time to resolve them could have a material adverse effect on our business, financial condition, cash flows and results of operations. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which could have a material adverse effect on our business, financial condition, cash flows and results of operations. See “Item 4. Information on the Company—Business Overview—Legal Proceedings”.

Some of the vessels in our Fleet are operated by third-party technical managers. Any failure of these technical managers to perform their obligations to us could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We have contracted the technical management for a portion of our Fleet, including crewing, maintenance and repair services, to third-party technical management companies. The failure of these technical managers to perform their obligations could have a material adverse effect on our business, financial condition, cash flows and results of operations. Although we may have rights against our third-party managers if they default on their obligations to us, we will receive the benefit of that recourse only to the extent that we recover funds.

Some of the third-party managers for our vessels are privately held companies and there is little or no publicly available information about them.

Some of our vessels are managed by third parties. The ability of these third-party managers to render management services will depend in part on their own financial strength. Circumstances beyond our control could affect our third-party managers’ financial strength. Because some of our third-party managers are privately held companies, we might have little advance warning of financial or other problems affecting our technical manager and if they are unable to provide the technical management services we have contracted for, we may have delays in operating our vessels which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Security breaches and disruptions to our information technology infrastructure (cyber-security) could interfere with our operations and expose us to liability, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In the ordinary course of business, we rely heavily on information technology networks and systems to process, transmit, and store information electronically, and to manage or support a variety of business processes and activities. Additionally, we collect and store certain data, including proprietary business information and customer and employee data, and may have access to other confidential information in the ordinary course of our business. Despite our cybersecurity measures (including monitoring of networks and systems, and maintenance of backup and protective systems) which are continuously reviewed and upgraded, our information technology networks and infrastructure may still be vulnerable to damage, disruptions, or shutdowns due to attack by hackers or breaches, employee error or malfeasance, data leakage, power outages, computer viruses and malware, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. Any such events could result in legal claims or proceedings, liability or penalties under privacy or other laws, disruption in operations, and damage to our reputation, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, some of our technology networks and systems are managed by third-party service providers (including cloud-service providers) for a variety of reasons, and such providers also may have access to proprietary business information and customer and employee data, and may have access to confidential information on the conduct of our business. Like us, these third-party providers are subject to risks imposed by data breaches and disruptions to their technology infrastructure. A cyber-attack could defeat one or more of our third-party service providers' security measures, allowing an attacker access to proprietary information from our company including our employees', customers' and suppliers' data. Any such security breach or disruption to our third-party service providers could result in a disruption in operations and damage to our reputation and liability claims, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Because international shipping companies often generate most or all of their revenue in U.S. dollars, but incur a portion of their expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses, thereby increasing expenses and reducing income.

We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are predominantly U.S. dollar-denominated. The U.S. dollar is our functional currency and the functional currency of nearly all our subsidiaries and joint ventures. Transactions in currencies other than the functional currency are translated at the exchange rate on the transaction date and the relevant payment is translated on the payment date, with the difference being reported in the income statement as an exchange gain or loss. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase, decreasing our earnings. A greater percentage of our transactions and expenses in the future may be denominated in currencies other than the U.S. dollar. Assets and liabilities denominated in currencies different from the functional currency are translated into the functional currency for the preparation of the statements of financial position at the exchange rate prevailing on the statements of financial position date. Differences in exchange rates between statements of financial position dates may lead to gains or losses being reported in the income statement. Extraordinary transactions, and the translation of the financial statements of our subsidiaries whose functional currencies are not the U.S. dollar for purposes of preparing our consolidated accounts, may follow different translation procedures. The determination of the functional currency of a company is based on various factors and a company's functional currency may change depending on its circumstances. As part of our overall risk management policy, we may attempt to hedge these risks in exchange rate fluctuations from time to time. We may not always be successful in such hedging activities and, as a result, our operating results could suffer as a result of losses incurred as a result of un-hedged exchange rate fluctuations. We may enter into derivative contracts to hedge our overall exposure to exchange rate risk. Entering into swaps and other derivatives transactions is inherently risky and presents various possibilities for incurring significant expenses. The derivatives strategies that we may employ may not be successful or effective, and we could, as a result, incur substantial additional exchange rate costs.

If we are unable to operate our financial and operations systems effectively or to recruit suitable employees as we expand our Fleet, our performance may be adversely affected.

Our current financial and operating systems may not be adequate as we implement our plan to expand the size of our Fleet, and our attempts to improve those systems may be ineffective. If our current financial and operating systems infrastructure is unable to manage the additional volume of our operations as our business grows, our operating efficiency could decline. If we fail to hire and retain qualified personnel to implement, protect and maintain our financial and operating systems or if we fail to upgrade our systems to meet our customers' demands we may experience a disruption in operations and damage to our reputation, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, as we expand our Fleet, we or our third-party technical managers may have to recruit suitable additional seafarers or shore-based administrative and management personnel. We cannot assure you that we or our third-party technical managers will be able to continue to hire suitable employees as we expand our Fleet.

We need to maintain our relationships with local shipping agents, port and terminal operators.

Our drybulk carrier business is dependent upon our relationships with local shipping agents, port and terminal operators operating in the ports where our customers ship and unload their products. We believe that these relationships will remain critical to our success in the future and the loss of one or more of which could materially and negatively impact our ability to retain and service our customers. We cannot be certain that we will be able to maintain and expand our existing local shipping agent, port and terminal operator relationships or enter into new relationships, or that new or renewed relationships will be available on commercially reasonable terms. If we are unable to maintain and expand our existing local shipping agent, port and terminal operator relationships, renew existing relationships, or enter into new relationships, we may lose customers or cause delays in the ports in which we operate, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Prolonged disruption or slowdown in the loading and unloading of our vessels and extended port congestion could affect our ability to operate our vessels and execute our COA contracts in a timely manner and may result in a loss of revenue.

We rely on third parties for the loading and unloading process of our vessels at ports. A disruption in loading and unloading logistics and congestion in the port could disrupt our ability to operate our vessels in a timely manner. Significant disruptions or slowdowns could result in a loss of revenue or the inability to execute our COA contracts in a timely manner which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

If we acquire and/or operate secondhand vessels, we could be exposed to increased operating costs which could adversely affect our earnings and, as our Fleet ages, the risks associated with older vessels could adversely affect our ability to obtain profitable charters.

Although none of the vessels in our Fleet is a secondhand vessel, we may acquire (through the exercise of purchase options on our long-term chartered-in vessels or by other means) and/or operate secondhand vessels in the future. While we expect that we would typically inspect secondhand vessels prior to acquisition, this does not provide us with the same knowledge about their condition that we would have had if these vessels had been built for and operated exclusively by us and therefore we cannot assure you that the quality of any secondhand vessels that we buy will be acceptable. Generally, purchasers of secondhand vessels do not receive the benefit of warranties from the builders for the secondhand vessels that they acquire. We cannot assure you that, if we acquire and operate second hand vessels in the future, as our secondhand vessels age, market conditions will justify expenditures or enable us to operate our secondhand 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 carry a variety of cargoes, 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, financial condition, cash flows and results of operations could be materially adversely affected.

Newbuilding projects are subject to risks that could cause delays, cost overruns or cancellation of our newbuilding contracts.

We have in the past and may in the future enter into or acquire newbuilding contracts for drybulk carriers. Construction projects are subject to risks of delay or cost overruns inherent in any large construction project from numerous factors, including shortages of equipment, materials or skilled labor, unscheduled delays in the delivery of ordered materials and equipment or shipyard construction, failure of equipment to meet quality and/or performance standards, financial or operating difficulties experienced by equipment vendors or the shipyard, unanticipated actual or purported change orders, inability to obtain required permits or approvals, unanticipated cost increases between order and delivery, design or engineering changes and work stoppages and other labor disputes, adverse weather conditions or any other events of force majeure. Significant cost overruns or delays could have a material adverse effect on our business, financial condition, cash flows and results of operations. Additionally, failure to complete a project on time may result in the delay of revenue from that vessel.

We have contracted, and may in the future contract, with a trading house or a shipyard for the construction of a newbuilding. In the event the seller or the shipyard does not perform under its contract and we are unable to enforce the refund guarantee with a third-party bank for any reason, or we have not obtained such a guarantee, we may lose all or part of our investment, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our failure to comply with data privacy laws could damage our customer relationships and expose us to litigation risks.

Data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions and countries in which we provide services. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data privacy practices. Complying with these various laws is difficult and could cause us to incur substantial costs or require it to change its business practices in a manner adverse to its business.

For example, in Singapore, the Personal Data Protection Act 2012, No. 26 of 2012 of Singapore ("PDPA") generally requires organizations to give notice and obtain consents prior to collection, use or disclosure of personal data (data, whether true or not, about an individual who can be identified from that data or other accessible information). Recent amendments to the PDPA, effective as of February 1, 2021, introduced a mandatory breach notification obligation. South Africa's comprehensive privacy law known as the Protection of Personal Information Act, 4 of 2013 (the "POPIA") commenced on July 1, 2020 and became effective on July 1, 2021. All processing of personal information must conform to the POPIA's provisions. Failure to comply with POPIA may lead to penalties and fines up to R10 million and/or imprisonment.

In Europe, the E.U. adopted the General Data Privacy Regulation ("GDPR"), a comprehensive legal framework to govern data collection, use and sharing and related consumer privacy rights which took effect in May 2018. The GDPR includes significant penalties for non-compliance, including fines up to the higher of 20 million Euros and or 4% of global annual revenue. European regulators have issued numerous fines pursuant to the GDPR. In the United Kingdom, Brexit has created uncertainty with regard to the regulation of data protection. In particular, while the Data Protection Act of 2018, which implements and complements the GDPR, is now effective in the United Kingdom, it is still unclear whether transfer of personal data from the EEA to the United Kingdom will remain lawful under the GDPR after Brexit. In December 2020, the Brexit Trade and Cooperation Agreement ("TCA") established a four- to six-month grace period during which transfers of personal data from the E.U. to the U.K. can continue without additional safeguards, provided that the U.K. maintains its pre-TCA data protection laws. On February 19, 2021, the European Commission released a draft adequacy decision for review by the European Data Protection Board. If adopted, that decision would permit the continued flow of personal data between the U.K. and the E.U. However, it is unclear how data transfers to and from the United Kingdom will be regulated after the grace period expires and whether or not the United Kingdom will receive a final adequacy decision from the European Commission permitting cross-border data transfer from the E.U. to the United Kingdom. In addition, we cannot fully predict how the Data Protection Act and other United Kingdom data protection laws or regulations may develop in the medium to longer term, which may further affect any adequacy decision. In addition to government activity, privacy advocacy and other industry groups have established and may continue to establish new self-regulatory standards that may place additional burdens on us.

Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition and results of operations.

We currently bank with a limited number of financial institutions, which subjects us to credit risk.

We currently bank with a limited number of financial institutions. An event of default by any of these financial institutions could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, our financial institutions are subject to internal and regulatory compliance protocols, which may delay access to our accounts. Such a delay could impact our ability to consummate transactions and operate our business, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Risks Relating to Our Ordinary Shares

There may not be a liquid market for the Grindrod Shipping ordinary shares.

Grindrod Shipping's ordinary shares are listed on the NASDAQ in the United States and quoted on the main board of the JSE in South Africa. There can be no assurance as to the liquidity of those markets for the Grindrod Shipping ordinary shares or the price at which the Grindrod Shipping ordinary shares may trade. The liquidity and the market for the Grindrod Shipping ordinary shares may be affected by a number of factors including variations in exchange and interest rates, the deterioration and volatility of the markets for similar securities, and/or any changes in Grindrod Shipping's liquidity, financial condition, creditworthiness, results and profitability and future prospects. In addition, our shareholder base includes South African residents who, subject to certain allowances in terms of the Exchange Control Regulations in South Africa, will generally be required to hold their ordinary shares on the JSE, and therefore the liquidity of the ordinary shares on the NASDAQ may be adversely impacted. Furthermore, ordinary shares owned by our "affiliates," as that term is defined in Rule 144 under the Securities Act, will be subject to certain restrictions on transfer under the U.S. securities laws. Affiliates will only be permitted to sell their shares pursuant to a valid exemption from the registration requirements of the Securities Act or pursuant to an effective registration statement, which may impact the liquidity of the ordinary shares.

Certain shareholders own large portions of our ordinary shares, which may influence the outcome of significant votes.

Certain shareholders currently hold a significant percentage of our ordinary shares. To the extent a significant percentage of the ownership of our ordinary shares is concentrated in a small number of holders, such holders will be able to influence the outcome of a shareholder vote, including the election of directors, the adoption or amendments of provisions in our articles of incorporation, and other significant corporate transactions. Shareholders holding not less than 10 per cent of the company's paid-up share capital may serve a requisition on the directors requiring them to call an extraordinary general meeting. Two or more shareholders holding not less than 10 per cent of the company's issued share capital (excluding treasury shares) may themselves call a meeting of the company. In addition, amalgamations or schemes of arrangement require approval of a majority of not less than 75% of members present and voting at a general meeting by special resolution. A shareholder owning more than 25% is therefore able to prevent any major restructures. Where a shareholder acquires more than 30% or more of the company's voting shares, a mandatory general offer is triggered. This concentration of ownership could also have an effect on the market price of our ordinary shares.

The Grindrod Shipping ordinary shares are traded on more than one stock exchange and this may result in price variations between the markets.

The Grindrod Shipping ordinary shares are listed on each of NASDAQ and the JSE. Trading in the Grindrod Shipping ordinary shares therefore takes place in different currencies (U.S. dollars on the NASDAQ and South African Rand on the JSE), and at different times (resulting from different time zones, different trading days and different public holidays in the United States and South Africa). The trading prices of the Grindrod Shipping ordinary shares on these two markets may differ as a result of these, or other, factors. Any decrease in the price of Grindrod Shipping's ordinary shares on either of these markets could cause a decrease in the trading prices of Grindrod Shipping's ordinary shares on the other market.

If securities or industry analysts do not publish research or reports about Grindrod Shipping's business, or publish negative reports about its business, Grindrod Shipping's ordinary share price and trading volume could decline.

The trading market for Grindrod Shipping ordinary shares depends, in part, upon the research and reports that securities or industry analysts publish about Grindrod Shipping or its businesses. If securities or industry analysts do not cover Grindrod Shipping, it could lose visibility in the financial markets, which could cause its share price or trading volume to decline.

Grindrod Shipping may not have sufficient distributable profits to pay dividends or otherwise distribute cash or assets to shareholders.

Under Singapore law and Grindrod Shipping's constitution, dividends, whether in cash or in specie, must be paid out of Grindrod Shipping's profits available for distribution. See "Item 8. Financial Information—Dividend Policy and Dividend Distributions". As a holding company, Grindrod Shipping may earn distributable profits when it receives dividends or other income, including management fees or interest, if any. Grindrod Shipping only recently generated distributable profits during 2021 from which dividends may be declared. The availability of distributable profits is assessed on the basis of Grindrod Shipping's standalone unconsolidated accounts, which are based upon IFRS. There is no assurance that Grindrod Shipping will not incur losses, that it will remain profitable, or that it will have sufficient distributable income that might be distributed to its shareholders as a dividend or other distribution in the foreseeable future. Therefore, Grindrod Shipping may be unable to pay dividends to its shareholders unless it continues to generate or maintain sufficient distributable reserves. Accordingly, it may not be legally permissible for Grindrod Shipping to pay dividends to its shareholders in the future.

Notwithstanding that sufficient profits may be available for distribution, there are other conditions which may limit Grindrod Shipping's ability to pay dividends. Grindrod Shipping's board of directors may, without the approval of the shareholders under Singapore law, declare interim dividends during a fiscal year and any final dividends declared by Grindrod Shipping's board of directors after the close of a fiscal year must be approved by shareholders at a general meeting. As such, any determination to pay dividends will be at the discretion of Grindrod Shipping's board of directors, which may exercise its discretion to retain Grindrod Shipping's future earnings for use in the development of Grindrod Shipping's business, in reducing Grindrod Shipping's indebtedness and for general corporate purposes. As a result, it is possible that only an appreciation of the price of our ordinary shares, if any, will provide a return to investors in our ordinary shares for the foreseeable future. Such potential appreciation is uncertain and unpredictable.

In addition, under Singapore law, it is possible to effect a capital reduction exercise to return cash and/or assets to shareholders by way of shareholder approval if Grindrod Shipping meets the relevant solvency requirements, which will be attested to by Grindrod Shipping's board of directors. The completion of the capital reduction exercise will depend on whether Grindrod Shipping's directors can execute a solvency statement, as well as whether there are any creditor objections raised. A reduction of capital is also possible by way of a shareholder approval if approved by an order of the court.

Any dividend payments on the Grindrod Shipping ordinary shares would be declared in U.S. dollars, and any shareholder whose principal currency is not the U.S. dollar would be subject to risks of exchange rate fluctuations.

The Grindrod Shipping ordinary shares are, and any cash dividends or other distributions to be declared in respect of them, if any, will be denominated in U.S. dollars. Shareholders whose principal currency is not the U.S. dollar will be exposed to foreign currency exchange rate risk. Any depreciation of the U.S. dollar in relation to such foreign currency will reduce the value of such shareholders' ordinary shares and any appreciation of the U.S. dollar will increase the value in foreign currency terms. In addition, Grindrod Shipping will not offer its shareholders the option to elect to receive dividends, if any, in any other currency. Consequently, shareholders may be required to arrange their own foreign currency exchange, either through a brokerage house or otherwise, which could incur additional commissions or expenses.

Grindrod Shipping is a Singapore company, and because the rights of shareholders under Singapore law differ from those under U.S. law, you may have difficulty in protecting your shareholder rights or enforcing any judgment obtained in the United States against Grindrod Shipping or its affiliates.

Grindrod Shipping's corporate affairs are governed by its constitution and by the applicable laws governing corporations incorporated in Singapore. The rights of Grindrod Shipping shareholders and the responsibilities of members of its board of directors under Singapore law are different from those applicable to a corporation incorporated in the United States and, therefore, Grindrod Shipping shareholders may have more difficulty protecting their interests in connection with actions by the management or members of the board of directors than they would as shareholders of a corporation incorporated in the United States.

All of Grindrod Shipping's directors and senior management reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon Grindrod Shipping or any of these persons or to enforce in the United States any judgment obtained in the U.S. courts against Grindrod Shipping or any of these persons, including judgments based upon the civil liability provisions of the U.S. federal securities laws or the laws of any state or territory of the United States.

There is no treaty between the United States and Singapore providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters and a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would, therefore, not be automatically enforceable in Singapore. It is not clear whether a Singapore court may impose civil liability on Grindrod Shipping or Grindrod Shipping's directors and officers in a suit brought in the Singapore courts against Grindrod Shipping or such persons with respect to a violation solely of the federal securities laws of the United States.

In addition, only registered shareholders reflected in the register of members are recognized under Singapore law as shareholders of a company. As a result, only registered shareholders have legal standing to institute shareholder actions or otherwise seek to enforce their rights as shareholders. Holders of dematerialised interests in Grindrod Shipping's shares will be required to be registered shareholders as reflected in Grindrod Shipping's register of members in order to institute or enforce any legal proceedings or claims as shareholders against Grindrod Shipping, its directors or its officers in the Singapore courts. Holders of dematerialised interests in the ordinary shares may become registered shareholders by exchanging their dematerialised interests in our ordinary shares for certificated shares and being registered in our register of members. The administrative process of becoming a registered holder could result in delays prejudicial to any legal proceedings or enforcement action. Consequently, it may be difficult for investors to enforce against Grindrod Shipping, its directors or its officers in Singapore judgments obtained in the United States which are predicated upon the civil liability provisions of the federal securities laws of the United States.

Grindrod Shipping is subject to the laws of Singapore, which differ in certain material respects from the laws of the United States.

As a company incorporated under the laws of Singapore, Grindrod Shipping is required to comply with the laws of Singapore, certain of which are capable of extraterritorial application, as well as Grindrod Shipping's constitution. In particular, Grindrod Shipping is required to comply with certain provisions of the Securities and Futures Act, Chapter 289 of Singapore, or the Singapore Securities and Futures Act, which prohibit certain forms of market conduct and information disclosures, and impose criminal and civil penalties on corporations, directors and officers in respect of any breach of such provisions. Grindrod Shipping is also required to comply with the Singapore Code on Take-Overs and Mergers, or the Singapore Code, which specifies, among other things, certain circumstances in which a general offer is to be made upon a change in effective control, and further specifies the manner and price at which voluntary and mandatory general offers are to be made.

The laws of Singapore and of the United States differ in certain significant respects. The rights of Grindrod Shipping's shareholders and the obligations of its directors and officers under Singapore law are different from those applicable to a company incorporated in the United States in material respects, and Grindrod Shipping's shareholders may have more difficulty and less clarity in protecting their interests in connection with actions taken by Grindrod Shipping's management, directors or controlling shareholders than would otherwise apply to a company incorporated in the United States. See "Item 10. Additional Information—Comparison of Shareholder Rights" for a discussion of differences between Singapore and U.S. corporation law.

In addition, the application of Singapore law, in particular, the Companies Act, Chapter 50 of Singapore, or the Singapore Companies Act, may in certain circumstances impose more restrictions on Grindrod Shipping and its shareholders, directors and officers than would otherwise be applicable to a company incorporated in the United States. For example, the Singapore Companies Act requires directors to act with a reasonable degree of diligence and, in certain circumstances, imposes criminal liability for specified contraventions of particular statutory requirements or prohibitions. In addition, pursuant to the provisions of the Singapore Companies Act, shareholders holding 10% or more of the total number of paid-up shares carrying the right of voting in general meetings may require the convening of an extraordinary general meeting of shareholders by the directors. If the directors fail to comply with such request within 21 days of the receipt thereof, shareholders holding more than 50% of the voting rights represented by the original requisitioning shareholders may proceed to convene such meeting, and Grindrod Shipping will be liable for the reasonable expenses incurred by such requisitioning shareholders. Grindrod Shipping is also required by the Singapore Companies Act to deduct corresponding amounts from fees or other remuneration payable by Grindrod Shipping to such non-complying directors.

Anti-takeover provisions under the Singapore Securities and Futures Act and the Singapore Code on Take-overs and Mergers may delay, deter or prevent a future takeover or change of control of Grindrod Shipping, which could adversely affect the price of our ordinary shares.

The Singapore Code, issued pursuant to Section 321 of the Singapore Securities and Futures Act, regulates the acquisition of ordinary shares of, *inter alia*, listed public companies and contains certain provisions that may delay, deter or prevent a future takeover or change of control of Grindrod Shipping. Any person acquiring an interest, either on his own or together with parties acting in concert with him or her, in 30% or more of the voting shares in Grindrod Shipping must, except with the prior consent of the Singapore Securities Industry Council, or the SIC, extend a takeover offer for the remaining voting shares in Grindrod Shipping in accordance with the provisions of the Singapore Code. Likewise, any person holding between 30% and 50% of the voting shares in Grindrod Shipping, either on his own or together with parties acting in concert with him or her, must, except with the prior consent of the SIC, make a takeover offer in accordance with the provisions of the Singapore Code if that person together with parties acting in concert with him or her acquires additional voting shares in excess of one percent of the total number of voting shares in any six-month period. Therefore, any investor seeking to acquire a significant stake in Grindrod Shipping may be deterred from doing so if, as a result, such investor would be required to conduct a takeover offer for all of Grindrod Shipping's voting shares.

Under the Singapore Code, an offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

These provisions contained in the Singapore Code may discourage or prevent transactions that involve an actual or threatened change of control of Grindrod Shipping, and may impede or delay a takeover of Grindrod Shipping by a third party. This may adversely affect the market price of Grindrod Shipping ordinary shares and impede the ability of Grindrod Shipping's shareholders to realize any benefits from a potential change of effective control of Grindrod Shipping.

Under Singapore law, shareholder approval is required to allow us to issue new shares which could impact our ability to raise capital or consummate acquisitions. Any issuance of new shares would dilute the percentage ownership of existing shareholders and could adversely impact the market price of the ordinary shares.

Under Singapore law, Grindrod Shipping may only issue new shares with the prior approval of its shareholders.

At our last annual general meeting on May 20, 2021, Grindrod Shipping's shareholders provided authority for our directors to issue ordinary shares pursuant to the vesting of awards under our 2018 Forfeitable Share Plan, or 2018 FSP, which is subject to the condition that the aggregate number of ordinary shares at any one time which may be granted in an award under the 2018 FSP, together with all existing awards that have not yet vested under the 2018 FSP, shall not exceed 5% of the number of ordinary shares in issue (excluding treasury shares), as determined in reference to the day preceding the award. Such authority shall continue in force until the earliest of (i) the conclusion of our next annual general meeting, (ii) the expiration of the period within which our next annual general meeting is required by law to be held, or (iii) the point at which the maximum number of awards permitted to be made in terms of the 2018 FSP as per the abovementioned limit has been reached. Notwithstanding that the abovementioned authority may have ceased to be in force, ordinary shares may be issued after the expiry of the approval in pursuance of awards made under the 2018 FSP whilst the authority was in force (subject always to the abovementioned limit on the maximum number of shares). At our annual general meeting, expected to be held on May 26, 2022, we plan to seek the approval of our shareholders for issuances of ordinary shares for the purposes of our forfeitable share plan at the same maximum 5%, based on the number of ordinary shares in issue (excluding treasury shares) as determined in reference to the date proceeding the award. We also plan to seek approval of our shareholders on the amendment of the 2018 Forfeitable Share Plan rules under which awards of fully paid up ordinary shares, will be granted, free of payment to selected employees of Grindrod Shipping or its subsidiaries, executive directors and will also include non-executive directors; and the non-executive directors will be included as recipients of the Awards with effect from the financial year ending December 31, 2022.

At the forthcoming annual general meeting, we also plan to seek the approval of our shareholders for the allotment and issuance of ordinary shares whether by way of rights, bonus or otherwise and to allow us to make or grant offers, agreements or options that might or would require shares to be allotted and issued up to a number not exceeding 20% of the number of ordinary shares (excluding treasury shares) outstanding as at the date of the resolution allowing the same. Such authority shall continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting is required by law to be held, or (iii) the point at which the maximum number of shares permitted as per the abovementioned limit has been reached. We also plan to seek approval of our shareholders for the renewal of the share repurchase mandate approved in the previous annual general meeting, which represents 10% of the total number of issued ordinary shares outstanding as of the date of the passing of the resolution.

Any issuance of additional shares for any other purpose or in future years (other than shares to be issued under an existing prior approval that remains in effect) will require the approval of shareholders. Because new issuances of ordinary shares are subject to shareholder approval, or in some circumstances, other regulatory approvals, if no or an insufficient number of shares have been approved for issuance in advance, we may be delayed in raising capital through equity offerings or delayed or prevented from consummating an acquisition using our ordinary shares. We may seek to raise capital in the future, including to fund acquisitions, future investments and other growth opportunities. We may, for these and other purposes, such as in connection with share incentive and share option plans (such as our forfeitable share plan), issue additional ordinary shares or securities convertible into ordinary shares. Any additional issuances of new shares could dilute the percentage ownership of our existing shareholders and could also adversely impact the market price of Grindrod Shipping's ordinary shares. In addition, under the provisions of the Singapore Companies Act and Grindrod Shipping's constitution, the board of directors may, with the applicable shareholder approval, issue new shares on terms and conditions and with the rights (including preferential voting rights) and restrictions as they may determine and may contain terms adverse to the ordinary shares.

The Jumpstart Our Business Startups Act of 2012, or JOBS Act, allows Grindrod Shipping to postpone the date by which it must comply with some of the laws and regulations intended to protect investors and to reduce the amount of information provided in Grindrod Shipping's reports filed with the SEC, which could undermine investor confidence in Grindrod Shipping and adversely affect the market price of Grindrod Shipping's ordinary shares.

For so long as Grindrod Shipping remains an "emerging growth company" as defined in the JOBS Act, it intends to take advantage of certain exemptions from various requirements that are applicable to public companies that are not emerging growth companies including:

- the provisions of the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley Act, requiring that Grindrod Shipping's independent registered public accounting firm provide an attestation report on the effectiveness of Grindrod Shipping's internal control over financial reporting;

- Section 107 of the JOBS Act, which provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. This means that an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. Grindrod Shipping currently prepares its financial statements in accordance with IFRS as issued by the IASB, which do not have separate provisions for publicly traded and private companies. However, in the event Grindrod Shipping converts to U.S. GAAP in the future while it is still an emerging growth company, Grindrod Shipping may be able to take advantage of the benefits of this extended transition period and, as a result, during the time that Grindrod Shipping delays such adoption of new or revised accounting standards Grindrod Shipping's financial statements may not be comparable to companies that comply with all public company accounting standards; and

- any rules that may be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor's report on the financial statements.

Grindrod Shipping intends to continue to take advantage of these exemptions until it is no longer an "emerging growth company". Grindrod Shipping will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of its first sale of equity securities pursuant to an effective registration statement under the Securities Act, (b) in which it has total annual gross revenue of at least $1.07 billion, or (c) in which it is deemed to be a large accelerated filer, which means the market value of Grindrod Shipping ordinary shares that is held by non-affiliates exceeds $700 million as of the prior June 30, and (2) the date on which it issued more than $1.0 billion in non-convertible debt during the prior three-year period.

We cannot predict if investors will find our ordinary shares less attractive because Grindrod Shipping does and may continue to rely on these exemptions. If some investors find Grindrod Shipping ordinary shares less attractive as a result, there may be a less active trading market for the Grindrod Shipping ordinary shares, and the market price may be more volatile and may decline.

As a "foreign private issuer" Grindrod Shipping is permitted, and intends to continue, to follow certain home country corporate governance practices instead of otherwise applicable SEC and NASDAQ requirements, which may result in less protection than is accorded to investors under rules applicable to domestic U.S. issuers.

Grindrod Shipping's status as a foreign private issuer also exempts it from compliance with certain SEC laws and regulations and certain regulations of the NASDAQ, including the proxy rules, the short-swing profits recapture rules of Section 16 of the Exchange Act of 1934, as amended, or the Exchange Act, certain rules relating to disclosure regarding executive compensation, and certain governance requirements such as independent director oversight of the nomination of directors and executive compensation. In addition, we are not required under the Exchange Act to file current reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act and we are generally exempt from filing quarterly reports with the SEC. As a foreign private issuer, Grindrod Shipping is required to file (i) its annual financial statements on Form 20-F within four months of the end of each fiscal year so long as it is subject to the reporting requirements of Section 13(a) or Section 15(d) of the Exchange Act and (ii) furnish on Form 6-K an interim statement of financial position and income statement as of the end of its second fiscal quarter within six months of the end of the second quarter so long as it is listed on NASDAQ. The information Grindrod Shipping files or furnishes will not be the same as the information that is required in annual and quarterly reports on Form 10-K or Form 10-Q for U.S. domestic issuers. Furthermore, as a foreign private issuer, Grindrod Shipping is also not subject to the requirements of Regulation Fair Disclosure, or Regulation FD, promulgated under the Exchange Act, which restricts the selective disclosure of material information.

These exemptions and leniencies reduce the frequency and scope of information and protections to which you are otherwise entitled as an investor.

Grindrod Shipping may lose its foreign private issuer status, which would then require it to comply with the Exchange Act's domestic reporting regime and cause Grindrod Shipping to incur additional legal, accounting and other expenses.

Grindrod Shipping is required to determine its status as a foreign private issuer on an annual basis at the end of its second fiscal quarter. In order to maintain its current status as a foreign private issuer, either (1) a majority of Grindrod Shipping ordinary shares must be either directly or indirectly owned of record by non-residents of the United States or (2) (a) a majority of Grindrod Shipping's executive officers or directors must not be U.S. citizens or residents, (b) more than 50 percent of Grindrod Shipping's assets cannot be located in the United States and (c) Grindrod Shipping's business must be administered principally outside the United States. If Grindrod Shipping loses this status, it would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. Grindrod Shipping may also be required to make changes in its corporate governance practices in accordance with various SEC rules and the NASDAQ listing standards. Further, Grindrod Shipping would be required to comply with U.S. GAAP, as opposed to IFRS, in the preparation and issuance of its financial statements for historical and current periods. The regulatory and compliance costs to Grindrod Shipping under U.S. securities laws if it is required to comply with the reporting requirements applicable to a U.S. domestic issuer may be higher than the cost it would incur as a foreign private issuer. As a result, Grindrod Shipping expects that a loss of foreign private issuer status would increase its legal and financial compliance costs.

If Grindrod Shipping fails to establish and maintain proper internal controls, its ability to produce accurate financial statements or comply with applicable regulations could be impaired.

Section 404(a) of the Sarbanes-Oxley Act requires that, beginning with Grindrod Shipping's annual report for the fiscal year ending December 31, 2019, Grindrod Shipping's management assess and report annually on the effectiveness of its internal controls over financial reporting and identify any material weaknesses in its internal controls over financial reporting. Although Section 404(b) of the Sarbanes-Oxley Act requires Grindrod Shipping's independent registered public accounting firm to issue an annual report that addresses the effectiveness of our internal controls over financial reporting, Grindrod Shipping has opted to rely on the exemptions provided to it by virtue of being an "emerging growth company", and consequently we will not be required to comply with SEC rules that implement Section 404(b) of the Sarbanes-Oxley Act until we are no longer an "emerging growth company".

If either Grindrod Shipping is unable to conclude that it has effective internal controls over financial reporting or, if required, Grindrod Shipping's independent auditors are unwilling or unable to provide it with an unqualified report on the effectiveness of its internal controls over financial reporting as required by Section 404(b) of the Sarbanes-Oxley Act, investors may lose confidence in Grindrod Shipping's operating results, the price of the Grindrod Shipping ordinary shares could decline and Grindrod Shipping may be subject to litigation or regulatory enforcement actions.

Grindrod Shipping has incurred and will continue to incur significant increased costs as a result of operating as a company whose ordinary shares are publicly traded in the United States, and its management is required to devote substantial time to compliance initiatives.

As a company whose ordinary shares are publicly traded in the United States, Grindrod Shipping incurs significant legal, accounting, insurance and other expenses that it had not incurred prior to the Spin-Off. In addition, the Sarbanes-Oxley Act, Dodd-Frank Wall Street Reform and Consumer Protection Act and related rules implemented by the SEC, have imposed various requirements on public companies including requiring establishment and maintenance of effective disclosure and internal controls. Grindrod Shipping's management and other personnel devote a substantial amount of time to these compliance initiatives, and Grindrod Shipping may need to add additional personnel to continue to enhance its internal compliance infrastructure. Moreover, these rules and regulations have increased Grindrod Shipping's legal and financial compliance costs and make some activities more time-consuming and costly. These laws and regulations could also make it more difficult and expensive for Grindrod Shipping to attract and retain qualified persons to serve on the board of directors, board committees or as senior management. Furthermore, if Grindrod Shipping is unable to satisfy its obligations as a public company in the United States, it could be subject to delisting of the ordinary shares, fines, sanctions and other regulatory action and potentially civil litigation.

Increased scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance ("ESG") policies may impose additional costs on us or expose us to additional risks.

Companies across all industries are facing increased scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and have placed increased importance on the implications and social cost of their investments. The increased focus may hinder access to capital, as investors and lenders may decide to reallocate capital as a result of their assessment of a company's ESG practices. For example, lenders representing almost 50% of global shipping finance have signed up to the Poseidon Principles, a framework established in 2019 for responsible maritime shipping finance pursuant to which signatories agree to assess and disclose the climate alignment of their shipping portfolios and to work to bring the portfolios in line with the IMO's climate targets. Reduced access to capital could hinder our growth. Companies that do not adapt to or comply with investor and lender expectations and standards, which are evolving, may suffer from reputational damage and their business, financial condition and stock price may be adversely affected.

We may face increasing pressure from stakeholders to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. It is likely that we will incur additional costs and require additional resources to monitor, report and comply with ESG requirements which could have a material adverse impact on our business, financial condition and results of operations.

Certain of Grindrod Shipping's directors may have actual or potential conflicts of interest because of their current or former associations with our largest shareholders or their affiliates.

Certain of Grindrod Shipping's directors are affiliated with certain of our largest shareholders. For example, one member of our board of directors is a member of the board of directors of an affiliate of our largest shareholder and another member of our board of directors is associated with another of our largest shareholders. These relationships as well as any financial interests directors may have in us or our shareholders may create, or may create the appearance of, conflicts of interest when such persons face decisions that could have different implications for Grindrod Shipping and the relevant shareholder.

Tax Risks

We may have to pay tax on U.S. source income, which would reduce our earnings.

Under the Internal Revenue Code of 1986, as amended, or the Code, 50% of the gross income derived by a non-U.S. corporation from, or in connection with, the use (or hiring or leasing for use) of a vessel, or the performance of services directly related to the use of a vessel that is attributable to transportation that either begins or ends, but that does not both begin and end, in the United States is characterized as U.S. source international transportation income. U.S. source international transportation income generally is subject to a 4% U.S. federal income tax without allowance for deduction or, if such U.S. source international transportation income is effectively connected with the conduct of a trade or business in the United States, or Effectively Connected Income, U.S. federal corporate income tax (imposed at a 21% rate) as well as a branch profits tax (presently imposed at a 30% rate on effectively connected earnings), unless the non-U.S. corporation qualifies for the statutory exemption from tax under Section 883 of the Code, or the Section 883 Exemption. The Section 883 Exemption applies separately to us and each of our subsidiaries that is treated as a corporation for U.S. federal income tax purposes and earns U.S. source international transportation income (which we refer to below as our "applicable subsidiaries").

It is uncertain whether we will qualify for the Section 883 Exemption for any taxable year. If we qualify for the Section 883 Exemption for a taxable year, then we expect that each of our applicable subsidiaries that is more than 50%-owned (by value) by us for at least half of the number of days in such taxable year would also qualify for the Section 883 Exemption for such taxable year. We believe that we will qualify for the Section 883 Exemption if (i) our ordinary shares satisfy certain listing and trading volume requirements and (ii) less than 50% of our ordinary shares are owned, actually or constructively under specified share attribution rules, on more than half the number of days in the relevant taxable year, by persons who each own 5% or more of our ordinary shares, or 5% shareholders. However, we expect that one or more 5% shareholders may own 50% or more of our ordinary shares for more than half of the number of days during our current taxable year and/or future taxable years. In this case, we would not be eligible for the Section 883 Exemption unless we can establish that a sufficient proportion of such 5% shareholders are "qualified shareholders" for purposes of the Section 883 Exemption so as to preclude other persons who are 5% shareholders from owning 50% or more of our ordinary shares for more than half the days during the relevant taxable year. We would be required to satisfy certain substantiation requirements regarding the identity of any 5% shareholders that are "qualified shareholders", and these substantiation requirements are onerous and there is no assurance that we would be able to satisfy them. In particular, we would be required to obtain certifications of "qualified shareholder" status from any 5% shareholders that we rely upon for this purpose, which our 5% shareholders may not be willing or able to provide. Given the factual nature of the issues involved and the practical uncertainties, we can give no assurances as to our or our applicable subsidiaries' qualification for the exemption from tax under Section 883 of the Code for any taxable year. Furthermore, our board of directors could determine that it is in our best interests to take an action that would result in our and our applicable subsidiaries not being able to qualify for the exemption from tax under Section 883 of the Code in the future. Even if we qualify for the Section 883 Exemption for a taxable year, our applicable subsidiaries that are not more than 50%-owned (by value) by us for at least half of the number of days in such taxable year may not qualify for the Section 883 Exemption. There can be no assurance that we or any of our applicable subsidiaries will qualify for the Section 883 Exemption for any taxable year.

If we or our subsidiaries were not entitled to the Section 883 Exemption for any taxable year, we and our subsidiaries generally would be subject to a 4% U.S. federal income tax with respect to our and our subsidiaries' gross U.S. source international transportation income or, if such U.S. source international transportation income were Effectively Connected Income, U.S. federal corporate income tax as well as a branch profits tax for any such taxable year or years. Our and our subsidiaries' failure to qualify for the Section 883 Exemption could have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders. Please see the discussion under "Item 10. Additional Information—Taxation—Material U.S. Federal Income Tax Considerations—Taxation of Operating Income".

U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. shareholders.

In general, a non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a "passive foreign investment company," or a PFIC, for U.S. federal income tax purposes, for any taxable year, if, taking into account certain look-through rules, at least 75% of its gross income for such taxable year consists of certain types of "passive income," or at least 50% of the average value of the entity's assets during such taxable year produce or are held for the production of those types of "passive income". For purposes of these tests, "passive income" generally includes dividends, interest, capital gains and rents derived other than in the active conduct of rental business. For purposes of these tests, income earned from the performance of services would not constitute "passive income". By contrast, rental income generally would constitute "passive income" unless it were treated as derived in the active conduct of a trade or business under applicable rules.

U.S. shareholders of a PFIC are subject to a disadvantageous U.S. 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, as well as additional U.S. federal income tax filing obligations.

Based on our current and projected income, assets and methods of operation, we believe that we should not be treated as a PFIC with respect to our current taxable year and we expect that we should not become a PFIC for the foreseeable future. In this regard, we expect that substantially all of the vessels in our Fleet will be engaged in time or voyage chartering activities and we intend to treat our income from those activities as non-passive income, and the vessels engaged in those activities as non-passive assets, for PFIC purposes.

There is a significant amount of legal authority consisting of the Code, legislative history, and U.S. Internal Revenue Service, or IRS, pronouncements and administrative rulings supporting our position that the income derived from time charters and voyage charters constitutes services income (rather than rental income) for other tax purposes. There is, however, no direct legal authority under the PFIC rules addressing whether income from time chartering activities is services income or rental income. Moreover, it should be noted that there is also 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. In addition, no assurance can be given as to our current and future PFIC status, because such status requires an annual factual determination based upon the composition of our income and assets for the entire taxable year. In particular, because the total value of our assets for purposes of the asset test described above will generally be calculated using the market price of our ordinary shares, our PFIC status may depend in large part on the market price of our ordinary shares. Accordingly, fluctuations in the market price of the ordinary shares may cause us to become a PFIC. In addition, the composition of our income and assets will be affected by how, and how quickly, we use the cash generated by our business operations and any net proceeds that we receive from any future financing or capital transactions. The PFIC determination also depends on the application of complex U.S. federal income tax rules concerning the classification of our assets and income for this purpose, and these rules are uncertain in some respects. Further, the PFIC determination is made annually and our circumstances or the nature of our operations may change. Accordingly, there can be no assurance that we will not be classified as a PFIC for the current taxable year or any future taxable year, and no ruling from the IRS or opinion of counsel has been issued or has been or will be sought with respect to our potential status as a PFIC.

If the IRS were to determine that we are a PFIC for any taxable year in which a U.S. shareholder owned our ordinary shares, the U.S. shareholder generally would be subject to special tax rules resulting in increased tax liability with respect to any "excess distribution" the U.S. shareholder receives on, and any gain the U.S. shareholder realizes from a sale or other disposition (including a pledge) of, our ordinary shares, unless a "mark-to-market" election is available and a U.S. shareholder makes such election with respect to the ordinary shares. In addition, if we were treated as a PFIC for any taxable year in which a U.S. shareholder owned our ordinary shares, the U.S. shareholder would be required to file IRS Form 8621 with the U.S. shareholder's U.S. federal income tax return for each year to report the U.S. shareholder's ownership of such ordinary shares. Please see the discussion under "Item 10. Additional Information—Taxation-Material U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of U.S. Holders-PFIC Status and Significant Tax Consequences".

We may be subject to taxes, which may reduce our cash available for distribution to our shareholders.

We, our subsidiaries and our joint ventures may be subject to tax in the jurisdictions in which we are organized or operate, reducing the amount of cash available for distribution. In computing our tax obligation 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 could result in additional tax imposed on us or our subsidiaries, further reducing the cash available for distribution. In addition, changes in our operations or ownership could result in additional tax being imposed on us or our subsidiaries in jurisdictions in which operations are conducted.

Our wholly owned subsidiary, GSPL, is incorporated under the laws of Singapore and has been accepted under the Singapore Approved International Shipping Enterprise Scheme, or the Singapore AIS Scheme, pursuant to which it has the benefit of various tax exemptions in Singapore. In particular, qualifying income, including income from the operation of foreign-flagged vessels plying in international waters, would be tax exempt in Singapore. Other benefits under the Singapore AIS Scheme include the automatic withholding tax exemption on qualifying payments made in respect of qualifying loans entered into on or before December 31, 2026 to finance the purchase or construction of Singapore-flagged and foreign-flagged vessels, subject to conditions. The Singapore AIS Scheme is awarded for an initial period of 10 years, subject to an interim review of compliance after five years, and may be extended at the end of the term. GSPL's initial Singapore AIS Scheme expired in 2014 and has been renewed through 2024 subject to compliance with specified conditions. There is no assurance that for any subsequent renewal we will be able to meet the qualifying conditions for the Singapore AIS Scheme at the time of renewal, that the Maritime and Port Authority of Singapore will grant us such approval, or that the Singapore AIS Scheme will continue to be available under Singapore laws. In the event that our award of the Singapore AIS Scheme is not renewed, we will no longer enjoy the tax exemptions described above, and unless we are able to utilize other similar tax exemption initiatives in the future, whether in Singapore or otherwise, our income may be subject to Singapore corporate income tax. As such, our business, financial condition, results of operations and prospects may be materially and adversely affected if our acceptance under the Singapore AIS Scheme is revoked, suspended, not renewed or otherwise terminated.

Grindrod Shipping shareholders may be subject to Singapore taxes.

Singapore tax law may differ from the tax laws of other jurisdictions, including the United States. Gains from the sale of Grindrod Shipping ordinary shares by a person not tax resident in Singapore may be taxable in Singapore if such gains are considered as being part of the profits of any business carried on in Singapore. For additional information, see "Item 10. Additional Information—Taxation—Singapore Tax Considerations" in this annual report. You should consult your tax advisors concerning the overall tax consequences of acquiring, owning or selling the Grindrod Shipping ordinary shares.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Grindrod Shipping is the holding company which acquired the international drybulk and tanker shipping group of Former Parent, whose origins date back to the formation of a shipping and related business in 1910 by Captain John Edward Grindrod. Grindrod Shipping was incorporated as a private company, Grindrod Shipping Holdings Pte. Ltd., in Singapore on November 2, 2017 under the Singapore Companies Act. With effect from April 25, 2018, Grindrod Shipping Holdings Pte. Ltd. was converted from a private company to a public company incorporated in accordance with the laws of Singapore and it changed its name to Grindrod Shipping Holdings Ltd.

Former Parent was involved in various sectors of the shipping and transport industry for more than 100 years. The drybulk business in its current form under the IVS brand dates back to 1976 and was acquired by Former Parent in 1999. The tankers business under the Unicorn brand dates back to 1973 when Former Parent acquired a tanker of approximately 20,000 dwt.

In connection with the Spin-Off, Former Parent made a *pro rata* distribution to all of Former Parent's ordinary shareholders who received Grindrod Shipping ordinary shares, with shareholders of Grindrod Shipping holding Grindrod Shipping ordinary shares in the same proportion as they held their Former Parent ordinary shares immediately prior to the consummation of the Spin-Off.

Our principal executive offices are located at #03-01 Southpoint, 200 Cantonment Road, Singapore, 089763, our telephone number at that location is +65 6323 0048 and our website is http://www.grinshipping.com. The SEC maintains a website, http://www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including Grindrod Shipping. The information contained on our website is not incorporated by reference in this annual report.

From time to time, we have sold vessels in the ordinary course. For a discussion of our principal capital expenditures, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources".

B. Business Overview

We are an international shipping company that owns, charters-in and operates a fleet of drybulk carriers and one tanker. Our owned vessels are held in wholly owned subsidiaries but historically we owned some of our vessels in a consolidated joint venture arrangement.

We operate in the drybulk carriers business, which is further divided into handysize, supramax/ultramax, and other operating segments. Activities that do not relate to these business segments are accumulated in an "unallocated" segment. We historically operated a tanker business, which was further divided into medium range tankers, small tankers and other segments, however we completed the plan to discontinue the tanker business during December 2021 and have presented the tanker business as a discontinued operation.

In the drybulk business we are primarily focused on the handysize and supramax/ultramax segments. We have 15 handysize drybulk carriers and 16 supramax/ultramax drybulk carriers in our Fleet with sizes ranging from 28,240 dwt to 62,660 dwt. Our drybulk carriers transport a broad range of major and minor bulk and breakbulk commodities, including ores, coal, grains, forestry products, steel products and fertilizers, along worldwide shipping routes, and are currently employed either in the spot market or servicing COAs.

We have one medium range tanker in our Fleet of 50,140 dwt. Our tanker carries petroleum products, which include both clean products, such as petrol, diesel, jet fuel and naptha, and dirty products, such as heavy fuel oil. It does not carry crude oil. Our tanker is also classed to carry low hazard chemical products, which include liquid bulk vegetable oils. Our tanker is currently under a bareboat charter arrangement.

As of the date of this annual report, we operate our Fleet of 32 vessels consisting of 24 owned drybulk carriers, seven long-term chartered-in drybulk carriers and one owned tanker (see the below Fleet table for details). As of the date of this annual report, our Fleet on the water has a total drybulk carrying capacity of approximately 1.5 million dwt and a total liquid bulk carrying capacity of approximately 50,140 dwt.

We regard chartered-in vessels as part of our Fleet if the period of the charter that we initially commit to is 12 months or more. Once we have included such chartered-in vessels in our Fleet, we will continue to regard them as part of our Fleet until the end of their chartered-in period, including any period that the charter has been extended under an option, even if at a given time the remaining period of their charter may be less than 12 months. Additionally, certain of our chartered-in vessels have purchase options.

In addition to our Fleet, we will from time to time charter-in additional vessels for initial committed periods of less than 12 months. We may do this entirely for our own profit or loss, or we may do this in respect of pools that we commercially manage in which event the profit or loss associated with the vessel will be for the account of the pool. From time to time we have, on average, chartered between 9 to 18 vessels on a short-term basis to take advantage of opportunities in the market and to help service our cargo contracts alongside our Fleet.

In previous years we partnered with global partners to operate a portion of our drybulk carriers through joint ventures. For more information on the vessels previously held through joint ventures and a description of the key terms of certain of these joint ventures, see the Fleet table and "—Our Joint Ventures" below.

We have previously and expect in future from time to time to contract for the construction of newbuilding vessels or the acquisition of newbuilding contracts. We have previously contracted, and currently expect in the future to contract, to charter in, on delivery, newbuilding vessels under construction. We may also acquire secondhand vessels.

From time to time, we may buy and sell vessels when we consider market conditions make it appropriate to do so and if our tonnage requirements permit. We consider that our trading of vessels involves both the acquisition of vessels at times when we perceive prices to be weak and the sale of vessels when values rise. In determining when to acquire vessels we take into account our liquidity position, our expectation of fundamental developments in the drybulk shipping sectors, the level of liquidity in the secondhand and charter markets, the cash flow earned by the vessel in relation to its value, the vessel's condition and technical specifications with particular regard to fuel consumption, expected remaining useful life, the credit quality of the charterer and duration and terms of charter contracts for vessels acquired with charters attached, as well as the overall diversification of our Fleet and customers.

We provide commercial management for our drybulk carriers and we also technically manage the majority of the vessels that we own. In addition, we operate a service in the drybulk sector where we ship bulk cargo in parcel sizes that may be significantly less than the full carrying capacity of a vessel, or even less than the carrying capacity of an individual hold on a vessel. Where we load more than one parcel of bulk cargo in a hold we will separate the parcels using steel plates and other dunnage materials. Wherever it makes commercial sense to do so, we use vessels from our Fleet to carry this type of cargo. We also will source vessels off the spot market to carry the cargo. We have operated this service for more than 40 years, with a consistent customer base for most or all of this time.

For a breakdown and discussion of our revenues for each of the last three financial years, see "Item 5. Operating and Financial Review and Prospects—Results of Operations".

Our Competitive Strengths

We believe that we possess a number of competitive strengths, including:

- *Established shipping track record in key geographic markets.* The Grindrod Shipping business has been involved in various sectors of the shipping industry for more than 100 years. With a core presence and primary offices in Africa and Asia, we maintain a strong focus and local business relationships with critical end-users in geographic regions that have been key to drybulk demand growth.

- *Strong balance sheet and liquidity positioned for growth.* Our balance sheet is well capitalized after a combination of prudent financial risk management throughout the downturn in drybulk and tanker markets and strong earnings and free cash flows in 2021, which have materially enhanced our liquidity and reduced our overall net leverage.

- *Experienced management team.* Our management team is led by Martyn Wade, our Chief Executive Officer, who has 44 years of international shipping experience and has worked for vessel owners, operators and brokers in London, Johannesburg, New York and Singapore. Mr. Wade is a member of the Baltic Exchange Limited. Our management team collectively has over 200 years of combined shipping experience, and has developed industry relationships with charterers, lenders, shipbuilders, insurers and other industry participants.

- *Significant drybulk in-house commercial and technical management expertise.* We commercially manage our entire drybulk fleet in-house which has historically demonstrated strong performance, on average, relative to industry benchmarks. The vast majority of our drybulk fleet is technically managed in-house which has enabled us to consistently enjoy greater than 97% fleet utilization.

- *Vessel employment supported by cargo contracts and strong relationships with key counterparties*. We continue to operate strategic cargo contracts and we believe that our focus on these contracts supports the employment and regional positioning of our vessels. We have also established strong long-term global relationships with shipping companies, charterers, shipyards, trading houses, brokers and commercial shipping lenders.

- *Quality fleet built to high specifications*. We operate a quality fleet of drybulk carriers predominantly built in Japan with an average age of approximately seven years, including our long-term charter-in fleet. We believe that owning and maintaining a quality fleet of Japanese vessels reduces off-hire time and operating costs, improves safety and environmental performance and provides us with a competitive advantage in securing employment for our vessels. Additionally, we believe that quality vessels built in Japan are able to retain value over market cycles. Our quality fleet will also better allow us to cost effectively comply with increasing environmental regulations that may be applicable to our vessels.

- *Long-standing risk management model and liquidity model.* We operate a risk management model and a liquidity model that have been in place for many years and quantify the extent to which our financial position may be at risk to freight market movements and assess our liquidity position under various scenarios. We utilize these models to evaluate and attempt to mitigate market risk during any portion of a shipping cycle with a primary focus on maintaining acceptable levels of equity and liquidity in any potential market downturn.

Business strategies

Our primary objectives are to profitably grow our business, while prioritizing risk management and balance sheet flexibility, and to maintain and enhance our position as a successful owner and operator of drybulk carrier vessels. The key elements of our strategy are:

- *Primarily focus on handysize and supramax/ultramax drybulk market.* We intend to continue focusing our operations in the key drybulk market segments in which we have historically excelled. Accordingly, we have materially reduced our exposure to the tanker sector to a single vessel and do not anticipate further growth in the sector at this time.

- *Maintain balance sheet flexibility and liquidity.* We continue to take a prudent approach in managing our Fleet to ensure balance sheet flexibility and liquidity, as we pursue our growth initiatives and return capital to shareholders through our flexible dividend and capital return policy. We intend to maintain a prudent approach to liquidity while repaying a portion of our long-term debt and advancing with the potential fleet expansion by way of exercising of purchase options on certain of our long-term chartered vessels as described in more detail in the next point below.

- *Utilize a dynamic approach to fleet expansion*. We believe that our approach to fleet management, which utilizes a combination of owned vessels, long-term charter-in vessels and short-term charter-in vessels, allows us significant flexibility to adjust our market exposure depending on market conditions. Our existing long-term contracts typically contain charter extension options and/or fixed price purchase options that can currently provide imbedded upside relative to the prevailing market prices. We intend to exercise these options over the next 18 months, should market conditions continue to allow. Our short-term vessels often contain charter extension options as well.

- *Leverage our in-house commercial management expertise.* We intend to continue to optimize the employment of our drybulk carriers through our in-house commercial management, which historically has provided us with the opportunity to maximize charter revenues while mitigating risk through a combination of charters, FFA's and COA's, when appropriate, which provide a stable base of cargoes around which we operate our Fleet.

- *Continue to grow our relationships with key industry players.* We continue to maintain our relationships with key industry players in Japan which has historically provided us with access to attractive financing terms and high quality vessels for charters and acquisitions.

Our Fleet

The following tables set forth certain summary information regarding our Fleet as of the date of this annual report:

Drybulk Carriers - Owned Fleet (24 Vessels)

Vessel Name	Built	Country of Build	DWT	Ownership Percentage	Type of Employment
Handysize – Eco					
IVS Tembe	2016	Japan	37,740	100%[1]	IVS Commercial[2]
IVS Sunbird	2015	Japan	33,400	100%[1]	IVS Handysize Pool
IVS Thanda	2015	Japan	37,720	100%[1]	IVS Commercial[2]
IVS Kestrel	2014	Japan	32,770	100%[1]	IVS Handysize Pool
IVS Phinda	2014	Japan	37,720	100%[1]	IVS Commercial[2]
IVS Sparrowhawk	2014	Japan	33,420	100%[1]	IVS Handysize Pool
Handysize					
IVS Merlion	2013	China	32,070	100%	IVS Handysize Pool
IVS Raffles	2013	China	32,050	100%	IVS Handysize Pool
IVS Ibis	2012	Japan	28,240	100%	IVS Handysize Pool
IVS Kinglet[3]	2011	Japan	33,130	100%	IVS Handysize Pool
IVS Magpie[3]	2011	Japan	28,240	100%	IVS Handysize Pool
IVS Orchard	2011	China	32,530	100%	IVS Handysize Pool
IVS Knot[3]	2010	Japan	33,140	100%	IVS Handysize Pool
IVS Sentosa	2010	China	32,700	100%	IVS Handysize Pool
IVS Kingbird	2007	Japan	32,560	100%	IVS Handysize Pool
Supramax/Ultramax – Eco					
IVS Prestwick	2019	Japan	61,300	100%	IVS Supramax Pool
IVS Okudogo	2019	Japan	61,330	100%	IVS Supramax Pool
IVS Phoenix[3][4]	2019	Japan	61,470	100%	IVS Supramax Pool
IVS Swinley Forest	2017	Japan	60,490	100%[1]	IVS Supramax Pool
IVS Gleneagles	2016	Japan	58,070	100%[1]	IVS Supramax Pool
IVS North Berwick	2016	Japan	60,480	100%[1]	IVS Supramax Pool
IVS Bosch Hoek	2015	Japan	60,270	100%[1]	IVS Supramax Pool
IVS Hirono	2015	Japan	60,280	100%[1]	IVS Supramax Pool
IVS Wentworth	2015	Japan	58,090	100%[1]	IVS Supramax Pool

Drybulk Carriers - Long-Term Charter-In Fleet (7 Vessels)

Vessel Name	Built	Country of Build	DWT	Daily Charter-in Rate[5] on December 31, 2021	Charter-in Period[6]	Purchase Option price (Millions)	Type of Employment
Supramax/Ultramax – Eco							
IVS Atsugi[7]	2020	Japan	62,660	$ 12,200	2022-24	$ 25.2	IVS Supramax Pool
IVS Pebble Beach[8]	2020	Japan	62,660	$ 12,200	2022-24	$ 25.2	IVS Supramax Pool
IVS Hayakita[9]	2016	Japan	60,400	$ 13,500	2023-26	$ ~24.1	IVS Supramax Pool
IVS Windsor[10]	2016	Japan	60,280	$ 13,385	2023-26	-	IVS Supramax Pool
IVS Pinehurst[11]	2015	Philippines[12]	57,810	$ 9,000	2023	$ 18.0	IVS Supramax Pool
IVS Crimson Creek[13]	2014	Japan	57,950	$ 17,500	2022	-	IVS Supramax Pool
IVS Naruo[14]	2014	Japan	60,030	$ 12,750	2023-24	$ ~15.6	IVS Supramax Pool

Tankers – Owned Fleet (1 Vessel)

Vessel Name	Built	Country of Build	DWT	IMO Designation	Ownership Percentage	Type of Employment
Medium Range Tankers – Eco						
Matuku[3]	2016	South Korea	50,140	II,III	100%	Bareboat Charter (Expires Q2 2022)

(1) 100% ownership interest following the acquisition of the remaining interest in IVS Bulk (a subsidiary) on September 1, 2021.
(2) Commercially managed by Grindrod Shipping alongside the IVS Handysize Pool.
(3) *IVS Knot*, *IVS Kinglet*, *IVS Magpie*, *Matuku* and *IVS Phoenix* have each undergone separate financing arrangements in which we sold these vessels but retained the right to control the use of these vessels for a period up to 2030, 2031, 2031, 2035 and 2036, respectively, and we have an option to acquire *IVS Knot*, *IVS Kinglet* and *IVS Magpie* commencing in 2021, the *Matuku* in 2022 and the *IVS Phoenix* in 2023. We regard the vessels as owned since we have retained the right to control the use of the vessels.
(4) The vessel was acquired from its owners on September 16, 2021.
(5) Charter-in rate: The basic payment to the charterer for the use of the vessel under time charter. The amount is usually for a fixed period of time at rates that are generally fixed, but may contain a variable component based on inflation, interest rates, or current shipping market rates. The rate does not include any additional costs that are specified in the contract such as address commission, brokerage costs and victualing costs.
(6) Expiration date range represents the earliest and latest re-delivery periods due to extension options.
(7) Chartered-in until Q4 2022 with two one-year options to extend, at charter-in rates of $12,950 per day for the first extension year and $13,700 per day for the second extension year. The purchase option is exercisable beginning in Q4 2022 subject to contract terms and conditions.
(8) Chartered-in until Q3 2022 with two one-year options to extend, at charter-in rates of $12,950 per day for the first extension year and $13,700 per day for the second extension year. The purchase option is exercisable beginning in Q3 2022 subject to conditions.
(9) Chartered-in until Q3 2023 with two one-year options to extend and one nine-month option to extend, at charter-in rates of $14,000 per day for the first extension year, $14,500 per day for the second extension year, and $14,800 per day for the following nine-month extension period. The purchase option is exercisable next in Q3 2022 subject to contract terms and conditions and includes an estimated Japanese Yen denominated component but excludes estimated 50/50 profit sharing with vessel owner. The Japanese Yen component has been converted to at a rate of 115 Yen to $1.
(10) Chartered-in until Q3 2023 with two one-year options to extend and one nine-month option to extend, at charter-in rates of $13,885 per day for the first extension year, $14,385 per day for the second extension year, and $14,885 per day for the following nine-month extension period.
(11) Chartered-in at $9,000 per day until January 3, 2022, and thereafter at $10,000 per day until Q1 2023. The purchase option is exercisable at any time prior to Q4 2022 subject to contract terms and conditions.
(12) Constructed at Tsuneishi Cebu Shipyard, a subsidiary of Tsuneishi Shipbuilding of Japan.
(13) Chartered-in at 101% of the BSI-58 index with a floor of $8,500 per day and ceiling of $17,500 per day until Q2 2022. In the current market the ceiling rate of $17,500 is applicable.
(14) Chartered-in until January 2023 at $13,000 with two additional one-year options to extend at $13,000 per day for each extension year. The first extension year was exercised and the second extension period will be exercisable beginning Q4 2022. The purchase option is exercisable next in Q4 2022 subject to contract terms and conditions and includes an estimated Japanese Yen denominated component which has been converted to at a rate of 115 Yen to $1.

Employment of Our Fleet

We aim to manage our business in a manner that achieves a balance between maximizing revenue opportunities and protecting against declines in revenue. We operate our vessels in the spot market, on long- and short-term time charters and on occasion on bareboat charters. In addition to employing our vessels in these ways, we use FFAs and enter into COAs to manage our revenue risk and employment risk. Where we carry cargo under COAs, we may utilize our Fleet to do so or we may utilize vessels that we short-term charter-in that are not part of our Fleet. We currently employ our vessels primarily in the spot market and we do not have a significant amount of fixed revenue cover.

Commercial Pools

To increase vessel utilization and thereby revenue, vessel owners participate in commercial pools with vessels of a similar size. By operating a large number of vessels as an integrated transportation system, commercial pools offer customers greater flexibility and a higher level of service while achieving scheduling efficiencies. Pools employ experienced commercial managers and operators who have close working relationships with customers and brokers, while technical management is performed by each vessel owner or procured from third parties. The managers of the pools negotiate voyage charters and COAs and time charters of various lengths, usually less than 12 months, with customers. The size and scope of these pools enable them to enhance vessel utilization rates for pool vessels by securing backhaul voyages and COAs, thus generating higher effective TCE revenue than otherwise might be obtainable for vessels operating independently in the spot market, while providing a higher level of service offerings to customers.

A pool aggregates the revenue and agreed expenses, which are usually voyage related expenses, of all of the vessels in the pool and distributes the net earnings calculated on (i) the number of pool points for the vessel, and (ii) the number of days the vessel was available to earn revenue for the pool in a distribution period. Usually a single pool manager is responsible for both the administrative and commercial management of the participating vessels, including marketing the pool, negotiating charters, including voyage charters, short duration time charters and longer term COAs, conducting pool operations, including the distribution of pool cash earnings, and managing bunker purchases, port charges and administrative services for the vessels. For these services the pool manager charges a fee, which may be a flat rate per day per vessel in the pool, or a fixed percentage rate applied typically to the gross revenue earned by the pool, or a combination of both. The pool participants remain responsible for all other costs including the financing, insurance, manning and technical management of their owned vessels or payment of charter hire to the owners of chartered-in vessels they have entered into the pool. For information regarding our accounting policies with respect to pool arrangements, see Note 2.18 to the audited consolidated financial statements.

In 2013, we established two drybulk commercial management pools in the handysize and supramax/ultramax sectors that have each demonstrated an ability to outperform, on average, relative to their industry benchmarks since their inception.

Our IVS Handysize Pool includes all of the handysize vessels in our Fleet, including those previously held through joint ventures, except for the three approximately 37,700 dwt handysize vessels which are commercially managed as a group by the same in-house team that manages the IVS Handysize Pool. For more information on the vessels previously held through joint ventures, see the Fleet table and "—Our Joint Ventures" below. In addition, there are numerous other vessels that we have short-term chartered-in and currently one other vessel owned by another vessel owner in the IVS Handysize Pool. This pool includes vessels of between approximately 28,000 dwt and 34,000 dwt, and currently trades primarily in the spot market. As pool managers we have the ability to contract pool vessels out on time charters for up to 12 months. The net earnings allocated to vessels in the IVS Handysize Pool are distributed on the basis of (i) the number of pool points for the vessel, which are based on vessel attributes such as cargo carrying capacity, fuel consumption and construction characteristics, and (ii) the number of days the vessel was available to earn revenue for the pool in a distribution period. While all of the vessels in the IVS Handysize Pool are generally similar in terms of pool point allocations, the number of days a vessel is available to earn revenue varies on the basis of when a vessel enters or exits the pool or upon the occurrence of other events such as drydocking or repairs. In light of the foregoing, this results in all vessels in the IVS Handysize Pool receiving net earnings distributions that generally reflect actual availability for use in the pool.

Our IVS Supramax Pool includes all of the supramax/ultramax vessels in our Fleet, including those previously held through joint ventures. For more information on the vessels previously held through joint ventures, see the Fleet table and "—Our Joint Ventures" below. There are no vessels owned by independent third parties in this pool. This pool includes vessels of between approximately 57,800 dwt and 62,660 dwt and currently trades in a combination of COAs and the spot market. As pool managers, we have the ability to contract pool vessels out on time charters for up to 12 months. The net earnings allocated to the vessels in the IVS Supramax Pool are distributed on the basis of (i) the number of pool points for the vessel, which are based on vessel attributes such as cargo carrying capacity, fuel consumption, and construction characteristics, and (ii) the number of days the vessel was available to earn revenue for the pool in a distribution period. While all of the vessels in the IVS Supramax Pool are generally similar in terms of pool point allocations, the number of days a vessel is available to earn revenue for the pool varies on the basis of when a vessel enters or exits the pool or upon the occurrence of other events such as drydocking or repairs. In light of the foregoing, this results in all vessels in the IVS Supramax Pool receiving net earnings distributions that generally reflect actual availability for use in the pool.

Spot Market

When we refer to a vessel operating in the spot market, we mean that we do not have long-term contracted employment for that vessel. The vessel's commercial manager or the pool manager, as applicable, seeks employment for these vessels on a day-to-day basis. The spot market includes voyage charters. A voyage charter is generally a contract to carry a specific cargo from a load port to a discharge port for an agreed freight per ton of cargo or a specified total amount. Under voyage charters, we pay specific voyage expenses such as port, canal and bunker costs. The spot market also includes time charters of a short duration. Shipping rates are volatile and also fluctuate on a seasonal and year-to-year basis, and operating in the spot market exposes us to this volatility more than if we had long-term fixed contracted revenue.

In addition, we may enter long-term charters or COAs where the rate we charge varies according to fluctuations in the shipping market. Although these types of contracts run over a longer period, the charter rates may be reset at the start of each voyage or on a monthly or quarterly or other interval. A number of industry participants produce daily assessments of the spot market rates and indices are produced to reflect the changes in the spot market over time based on these assessments. Accordingly, these contracts are generally referred to as "index-linked" contracts. Like spot market contracts, index-linked contracts are also exposed to the volatility in the shipping markets. The Baltic Exchange is the primary producer of these indices.

Market fluctuations derive from imbalances in the availability of cargoes for shipment and the number of vessels available at any given time to transport these cargoes. Vessels operating in the spot market generate revenue that is less predictable than those under longer term time charters or those serving fixed rate COAs, but operating in the spot market may enable us to capture increased profit margins during periods of improvements in charter rates. As the costs of our Fleet are typically of a long-term, fixed nature, downturns in the spot markets and in the drybulk or tanker industries generally would result in a reduction in profit margins.

Our three approximately 37,700 dwt handysize vessels are currently primarily employed in the spot market and the vessels in the IVS Handysize Pool, are currently also employed in the spot market. The vessels in the IVS Supramax Pool currently trade in a combination of COAs and the spot market.

Commercial Management

As noted above, our three approximately 37,700 dwt handysize vessels are commercially managed as a group by the same in-house team that manages the IVS Handysize Pool and currently operate primarily in the spot market.

We owned two medium range tankers of approximately 50,000 dwt, which were commercially managed by Mansel (an affiliate of Vitol that procures shipping for oil cargoes traded by Vitol) and operated in the spot market and on Vitol traded cargoes until they were sold in April 2021.

We commercially managed one approximately 16,900 dwt tanker, which primarily traded around the southern African coast, fulfilling obligations we have under COAs, as well as the spot cargo market until it was sold in April 2021.

Time Charters

Time charters provide a fixed and stable cash flow for a known period of time. Time charters also mitigate in part the volatility and seasonality of the spot market business. We may employ vessels under longer term time charter contracts as part of our overall management of our revenue and risks. We may also enter into time charter contracts with profit sharing agreements, which enable us to benefit when the spot market rates increase.

Bareboat Charter

Our medium range tanker vessel is bareboat chartered out until May 2022.

Our Joint Ventures

The following descriptions are only a summary of the material provisions of our material joint ventures and are qualified in their entirety by reference to the copies of the joint venture agreements and amendments thereto, which are included as exhibits to this annual report.

IVS Bulk Pte. Ltd.

Prior to February 14, 2020, we, through our wholly owned subsidiary GSPL, owned an approximately 33.5% interest in IVS Bulk Pte. Ltd., or IVS Bulk, a joint venture with Sankaty European Investments III S.à.r.l, or Sankaty, and Regiment Capital Ltd, or Regiment. Effective February 14, 2020, we increased our ownership to 66.75%. The financials of IVS Bulk were consolidated into our financial statements following the acquisition of the additional 33.25% rather than being accounted for under the equity accounting method, as had previously been the case.

On December 1, 2020, a loan of $4.0 million provided by GSPL to IVS Bulk was converted into equity in line with the new shareholders agreement. The transaction increased GSPL's shareholding by 2.11% in IVS Bulk from 66.75% to 68.86%.

Effective September 1, 2021, we acquired the remaining ordinary shares in IVS Bulk for a total purchase consideration of $46.3 million, comprising of $37.2 million for the ordinary equity shares and $9.1 million for the preference shares.

Leopard Tankers Pte. Ltd.

As of December 31, 2021, we owned a 50% interest in Leopard Tankers Pte. Ltd., or Leopard Tankers, a former joint venture with Vitol, or our joint venture partner. Leopard Tankers owned four 50,000 dwt tankers, which were commercially managed by Mansel, an affiliate of Vitol, which received a management fee. This joint venture terminated and we acquired two medium range "eco" tankers from the joint venture, namely *Leopard Sun* and *Leopard Moon*, in January and February 2019, respectively, and our joint venture partner acquired the remaining two vessels from Leopard Tankers in February and March 2019. The financial results of *Leopard Sun* and *Leopard Moon* are consolidated into our financial statements following delivery of these vessels to us. Leopard Tankers Pte. Ltd. and its subsidiaries are in the process of being wound up.

Management of Our Business

General management

Overall responsibility for the oversight of the management of our company rests with our board of directors. We do all of the financial and administrative management of our business ourselves, contracting in human resource, financial, legal, tax and other specialist advice from reputable, arm's length service providers when required. We and our wholly owned subsidiary GSSA each entered into a transitional services agreement with Former Parent in connection with the Spin-Off, under which Former Parent provides to us and our subsidiaries, among other things, corporate secretarial services, internal audit and information technology services. These transitional agreements have expired and we currently manage the relevant services ourselves. We and our wholly owned subsidiary GSSA each entered a related licensing agreement in respect of the use of certain intellectual property of Former Parent and GSSA remains party to a property lease agreement subject to termination on short-term notice.

Commercial management

Decisions about how to commercially employ our Fleet, and general commercial and strategic decisions relating to the conduct of our business, including participation in joint ventures, are made by our own management and employees, under guidance and authority from our board of directors in accordance with our governance framework.

Technical Management

We technically manage in-house the majority of our vessels that we own. We currently employ a team of 13 experienced and qualified managers plus 16 support staff in Singapore, Durban and Manila. This team includes three master mariners and seven Class 1 marine engineers who perform superintendent and technical management functions for the in-house managed vessels. Our technical management team is responsible for the technical operation and upkeep of these vessels, including procurement, crewing, maintenance, repairs and dry dockings, maintaining required vetting approvals and relevant inspections, and ensuring that our vessels under in-house management comply with the requirements of classification societies, as well as relevant government, flag state, environmental and other regulations.

A majority of the crews we employ are sourced from third-party crewing providers with whom we contract directly for the supply of crews to the vessels we manage in-house. Our technical team also operated the Grindrod Shipping Training Academy located in Durban from where we sourced some of our crewing requirements until it was sold in May 2021.

In addition, our in-house technical team also oversees the third-party technical managers who we have contracted to carry out technical management functions for the balance of our Fleet. During 2021, we used one outside technical management provider, LSC Ship Management, or LSC. LSC technically managed two tankers until the vessels were sold in April 2021.

Separately, we have one tanker chartered-out on bareboat charter, under the terms of which the charterers are obligated to conduct the technical management of the vessel which they do through ASP Ship Management Singapore Pte. Ltd., the third-party managers.

Our Customers

We believe that developing strong relationships with the end users of our services allows us to better satisfy their needs with appropriate vessels and solutions. A prospective customer's financial condition, creditworthiness, and reliability track record are important factors in negotiating our vessels' employment. Our customers with whom we contract as commercial managers of our own, our joint venture partners' and third parties' drybulk carriers include other shipping companies, international commodity trading houses, mining companies, industrial manufacturing companies, major oil companies, and traders of grains, steel and forestry products.

For the years ended December 31, 2021, 2020 and 2019, no customers accounted for 10% or more of our drybulk business revenue. For the year ended December 31, 2020, four customers accounted for 10% or more of our tankers business revenue in amounts of approximately $17.5 million, $14.9 million, $13.9 million and $9.1 million, respectively. For the year ended December 31, 2019, five customers accounted for 10% or more of our tankers business revenue in amounts of approximately $21.2 million, $15.5 million, $8.5 million, $7.9 million and $7.4 million, respectively.

Seasonality

We operate our drybulk carriers in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in volatility in our operating results to the extent that we enter into new charter agreements or renew existing agreements during a time when charter rates are weaker or we operate our vessels on the spot market or under time charters, which may result in quarter-to-quarter volatility in our operating results.

The drybulk sector is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere. The celebration of Chinese New Year in the first quarter of each year, also results in lower volumes of seaborne trade into China during this period.

In addition, unpredictable weather patterns tend to disrupt vessel routing and scheduling as well as the supplies of certain commodities.

Competition

Our vessels are employed in a highly competitive market that is capital intensive and highly fragmented. The competition in the market is based primarily on supply and demand and we compete for charters and COAs on the basis of price, vessel location, vessel specifications including fuel consumption, size, age, condition and country of build, our and our third-party commercial managers' reputations, and, particularly in the tanker sector, additional requirements of the charterers.

We compete primarily with other independent and state-owned drybulk vessel-owners. Our competitors may have more resources than us and may operate vessels that are able to consume cheaper fuels, in particular, any competitors who have installed or may install scrubbers in compliance with IMO 2020 regulations, and are newer, and therefore more attractive to charterers, than our vessels. Ownership and control of drybulk carriers is highly fragmented and is divided among a large number of players including publicly listed and privately owned shipping companies, mining companies, commodity trading houses, private equity and other investment funds and state-controlled owners. Due in part to the highly fragmented markets in which we operate, competitors with greater resources than us could enter the drybulk or tanker shipping industries 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. See, "Item 3. Risk Factors—Risks Related to Our Industry—We operate in the highly competitive international shipping industry and we may not be able to compete for charters and COAs with new entrants or established companies with greater resources, and, as a result, we may be unable to employ our vessels profitably".

Environmental and Other Regulations

Government regulation significantly affects the ownership and operation of our vessels. We are subject to international conventions and treaties and national, state and local laws and regulations relating to safety and health and environmental protection in force in the countries in which our vessels may operate or are registered. These regulations include requirements relating to 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 may entail significant expense, including vessel modifications and implementation of specific operating procedures.

A variety of governmental, quasi-governmental and private organizations subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard, or USCG, harbor master or equivalent), classification societies, flag state administrations, charterers, and terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the operation of one or more of our vessels being temporarily suspended or lead to the invalidation or reduction of our insurance coverage.

We believe that the heightened level of environmental and quality concerns among insurance underwriters, regulators and charterers is leading to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to the stricter environmental standards. 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 compliance with U.S. and international regulations. We believe that our vessels are operated in substantial compliance with applicable environmental laws and regulations and have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations are frequently changed and may impose increasingly stricter requirements, we cannot predict the future cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that results in significant oil pollution, release of hazardous substances, loss of life, or otherwise causes significant adverse environmental impact, such as the 2010 BP plc *Deepwater Horizon* oil spill in the Gulf of Mexico, could result in additional legislation or regulations that could negatively affect our profitability.

International Maritime Organization

The International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels, or the IMO, has adopted MARPOL. MARPOL entered into force on October 2, 1983. It has been adopted by over 150 nations, including many of the jurisdictions in which our vessels will operate.

MARPOL is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annex II relates to noxious liquid substances carried in bulk; Annex III relates to harmful substances carried in packaged form; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI relates to air emissions.

In 2012, the IMO's Marine Environment Protection Committee, or MEPC, adopted by resolution amendments to the International Code for the Construction and Equipment of Ships carrying Dangerous Chemicals in Bulk, or the IBC Code. The provisions of the IBC Code are mandatory under MARPOL and SOLAS. These amendments, which entered into force in June 2014, pertain to revised international certificates of fitness for the carriage of dangerous chemicals in bulk and identifying new products that fall under the IBC Code.

The MARPOL Annex I Condition Assessment Scheme, or CAS, sets out a framework of inspection and verification of the structural condition of certain oil tankers. In 2013, the MEPC adopted by resolution amendments to the CAS. These amendments, which became effective on October 1, 2014, complement inspections of bulk carriers and tankers set forth in the 2011 International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers, or ESP Code, and enhance the programs of inspections for certain tankers.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution. Effective May 2005, Annex VI set limits on nitrogen oxide emissions from vessels whose diesel engines were constructed (or underwent major conversions) on or after January 1, 2000. It also prohibits "deliberate emissions" of "ozone depleting substances," defined to include certain halons and chlorofluorocarbons. "Deliberate emissions" are not limited to times when the vessel is at sea; they can, for example, include discharges occurring in the course of the vessel's repair and maintenance. Emissions of "volatile organic compounds" from certain vessels, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, PCBs), are also prohibited. Annex VI also 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 ECAs.

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 vessels. As of January 1, 2012, the amended Annex VI required that fuel oil contain no more than 3.50% sulfur (from the previous cap of 4.50%). Pursuant to MEPC 70, the amended Annex VI requires that fuel oil contain no more than 0.5% sulfur (from the previous cap of 3.5%) as of January 1, 2020. In MEPC 72, MEPC further agreed to prohibit the carriage of non-compliant fuel after 2020, unless a vessel is fitted with an equivalent arrangement such as a scrubber. As of January 2020, vessels now have to either reduce sulfur from emissions through the installation and use of emission scrubbers or buy fuel with lower sulfur content that is more expensive than standard marine fuel. Consequently, complying with MEPC 70 could result in a significant capital expenditure or a significant increase in the cost of bunkers. We use compliant bunker fuel in our vessels and have not yet ordered and do not currently plan to order any emissions treating systems for fitting on our existing vessels or our newbuildings currently under construction, although we may do so in the future for our current and / or future vessels. While we believe that burning compliant fuel, rather than treating non-compliant fuel, is an appropriate commercial strategy, the net earnings of our vessels may be negatively impacted by a differentiated bunker fuel market in the future and our vessels may not be as attractive to charterers as vessels fitted with exhaust treatment systems.

Sulfur content standards are even stricter within certain ECAs. As of January 1, 2015, vessels operating within an ECA may not use fuel with sulfur content in excess of 0.10%. Amended Annex VI established procedures for designating new ECAs. The Baltic and North Seas, certain coastal areas of North America and the United States Caribbean Sea are all within designated ECAs. In addition, certain ports in China and South Korea are or will become subject to domestic ECAs in those countries. Ocean-going vessels in these areas are subject to stringent emission controls, which may cause us to incur additional costs. If other ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency, or the EPA, or the states or other national jurisdictions where we operate, compliance with these regulations could entail significant capital expenditures, operational changes, or otherwise increase the costs of our operations. For example, the amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation. The EPA promulgated equivalent (and in some senses stricter) emissions standards in late 2009. At MEPC 70 and MEPC 71, MEPC approved and adopted the North Sea and Baltic Sea as ECAs for nitrogen oxides, effective January 1, 2021.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for vessels. Under these measures, by 2025, all new vessels built must be 30% more energy efficient than those built in 2014. This included the requirement that all new vessels utilize the Energy Efficiency Design Index, or EEDI, and all vessels develop and implement Ship Energy Efficiency Management Plans, or SEEMPs. We are in the process of implementing energy savings measures for our vessels, which will require financial expenditures, but ultimately result in lower fuel costs.

We believe that all our vessels are compliant in all material respects with these regulations that are currently in force. 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, financial condition, cash flows and results of operations.

Ballast Water Management

The IMO adopted the BWM Convention, in February 2004. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits. All vessels will also have to carry a ballast water record book and an International Ballast Water Management Certificate. The BWM Convention entered into force 12 months after it was adopted by 30 states, the combined merchant fleets of which represent not less than 35% of the gross tonnage of the world's merchant shipping. On September 8, 2016, this threshold was met (with 52 contracting parties making up 35.14%). Thus, the BWM Convention entered into force on September 8, 2017. However, at MEPC 71, MEPC decided that, while new vessels constructed after September 8, 2017 must comply on delivery with the BWM Convention, implementation of the BWM Convention would be delayed for existing vessels (constructed prior to September 8, 2017) for a further two years. For such existing vessels, installation of ballast water management systems, or BWMS, must take place at the first renewal survey following September 8, 2017 (the date the BWM Convention entered into force). Although requirements with respect to D-2 performance standards relating to mandatory concentration limits will be phased in based on renewal survey dates, all vessels must meet the standards by September 8, 2024. At MEPC 70, MEPC adopted updated "guidelines for approval of ballast water managements systems (G8)". G8 updates previous guidelines concerning procedures to approve BWMS. The G8 guidelines became mandatory through the BWMS Code, which was adopted in MEPC 72 and entered into force in October 2019. MEPC 72 also agreed to develop guidelines for mandatory ballast water sampling to confirm that a vessel's BWMS complies with standards set out in the BWM Convention prior to the vessel receiving its International Ballast Water Management Certificate. Once mid-ocean ballast exchange or ballast water treatment requirements become mandatory, the cost of compliance could increase for ocean carriers and the costs of ballast water treatments may be material. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The United States for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. We believe the costs of such ballast water compliance may be material over time, however, it is difficult to predict the overall impact of such requirements on our operations.

Safety Management System Requirements

The IMO has also adopted SOLAS and the LL Convention, which impose a variety of standards that regulate the design and operational features of vessels. The IMO periodically revises the SOLAS and LL Convention standards. Amendments to SOLAS relating to safe manning of vessels that were adopted in May 2012 entered in force on January 1, 2014. The Convention on Limitation of Liability for Maritime Claims, or LLMC, was recently amended and the amendments went into effect on June 8, 2015. The amendments alter the limits of liability for loss of life or personal injury claims and property claims against vessel owners. We believe that all our vessels are in substantial compliance with SOLAS and LL Convention standards.

Our operations are also subject to environmental standards and requirements under Chapter IX of SOLAS set forth in the ISM Code. The ISM Code requires the owner of a vessel, or any person who has taken responsibility for operation of a vessel, to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we or our technical managers have developed for compliance with the ISM Code. The failure of a vessel owner 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.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate under the ISM Code unless its manager has been awarded a document of compliance, issued by classification societies under the authority of each flag state. We and/or our third-party technical manager have documents of compliance and safety management certificates for all of our vessels for which the certificates are required by the IMO. The document of compliance and safety management certificate are renewed every five years, but the document of compliance is subject to audit verification annually and the safety management certificate at least every 2.5 years.

The flag state, as defined by the United Nations Convention on Law of the Sea, has overall responsibility for implementing and enforcing a broad range of international maritime regulations with respect to all vessels granted the right to fly its flag. The "Shipping Industry Flag State Performance Table" published annually by the International Chamber of Shipping evaluates and reports on flag states based on factors such as ratification, implementation, and enforcement of principal international maritime treaties and regulations, supervision of statutory vessel surveys, and participation at IMO and International Labour Organization, or ILO, meetings. All of our owned vessels are currently flagged in Singapore except one supramax and three handysize bulk carriers that are subject to financing arrangements, *IVS Phoenix, IVS Knot*, *IVS Kinglet* and *IVS Magpie*, which are flagged in the Marshall Islands, and one medium range tanker under a bareboat charter out that is flagged in New Zealand. Singapore 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 flags of convenience or flag states with poor performance indicators. Noncompliance with the ISM Code or other IMO regulations may subject the vessel owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by the applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. Each of our vessels are ISM Code certified. However, there can be no assurance that such certificate will be maintained.

Noncompliance with the ISM Code and other IMO regulations may subject the vessel owner or bareboat charterer to increased liability, may lead to decreases in, or invalidation of, available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for oil pollution in international waters and the territorial waters of the signatory to such conventions. Many countries have ratified and follow the liability plan adopted by the IMO and set out in the CLC. Under this convention, and depending on whether the country in which the damage results is a party to the 1992 Protocol to the CLC, a vessel's registered owner is strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain exceptions. The 1992 Protocol changed certain limits on liability, expressed using the International Monetary Fund currency unit of Special Drawing Rights. The limits on liability have since been amended so that the compensation limits on liability were raised. The right to limit liability is forfeited under the CLC where the spill is caused by the vessel owner's actual fault and under the 1992 Protocol where the spill is caused by the vessel owner's intentional or reckless act or omission where the vessel owner knew pollution damage would probably result. The CLC requires vessels covered by it to maintain insurance covering the liability of the owner in a sum equivalent to an owner's liability for a single incident. We believe that our protection and indemnity insurance will cover the liability under the plan adopted by the IMO.

The IMO adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, to impose strict liability on vessel owners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of vessels 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 a vessel's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

IMO regulations also require owners and operators of vessels to adopt shipboard oil pollution emergency plans and/or shipboard marine pollution emergency plans for noxious liquid substances in accordance with the guidelines developed by the IMO.

The IMO continues to review and 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 Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990, or 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 in 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. The United States has also enacted the Comprehensive Environmental Response, Compensation and Liability Act, or 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 and operator" in the case of a vessel as any person owning, operating or chartering by demise the vessel. OPA applies to oil tankers, as well as non-tanker vessels that carry fuel oil, or bunkers, to power such vessels. CERCLA also applies to our operations.

Under OPA, vessel owners and operators are "responsible parties" and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels. OPA defines these other damages broadly to include:

- injury to, destruction or loss of, or loss of use of, natural resources and the costs of assessment thereof;
- 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 increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective November 12, 2019, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,200 per gross ton or $997,100 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. 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 does not apply if the responsible party fails or refuses to (i) report the incident where the responsible 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 million for vessels carrying a hazardous substance as cargo 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 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 refuses 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 comply in all material respects with the USCG's financial responsibility regulations by providing a certificate of responsibility evidencing sufficient self-insurance.

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 coverage it could have an adverse effect on our business and results of operations.

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 comply in all material respects with all existing applicable state regulations in the ports where our vessels call.

Significant oil spills, such as the 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico, may also result in additional legislative or regulatory initiatives, including the raising of liability caps under OPA or more stringent operational requirements. We cannot predict what additional requirements, if any, may be enacted and what effect, if any, such requirements may have on our operations.

Other Environmental Initiatives

The CWA prohibits the discharge of oil or other substances in U.S. 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. In addition, 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 U.S. federal law.

The EPA regulates the discharge of ballast water and other substances in U.S. waters under the CWA. EPA regulations require vessels 79 feet in length or longer (other than commercial fishing and recreational vessels) to comply with a Vessel General Permit, or VGP, that authorizes ballast water discharges and other discharges incidental to the operation of vessels. For a new vessel delivered to an owner or operator after September 19, 2009 to be covered by the VGP, the owner must submit a Notice of Intent, or NOI, at least 30 days before the vessel operates in U.S. waters. The VGP imposes technology and water-quality based effluent limits for certain types of discharges and establishes specific inspection, monitoring, record keeping and reporting requirements to ensure the effluent limits are met. The EPA renewed and revised the VGP, effective December 19, 2013. The VGP now contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters and more stringent requirements for exhaust gas scrubbers and requires the use of environmentally acceptable lubricants.

The USCG regulations adopted under the U.S. National Invasive Species Act, or NISA, also impose mandatory ballast water management practices for all vessels equipped with ballast water tanks entering or operating in U.S. waters. As of June 21, 2012, the USCG adopted revised ballast water management regulations that established standards for allowable concentrations of living organisms in ballast water discharged from vessels in U.S. waters. The USCG must approve any technology before it is placed on a vessel.

Notwithstanding the foregoing, as of January 1, 2014, vessels are technically subject to the phasing-in of these standards. As a result, the USCG in the past provided waivers to vessels which could not install the then unapproved ballast water treatment technology, but has begun to deny requests for waivers in light of its recent approval of a handful of technologies. In March 2018 the USCG published guidance on the limited circumstances in which it would authorize extension of a vessel's compliance date and further indicated that extensions will generally not be granted for more than twelve months. The EPA, on the other hand, has taken a different approach to enforcing ballast discharge standards under the VGP. On December 27, 2013, the EPA issued an enforcement response policy in connection with the new VGP in which the EPA indicated that it would take into account the reasons why vessels do not have the requisite technology installed, but will not grant any waivers.

It should also be noted that in October 2015, the Second Circuit Court of Appeals issued a ruling that directed the EPA to redraft the sections of the 2013 VGP that address ballast water. However, the Second Circuit stated that 2013 VGP, which was scheduled to expire in December 2018, will remain in effect until the EPA issues a new VGP.

On December 4, 2018, the Vessel Incidental Discharge Act, or VIDA, was enacted. VIDA establishes a new framework for the regulation of vessel incidental discharges (including ballast water) under the CWA. VIDA 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 the EPA's promulgation of standards. The new regulations cannot be less stringent than the 2013 VGP or the USCG NISA regulations. Under VIDA, all provisions of the 2013 VGP remain in force and effect until the USCG regulations are finalized. In addition, VIDA requires the USCG to finalize a policy letter within one year that describes ballast water treatment systems approval testing methods and protocols. The EPA proposed Vessel Incidental Standards of Performance in October 2020 and is expected to publish the final standards in 2022, after which the USCG will have two years to publish its implementation, compliance and enforcement regulations. Once the USCG regulations are in effect, subject to certain exceptions in the Pacific Coast and Great Lakes, states and regions cannot develop or enforce more stringent standards unless they petition the EPA and can establish that the revised best management standard would reduce adverse impacts from discharges and is both economically achievable and operationally practical.

Compliance with the EPA and the USCG regulations could require the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters. While we believe that our vessels have been or will be fitted with systems that will comply with the standards, those systems may not be approved. If they are not approved it could have an adverse material impact on our business, financial condition, and results of operations depending on the available ballast water treatment systems and the extent to which existing vessels must be modified to accommodate such systems. In addition, certain states have enacted more stringent discharge standards as conditions to their required certification of the VGP, and can continue to enforce those standards until the USCG VIDA regulations are finalized. Although VIDA clarifies some of the confusion regarding the differing United States regulatory schemes applicable to ballast water, it continues to remain unclear how the ballast water requirements set forth by the EPA, the USCG, and IMO BWM Convention, some of which are in effect and some which are pending, will co-exist.

The U.S. Clean Air Act of 1970, as amended by the Clean Air Act Amendments of 1977 and 1990, or the CAA, requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. Our vessels will be subject to vapor control and recovery requirements for certain cargoes when loading, unloading, taking on or discharging ballast, cleaning and conducting other operations in regulated port areas. Our vessels that operate in such port areas with restricted cargoes are equipped with vapor recovery systems that satisfy these requirements. The CAA also requires states to adopt State Implementation Plans, or SIPs, designed to attain national health-based air quality standards in primarily major metropolitan and/or industrial areas. Several SIPs regulate emissions resulting from vessel loading and unloading operations by requiring the installation of vapor control equipment. As indicated above, our vessels operating in covered port areas are equipped with vapor recovery systems that satisfy these existing requirements.

European Union Regulations

In October 2009, the European Union 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 that of the vessel is in danger.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk vessels, as determined by type, age, flag, and the number of times the vessel has been detained. The European Union also adopted and then extended a ban on substandard vessels and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation 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.

The EU Ship Recycling Regulation, or EU SRR, entered into force on December 31, 2013. The EU SRR brings forward the implementation of the provisions contained in the IMO's Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, or the Hong Kong Convention, which has not yet entered into force. The EU SRR aims to prevent, reduce and, to the extent practicable, eliminate accidents, injuries and other adverse effects on human health and the environment caused by ship recycling. The EU SRR aims to ensure that hazardous waste from ship recycling is subject to environmentally sound management and also includes rules to ensure the proper management of hazardous materials on ships.

As of December 31, 2018 all ships not less than 500 gross tonnes and flagged under an EU member state may be recycled only in an EU-approved ship recycling facility. Beginning December 31, 2020, EU-flagged and non-EU-flagged ships calling at EU ports are also required to have onboard a verified inventory of hazardous materials with a statement of compliance issued by a representative organization.

Greenhouse Gas Regulations

Currently, the emissions of greenhouse gases 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. The 2015 United Nations Convention on Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and aims to limit global temperature rise below 2 degrees celsius above pre-industrial levels and to pursue efforts to limit temperature increase even further to 1.5 degrees celsius. However, neither the Paris Agreement nor the subsequent 2021 Glasgow Climate Agreement directly limit greenhouse gas emissions from vessels.

The IMO has taken a number of measures to address greenhouse gas emissions associated with international shipping. As of January 1, 2013, vessels were required to comply with new MEPC mandatory requirements relating to energy efficiency to address greenhouse gas emissions from vessels. In addition, MEPC 70 approved a "roadmap" for developing an IMO strategy by 2018 on reduction of greenhouse gas emissions from vessels. In April 2018, MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from shipping by at least 50% by 2050 compared to 2008 levels, while pursuing efforts towards phasing them out entirely as "a pathway of CO_2 emissions reduction consistent with the Paris Agreement temperature goals." In November 2021, MEPC 77 indicated that the IMO's goal of reducing shipping greenhouse gas emissions 50% by 2050 does not go far enough to address the impact of shipping on climate change and that the MEPC intends to initiate a revision of its greenhouse gas targets by 2023.

During MEPC 76 in June 2021, the IMO adopted amendments to MARPOL Annex VI, introducing an Energy Efficiency Design Index for existing ships (EEXI) and Carbon Intensity Indicator (CII). The requirements will enter into force on January 1, 2023. Guidelines on calculations, surveys and verification of the EEXI were finalized at MEPC 76. EEXI measures CO2 emissions per transport work. The calculation of the EEXI follows the calculation of the well-known Energy Efficiency Design Index (EEDI), which applies to new ships and has been in force since 2013. The calculation of EEXI is based on the 2018 calculation guideline of the EEDI, with some adaptations for existing vessels. Different vessel efficiency improvement measures to comply with EEXI are possible such as engine power limitation, shaft power limitation, engine derating, propulsion optimization, energy-saving devices.

Carbon Intensity Indicator (CII) is a new measure based on an operational approach that supports the IMO's objective of reducing CO_2 emissions per transport work. CII is the operational carbon intensity Indicator expressed in grams of CO_2 per deadweight-nautical mile and it is a measure of vessel efficiency of CO_2 emitted when transporting cargo. After the January 1, 2023, each ship should calculate its attained CII every year, based on the annual fuel consumption and annual distance travelled which is collected under IMO DCS.

In addition to IMO measures and targets, a number of initiatives and declarations seeking to reduce greenhouse gas emissions from the shipping sector were announced at the Glasgow Climate Change Conference of Parties, or COP26. For example, in the Declaration on Zero Emission Shipping, 14 countries committed to work with the IMO to place the shipping sector on a pathway to achieving full decarbonisation by 2050. In the Clydebank Declaration, 22 countries committed to establishing at least six zero-emission shipping routes by 2025. Moreover, the Dhaka-Glasgow Declaration calls for a mandatory greenhouse gas tax for the shipping sector to curb carbon emissions.

The European Union has also undertaken or proposed a number of measures to monitor and reduce greenhouse gas emissions from the shipping industry. In 2013 the European Commission set out a strategy for progressively integrating maritime emissions into the European Union's policy for reducing its greenhouse gas emissions, with the first step being monitoring, reporting and verification of greenhouse gas emissions from large ships calling at European Union ports. Towards this end, in April 2015, a regulation was adopted requiring that large vessels (over 5,000 gross tons) calling at European Union ports from January 2018 collect and publish data on carbon dioxide emissions and other information. In July 2021, the European Union published proposed legislation to extend its emission trading system to the maritime transport sector. Under the proposal, ships over 5,000 gross tonnes that transport cargo to or from European Union ports would be required to purchase emissions allowances equivalent to emissions for all or a half of a covered voyage, depending on whether the voyage was between two European Union ports or included a non-European Union port. The requirements are proposed to be phased in from 2023 to 2026.

In the United States, the EPA has issued a finding that greenhouse gases endanger the public health and safety, has adopted regulations to limit greenhouse gas emissions from certain mobile sources and has proposed regulations to limit greenhouse gas emissions from large stationary sources. Although the mobile source emissions regulations do not apply to greenhouse gas emissions from vessels, the EPA has received petitions from the California Attorney General and environmental groups to regulate greenhouse gas emissions from ocean-going vessels, which petitions have been denied to date. Furthermore, in the United States individual states can also enact environmental regulations. For example, California has introduced a cap-and-trade program for greenhouse gas emissions.

Any passage of climate control legislation or other regulatory initiatives by the IMO, European Union, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol, the Paris Agreement or the Glasgow Climate Agreement, that restrict emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time. 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 vessels.

CO2 Emissions Reporting[(1)]

In April 2018, the IMO's MEPC adopted an initial strategy for the reduction of greenhouse gas ("GHG") emissions from ships, setting out a vision to reduce GHG emissions from international shipping and phase them out as soon as possible.

We strive to be a responsible operator in our industry and accordingly we are including certain CO_2 reporting in this annual report. Annual Efficiency Ratio ("AER") is a measure of carbon efficiency using the parameters of fuel consumption, distance travelled, and the design deadweight tonnage of a vessel. Energy Efficiency Operational Indicator ("EEOI") is a tool for measuring the CO_2 gas emissions in a given time period per unit of transport work performed. AER does not account for the tonnage of cargo actually carried, whereas EEOI does. AER and EEOI metrics are impacted by external factors such as charter speed, vessel operator's instructions and weather, in conjunction with overall market factors such as cargo load sizes and fleet utilization rate. As such, variance in performance can be found in the reported emissions between two periods for the same vessel and between vessels of a similar size and type. Furthermore, there may be variations in methodology used by other companies and consequently it is not always practical to directly compare emissions from different companies. For example, some shipping companies report CO_2 in tons per kilometer rather than tons per nautical mile.

Our reporting methodology substantially is in line with the framework set out within the IMO's Data Collection System initiated in January 2019 and the January 2018 framework for voluntary reporting under the Singapore flag. It is expected that the shipping industry will continue to refine the performance measures for emissions and efficiency over time. The figures reported below represent our initial findings, and in future results may vary as the methodology and performance measures applied by the industry and by us evolve.

The information set forth below was recorded and calculated using Bluetracker One Fleet Performance software. This information is in respect of our wholly owned vessels and vessels in our joint ventures during the relevant period, except *Matuku*, for the twelve month periods ended December 31,2021.

	2021	2020
General		
Fleet average age mid-period (years)	7.0	6.84
CO_2 Emissions generated during the period (metric tonnes)	318,733	312,488
Annual Efficiency Ratio for the period (grams CO_2 / deadweight ton-mile)[2]		
All drybulk vessels	6.11	5.57
Handysize drybulk carriers	7.12	6.57
Supramax / ultramax drybulk carriers	5.09	4.56
Energy Efficiency Operational Indicator for the period (grams CO_2 / cargo ton-mile)[3]		
All drybulk vessels	10.74	9.94
Handysize drybulk carriers	12.34	12.13
Supramax / ultramax drybulk carriers	9.07	7.88

(1) Our emissions data is based on the reporting tools and information reasonably available to Grindrod Shipping and its applicable third-party technical managers. Grindrod Shipping assesses such data from time to time and may adjust and restate data to reflect latest information.

(2) AER is reported in unit grams of CO_2 per deadweight ton-mile and is calculated by dividing (i) mass of fuel consumed by type, converted to equivalent mass CO_2 by (ii) the design deadweight tonnage of the vessel (in metric tons) multiplied by distance travelled, both laden and in ballast (in nautical miles).

(3) EEOI is reported in unit grams of CO_2 per cargo ton-mile and is calculated by dividing (i) mass of fuel consumed by type, converted to equivalent mass of CO_2 by (ii) cargo carried (in metric tons) multiplied by laden voyage distance (in nautical miles). This calculation is performed as per IMO MEPC.1/Circ.684

International Labour Organization

The International Labour Organization, or ILO, is a specialized agency of the UN with headquarters in Geneva, Switzerland. The ILO has adopted the Maritime Labor Convention 2006, or 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 vessels above 500 gross tons in international trade. The MLC 2006 came into force on August 20, 2013. Amendments to MLC were adopted in 2014 and 2016. We are in substantial compliance with MLC 2006.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, MTSA came into effect. 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.

Similarly, in December 2002, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security. The new Chapter XI-2 became effective in July 2004 and imposes various detailed security obligations on vessels and port authorities, and mandates compliance with the ISPS Code. The ISPS Code is designed to enhance the security of ports and vessels against terrorism. After July 1, 2004, to trade internationally, a vessel must attain an International Ship Security Certificate, or ISSC, from a recognized security organization approved by the vessel's flag state. The following are among the various requirements, some of which are found in SOLAS:

- on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped vessels and shore stations, including information on a vessel's identity, position, course, speed and navigational status;
- on-board installation of vessel security alert systems, which do not sound on the vessel but only alert the authorities on shore;
- the development of a vessel security plan;
- vessel 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 vessel, the state whose flag the vessel is entitled to fly, the date on which the vessel was registered with that state, the vessel's identification number, the port at which the vessel is registered and the name of the registered owner(s) and their registered address; and
- compliance with flag state security certification requirements.

Any vessel operating without a valid certificate may be detained at port until it obtains an International Ship Security Certificate, or ISSC, or it may be expelled from port, or refused entry at port.

The USCG regulations, intended to align 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. We or our third-party technical managers, as applicable, implement the various security measures addressed by MTSA, SOLAS and the ISPS Code, and our Fleet complies in all material respects with applicable security requirements.

Inspection by Classification Societies

Every oceangoing vessel must be "classed" 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 seagoing vessels, annual surveys are conducted for the hull and the machinery, including the electrical plant and where applicable for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.

Intermediate Surveys. Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey.

Class Renewal Surveys. Class renewal surveys, also known as special surveys, are carried out for the vessel'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 drydocked and 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 every four or five years, depending on whether a grace period was granted, a vessel owner 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. Upon a vessel owner's request, 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. Vessels under five years of age can waive drydocking in order to increase available days and decrease capital expenditures, provided the vessel is inspected underwater.

Most of our vessels are drydocked every 30 to 36 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 vessel owner 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, or the IACS. In 2012, the IACS issued draft harmonized Common Structural Rules, that align with the IMO goals standards, and were adopted in winter 2013. All our vessels are certified as being "in class" by the American Bureau of Shipping, or ABS, Det Norske Veritas, or DNV, Class NK, or NK, and Lloyd's Register, or LR. All new and secondhand vessels that we acquire must be certified prior to their delivery under our standard purchase contracts and memoranda of agreement. If the vessel is not certified on the date of closing, we generally have no obligation to take delivery of the vessel except in circumstances where the damage is easily remedied, in which case we will take delivery of the vessel and have a claim for damages.

Risk of Loss and Liability Insurance

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

We maintain hull and machinery insurance, war risks insurance, protection and indemnity cover, and freight, demurrage and defense cover for our Fleet in amounts that we believe to be prudent to cover day-to-day risks in our operations. We do not maintain insurance for loss of hire or earnings arising out of insured peril events other than limited loss coverage relating to defined war risk events. However, we may not be able to achieve or maintain this level of coverage throughout a vessel's useful life. In addition, while we believe that the insurance coverage that we have obtained 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 and Machinery and War Risks Insurance

We maintain marine hull and machinery and war risks insurance, which will include the risk of actual or constructive total loss, for all of our owned vessels. We also maintain increased value coverage for our vessels. Under this increased value coverage, in the event of total loss of a vessel, we will be able to recover the sum insured under the increased value policy in addition to the sum insured under the hull and machinery policy. Increased value insurance also covers excess liabilities which are not recoverable under our hull and machinery policy by reason of under insurance. Each of our vessels is currently covered up to at least fair market value with deductibles of $162,500 per vessel per incident.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or P&I Associations, which insure liabilities to third parties in connection with our shipping activities. This includes third-party liability and other related expenses resulting from the injury 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 arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Our P&I coverage will be subject to and in accordance with the rules of the P&I Association in which the vessel is entered. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or clubs. Except for pollution and passenger and crew claims, our coverage is unlimited but restricted to amounts as determined by law including laws pertaining to limitation of liability. Cover for pollution claims are limited to $1.0 billion and cover for passenger and crew claims are restricted to $3.0 billion.

Our protection and indemnity insurance coverage for pollution will be $1.0 billion per vessel per incident. The thirteen P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pool agreement to reinsure each association's liabilities. Each P&I Association has capped its exposure to this pool agreement at a floating rate that is generally valued at approximately $6.5 billion. 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 group'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.

Not all risks are insured and not all risks are insurable. The principal insurable risks which nonetheless remain uninsured across our Fleet are "loss of hire" and "strikes," except in cases of loss of hire due to war risk event. Specifically, we do not insure these risks because the costs are regarded as disproportionate. These insurances provide, subject to a deductible, a limited indemnity for hire that would not be receivable by the vessel owner for reasons set forth in the policy. Should a vessel on time charter, where the vessel earns fixed hire day by day, suffer a serious mechanical breakdown, the daily hire will no longer be payable by the charterer for the period of off-hire. Under some circumstances, an event of force majeure may also permit the charterer to terminate the time charter or suspend payment of charter hire. The purpose of the loss of hire insurance is to secure the loss of hire during such periods. In the case of strikes insurance, if a vessel is being paid a fixed sum to perform a voyage and the vessel becomes strike bound at a loading or discharging port, the insurance covers the loss of earnings during such periods.

Permits and Authorizations

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 believe that we have obtained all permits, licenses and certificates currently required to permit our vessels to operate our business as currently conducted. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of us doing business.

Emerging Growth Company

We are an emerging growth company, as defined in the JOBS Act. As such, we are eligible to, and intend to, take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies, including, but not limited to, the provisions of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting; and any rules that may be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor's report on the financial statements. We currently prepare our financial statements in accordance with IFRS as issued by the IASB, which do not have separate provisions for publicly traded and private companies. However, in the event we convert to U.S. GAAP in the future while we are still an emerging growth company, we may be able to take advantage of the benefits of Section 107 of the JOBS Act, which provides that an emerging growth company can take advantage of the extended transition period provided in the Securities Act, for complying with new or revised accounting standards. We intend to continue to take advantage of these exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of our first sale of equity securities pursuant to an effective registration statement under the Securities Act, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our ordinary shares that are held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. See "Item 3. Key Information—Risk Factors—Risks Relating to our Ordinary Shares—The Jumpstart Our Business Startups Act of 2012, or JOBS Act, will allow Grindrod Shipping to postpone the date by which it must comply with some of the laws and regulations intended to protect investors and to reduce the amount of information provided in Grindrod Shipping's reports filed with the SEC, which could undermine investor confidence in Grindrod Shipping and adversely affect the market price of Grindrod Shipping's ordinary shares."

Foreign Private Issuer

We are a "foreign private issuer" as defined by the rules under pursuant to Rule 405 under the Securities Act. Our status as a foreign private issuer exempts us from compliance with certain laws and regulations of the SEC and certain regulations of the NASDAQ, including the proxy rules, the short-swing profits recapture rules of Section 16 of the Exchange Act, and certain governance requirements, such as independent director oversight of the nomination of directors and executive compensation. In addition, we are not required to file annual, quarterly and current reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies registered under the Exchange Act and we are generally exempt from filing quarterly reports with the SEC. Furthermore, we are not subject to the requirements of Regulation FD (Fair Disclosure) promulgated under the Exchange Act, which restricts the selective disclosure of material information.

We may take advantage of these exemptions for foreign private issuers until such time as we are no longer a foreign private issuer. We are required to determine our status as a foreign private issuer on an annual basis at the end of our second fiscal quarter. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (1) the majority of our executive officers or directors are U.S. citizens or residents; (2) more than 50% of our assets are located in the United States; or (3) our business is administered principally in the United States. See "Item 3. Key Information—Risk Factors-Risks Relating to Our Ordinary Shares—Grindrod Shipping may lose its foreign private issuer status, which would then require it to comply with the Exchange Act's domestic reporting regime and cause Grindrod Shipping to incur additional legal, accounting and other expenses."

Legal Proceedings

We may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business that may be brought against us, that could have a material adverse effect on our business, financial position, results of operations, cash flows or liquidity. From time to time we may face claims which fall outside the scope of our insurance coverage. In respect of such claims, we purchase FD&D insurance, which is discretionary coverage for the costs of defending or prosecuting such claims (for example, claims of a purely contractual nature, or collection of freight and demurrage). Those claims, even if covered by insurance and/or lacking merit, could result in the expenditure of significant financial and managerial resources.

We were involved in a dispute with Her Majesty's Revenue & Customs service of the United Kingdom, or HMRC, regarding a tax of 28% on a balancing charge against one of our subsidiaries. This tax relates to the purchase of the Torea vessel in December 2010 (which we subsequently sold in October 2017) following the vessel coming out of the U.K. tonnage tax regime earlier in the period. An adverse resolution of this dispute could have resulted in an additional tax liability to us of approximately $5.7 million plus interest on late paid tax. While defenses were available to us, a liability amount of $2.4 million was recorded in our consolidated financial statements. The HMRC issued a Closure Notice indicating that this tax was payable, which we appealed. On May 1, 2018, the HMRC upheld the Closure Notice. On May 22, 2018, we appealed to the Tax Tribunal in London and on October 31, 2018, we agreed on a statement of facts with HMRC. On November 13, 2019, the First-Tier Tribunal issued its decision on our appeal, finding in our favor. On January 8, 2020, HMRC made an application to the First-Tier Tribunal to appeal its decision and on February 6, 2020 the First-Tier Tribunal released its decision refusing HMRC's application to appeal to it. On March 5, 2020, HMRC applied to the Upper Tribunal for permission to appeal the decision of the First-Tier Tribunal, and on March 11, 2020, the Upper Tribunal issued its decision granting the permission sought and we have opposed the appeal. The Upper Tribunal hearing took place on March 17, 2021 and on May 7, 2021 the United Kingdom Upper Tribunal found in our favor. HMRC decided not to appeal the decision which allowed us to release a provision of $2.4 million.

C. Organizational Structure

Grindrod Shipping is a company incorporated under the laws of Singapore. We directly own two subsidiaries through which business operations are conducted and staff are employed. One is a Singapore company and the other is a South African company. Each of our wholly owned vessels is held through separate, wholly owned subsidiaries of our Singapore subsidiary, each of which is incorporated in Singapore, except one incorporated in the Marshall Islands. Please see Exhibit 8.1 to this annual report for a list of our current subsidiaries.

D. Property, Plants and Equipment

We do not own any material real property. We lease office space in several countries where we have staff or operations. Our largest offices are in Singapore, South Africa and the United Kingdom. Our main material assets consist of our vessels which are owned through several subsidiaries and two joint ventures. See "—Organizational Structure" above.

For a description of our Fleet, see "—History and Development of the Company" and "—Business Overview-Our Fleet" above.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following management's discussion and analysis and results of operations and financial condition together with our consolidated financial statements, including the notes, and the other financial information appearing elsewhere in this annual report. Certain information contained in this discussion and analysis and elsewhere in this annual report includes forward-looking statements that involve risks and uncertainties. See "Cautionary Statement Regarding Forward-looking Statements" and "Item 3. Key Information—Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this annual report.

Overview

We are an international shipping company that owns, charters-in and operates a fleet of drybulk carriers and one tanker. We currently own all of our vessels but for a portion of the year some of our vessels were owned through partly owned subsidiaries. We currently operate one business primarily in the drybulk carriers business, which is further divided into handysize, supramax/ultramax, and other operating segments. Activities that do not relate to this business segment are accumulated in an "unallocated" segment. We historically operated a tanker business, which was further divided into medium range tankers, small tankers and other segments, however we completed the plan to discontinue the tanker business during December 2021 and have presented the tanker business as a discontinued operation. Prior period figures have been reclassified for the presentation of the tanker business as a discontinued operation

Our handysize and supramax/ultramax operating fleet consists of 24 owned drybulk carriers and seven long-term chartered-in drybulk carriers. We have 15 handysize drybulk carriers and 16 supramax/ultramax drybulk carriers in our operating fleet with sizes ranging from 28,240 dwt to 62,660 dwt. Our drybulk carriers transport a broad range of major and minor bulk and breakbulk commodities, including ores, coal, grains, forestry products, steel products and fertilizers, along worldwide shipping routes, and are currently employed in pools of similarly sized vessels or in the spot market.

With the sale of the two medium range tankers and one small tanker in 2021, our tanker operating fleet has been reduced to one owned tanker that is 50,140 dwt in size. Our tanker carries petroleum products, which include both clean products, such as petrol, diesel, jet fuel and naptha, and dirty products, such as heavy fuel oil. Our tanker does not carry crude oil. Our tanker is employed under a bareboat charter.

Recent Developments

Dividends

On February 16, 2022, the Company's Board of Directors declared an interim quarterly cash dividend of $0.72 per ordinary share, paid on March 22, 2022, to all shareholders of record as of March 11, 2022 (the "Record Date"). As of February 16, 2022, there were 18,484,861 common shares of the Company outstanding (excluding treasury shares).

Components of Our Operating Results

Revenue. Revenue includes vessel revenue, ship sale revenue, and other revenue. Vessel revenue consists of charter hire revenue and freight revenue. Charter hire revenue primarily relates to time charter contracts and freight revenue primarily relates to voyage charter contracts and historically in pool distributions (which consist of distributions to us of net earnings relating to our vessels in pools operated by third parties). Ship sale revenue includes ship sales as well as the sale of bunkers and other consumables relating to ships sold. Other revenue includes management fees and other revenue.

We generate revenue by charging customers for their use of our vessels or for the transportation by us of their drybulk cargoes. Historically, these services generally have been provided by operating our vessels in commercial pools, in the spot market, and on time charters. We also manage our charter rate risk and employment risk by using forward freight arrangements and entering into COAs.

The table below illustrates in general the primary distinctions among these different employment arrangements.

	Commercial Pool	Spot Market	Time Charters
Typical contract length	Varies	Varies	Varies
Charter hire rate basis[1]	Varies	Varies	Daily
Voyage expenses	Pool pays	We or customer pays	Customer pays
Vessel operating costs for owned vessels	We pay	We pay	We pay
Charter hire costs for vessels chartered-in by us	We pay	We pay	We pay
Off-hire[2]	Pool does not pay	Customer does not pay	Customer does not pay

(1) "Charter hire rate" refers to the basic payment from the charterer for the use of the vessel under time charter.

(2) "Off-hire" refers to the time a vessel is not available for service due primarily to scheduled and unscheduled repairs or drydockings. For time chartered-in vessels, we do not pay the charter hire cost when the vessel is off-hire. And for time chartered-out vessels, the charterer is not obliged to pay us the charter hire when the vessel is off-hire.

Cost of sales. Cost of sales includes voyage expenses which represent the direct costs associated with operating a vessel between loading and discharge at the applicable ports and include pool distributions (which consist of net earnings payable to third-party and joint venture owners of vessels in previous years in the pools we manage), fuel expenses, port expenses, other expenses and freight forward agreements; vessel operating costs, which consist of crew expenses, repairs and maintenance, insurance, and other costs associated with the technical management of the Fleet; charter hire costs, which primarily relates to time charter contracts; depreciation of ships, drydocking and plant and equipment – owned assets; depreciation of ships and ship equipment – right-of-use assets; other expenses, which consist of container expenses, freight expenses, cargo handling, provision for onerous contracts, and other logistic purchases; and cost of ship sale, which consists of cost of sales on sale of ships classified as inventories and cost of sales on sale of bunkers and other consumables sold with a vessel.

Other operating (expense) income. Other operating expense consisted primarily of foreign exchange loss, impairment loss on ships, impairments on intangibles and goodwill, impairment loss on right-of-use assets, impairment loss on the net assets of disposal groups, impairment loss on financial assets for expected credit losses and other operating expenses. Other operating income consists of reversals of impairment loss on ships, reversals of impairment loss on right-of-use assets, dividend income, profit on sale of business, gain on disposal of assets, foreign exchange gain and other income.

Administrative expense. Administrative expense comprise general corporate overhead expenses, including personnel costs, property costs, audit fees, legal and professional fees, and other general administrative expenses. Personnel costs include, among other things, salaries and short- and long-term incentives, pension costs, fringe benefits, travel costs and health insurance.

Share of losses of joint ventures. Share of losses of joint ventures relates to operating profits or losses attributable to our joint ventures. Our joint ventures, which include IVS Bulk for the period prior to February 14, 2020, are accounted for on an equity basis.

Interest income. Interest income primarily relates to interest on loans to joint ventures; bank interests; and other interests.

Interest expense. Interest expense primarily relates to interest on ship loans, interest on loans from related companies and interest on bank and non-bank loans and interest determined under IFRS 16 that relates to leases.

Income tax. Income tax represents the sum of the tax currently payable, reversal of provisions for a tax related legal case and deferred tax. The tax currently payable is based on taxable profit for the year. Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Factors Affecting Our Results of Operations and Financial Condition

The principal factors which affect our results of operations and financial condition include:

- strength of world economies, in particularly in China and the rest of the Asia-Pacific region;
- the effects of the COVID-19 pandemic on our operations and the demand and trading patterns for both the drybulk and product tanker markets, and the duration of these effects;
- cyclicality in the drybulk and tanker industries and volatility of charter rates which is impacted by supply and demand;
- seasonality;
- our ability to successfully compete in the drybulk markets and employ or procure the employment of our vessels at economically attractive rates;
- changes in supply of drybulk vessels;
- the duration of our charter contracts and market conditions when charters expire;
- our decisions relating to vessel acquisitions and disposals and our ability to buy and sell vessels, and to charter-in vessels at prices we deem satisfactory;
- the strength of and growth in the number of our customer relationships;

- an increase in the price of bunker or other market-related increases to components of our costs of sales, including the costs associated with the IMO 2020 regulations limiting sulfur content in fuels;
- depreciation on our vessels and potential impairment charges;
- the amount of time and expense that we spend positioning our vessels and changes in trade routes for a variety of reasons, including as a result of additional trade tariffs imposed by China and the United States;
- loss of operating days through accidents or other damage to our vessels, as well as a result of disruptions along our operating routes;
- the failure of counterparties to fully perform their contracts with us;
- the required maintenance capital expenditures relating to our vessels and other administrative expenses;
- the amount of expense incurred, and time that our vessels spend, in drydock undergoing repairs;
- the age, condition and specifications of our vessels;
- the effective and efficient technical management of our vessels and our vessel operating costs;
- our ability to satisfy the technical, health, safety and compliance standards of our customers;
- our ability to access capital to finance our Fleet, including our ability to pay down our existing credit facilities if the fair market values of our vessels decline;
- our level of debt and related interest expense;
- fluctuations in interest rates, and foreign exchange rates, and the changes in the method pursuant to which the London Interbank Offered Rate and other benchmark rates are determined;
- corruption, piracy, militant activities, political instability and terrorism in locations where we may operate;
- losses or provisions for losses on uncollectible revenue;
- the effectiveness of forward freight agreements, bunker swaps and other contracts we may enter into to manage our revenue and expenses and costs in unwinding them;
- the cost and adequacy or otherwise of our insurance coverage;
- fluctuations in foreign currency exchange rates; and
- inflation.

Our consolidated financial statements and, unless otherwise indicated, other financial information concerning us included in this annual report, are presented in U.S. dollars. We have prepared our consolidated financial statements in accordance with IFRS as issued by the IASB. Our audited consolidated financial statements presented in this annual report represent the consolidated financial statements of the company as a separate publicly traded company on and subsequent to June 18, 2018.

Non-GAAP Financial Measures

The financial information included in this annual report includes certain "non-GAAP financial measures" as such term is defined in SEC regulations governing the use of non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's operating performance, financial position or cash flows that excludes or includes amounts that are included in, or excluded from, the most directly comparable measure calculated and presented in accordance with IFRS. For example, non-GAAP financial measures may exclude the impact of certain unique and/or non-operating items such as acquisitions, divestitures, restructuring charges, large write-offs or items outside of management's control. Management believes that the non-GAAP financial measures described below provide investors and analysts useful insight into our financial position and operating performance.

TCE Revenue and TCE per day. TCE revenue is defined as vessel revenue less voyage expenses. Such TCE revenue, divided by the number of our operating days during the period, is TCE per day. Vessel revenue and voyage expenses as reported for our operating segments include a proportionate share of vessel revenue and voyage expenses attributable to our joint ventures based on our proportionate ownership of the joint ventures for the period the joint venture existed during a relevant period. The number of operating days used to calculate TCE per day also includes the proportionate share of our joint ventures' operating days for the period the joint venture existed during in a relevant period and also includes charter-in days. TCE per day is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters have to cover voyage costs and are generally not expressed in per-day amounts while charter hire rates for vessels on time charters do not cover voyage costs and generally are expressed in per day amounts.

Below is a reconciliation from TCE revenue to revenue for the years ended December 31, 2021, 2020, and 2019.

	Year Ended December 31,								
	2021			2020			2019		
(In thousands of U.S. dollars)	Revenue	Voyage Expenses	TCE Revenue	Revenue	Voyage Expenses	TCE Revenue	Revenue	Voyage Expenses	TCE Revenue
Vessel revenue									
Handysize	157,707	(27,235)	130,472	74,641	(30,995)	43,646	102,805	(53,449)	49,356
Supramax/ultramax	292,179	(69,600)	222,579	124,352	(48,547)	75,805	153,937	(74,286)	79,651
Other	5,372			5,463			5,182		
Ship sale revenue	-			5,178			8,067		
Other revenue	581			1,526			5,021		
Adjustments(*)	-			(478)			(2,720)		
Revenue	**455,839**			**210,682**			**272,292**		

* Vessel revenue earned and voyage expenses incurred by the joint-ventures are included within the operating segment information on a proportionate consolidation basis for the period the joint venture existed during the relevant period. Accordingly, joint-ventures' proportionate financial information are adjusted out to reconcile to the consolidated financial statements.

Vessel operating costs per day. Vessel operating costs per day represents vessel operating costs divided by the number of calendar days for owned vessels during the period. The vessel operating costs and the number of calendar days used to calculate vessel operating costs per day includes the proportionate share of our joint ventures' vessel operating costs and calendar days for the period the joint venture existed during the relevant period and excludes charter-in costs and charter-in days.

Vessel operating costs per day is a non-GAAP performance measure commonly used in the shipping industry to provide an understanding of the daily technical management costs relating to the running of owned vessels.

Long-term charter-in costs and Long-term charter-in costs per day. Long-term charter-in costs is defined as the charter costs relating to chartered-in vessels included in our Fleet from time to time, which are vessels for which the period of the charter that we initially commit to is 12 months or more, even if at a given time the remaining period of their charter may be less than 12 months ("long-term charter-in vessels"). Such long-term charter-in costs, divided by the number of operating days for the relevant vessels during the period, is long-term charter-in costs per day.

Long-term charter-in costs and long-term charter-in costs per day are non-GAAP performance measures used primarily to provide an understanding of the total costs and total costs per day relating to the charter-in of the company's long-term chartered-in vessels.
Below is a reconciliation from long-term chartered-in costs to adjusted charter hire costs for the years ended December 31, 2021, 2020, and 2019.

	Year ended December 31, 2021					
(In thousands of U.S. dollars)	**Charter hire costs**	**Lease payments on Ships**	**Adjusted charter hire costs**	**Long-term charter-in costs**	**Short-term charter-in costs**	**Adjusted charter hire costs**
Handysize	11,755	-	11,755	-	11,755	11,755
Supramax/ultramax	63,626	36,791	100,417	34,072	66,345	100,417
	75,381	**36,791**	**112,172**			**112,172**

	Year ended December 31, 2020					
(In thousands of U.S. dollars)	**Charter hire costs**	**Lease payments on Ships**	**Adjusted charter hire costs**	**Long-term charter-in costs**	**Short-term charter-in costs**	**Adjusted charter hire costs**
Handysize	8,827	-	8,827	-	8,827	8,827
Supramax/ultramax	25,542	27,388	52,930	27,143	25,787	52,930
Discontinued operation	3,851	1,795	5,646	5,646	-	5,646
	38,220	**29,183**	**67,403**			**67,403**

	Year ended December 31, 2019					
(In thousands of U.S. dollars)	**Charter hire costs**	**Lease payments on Ships**	**Adjusted charter hire costs**	**Long-term charter-in costs**	**Short-term charter-in costs**	**Adjusted charter hire costs**
Handysize	15,162	-	15,162	-	15,162	15,162
Supramax/ultramax	41,393	26,953	68,346	29,738	38,608	68,346
Discontinued operation	5,581	5,585	11,166	11,166	-	11,166
Adjustments[(*)]	(468)	-	(468)	-	-	(468)
	61,668	**32,538**	**94,206**			**94,206**

* Charter hire costs, Lease payments on Ships, Long-term charter-in costs and Short-term charter-in costs incurred by the joint ventures are included within the operating segment information on a proportionate consolidation basis. Accordingly, joint ventures' proportionate financial information are adjusted out to reconcile to the consolidated financial statements.

EBITDA and Adjusted EBITDA. EBITDA is defined as earnings before income tax benefit (expense), interest income, interest expense, share of losses of joint ventures and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude the items set forth in the table below, which represent certain non-recurring, non-operating or other items that we believe are not indicative of the ongoing performance of our core operations.

EBITDA and Adjusted EBITDA are used by analysts in the shipping industry as common performance measures to compare results across peers. EBITDA and Adjusted EBITDA are not items recognized by IFRS, and should not be considered in isolation or used as alternatives to loss for the period or any other indicator of our operating performance.

Our presentation of EBITDA and Adjusted EBITDA is intended to supplement investors' understanding of our operating performance by providing information regarding our ongoing performance that exclude items we believe do not directly affect our core operations and enhancing the comparability of our ongoing performance across periods. Our management considers EBITDA and Adjusted EBITDA to be useful to investors because such performance measures provide information regarding the profitability of our core operations and facilitate comparison of our operating performance to the operating performance of our peers. Additionally, our management uses EBITDA and Adjusted EBITDA as measures when reviewing our operating performance. While we believe these measures are useful to investors, the definitions of EBITDA and Adjusted EBITDA used by us may not be comparable to similar measures used by other companies.

The table below presents the reconciliation between EBITDA and Adjusted EBITDA to profit (loss) for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
(In thousands of U.S. dollars)	**2021**	**2020**	**2019**
Profit (loss) for the period from continuing operations	$ 132,647	$ (34,977)	$ (27,085)
Adjusted for:			
Income tax (benefit) expense	(118)	189	(400)
Interest income	(201)	(467)	(1,882)
Interest expense	12,298	15,106	8,052
Share of losses of joint ventures	31	2,476	1,873
Depreciation and amortization	61,919	47,808	36,257
EBITDA from continuing operations	$ 206,576	$ 30,135	$ 16,815
Adjusted for			
(Reversal of) impairment loss recognized on ships	(3,557)	5,148	2,904
(Reversal of) impairment loss recognized on right-of-use assets	(1,046)	-	2,250
Impairment loss recognized on goodwill and intangibles	965	-	-
Share based compensation	3,330	1,847	3,156
Registration and offering related expenses	633	-	-
ADJUSTED EBITDA from continuing operations	$ 206,901	$ 37,130	$ 25,125

Adjusted net income (loss) and Adjusted Earnings (loss) per share. Adjusted net income (loss) is defined as Profit (loss) for the period attributable to the owners of the Company adjusted for (reversal of) impairment loss recognized on ships, impairment loss recognized on goodwill and intangibles, reversal of impairment loss recognized on right-of-use assets, impairment loss on net disposal group, loss on disposal of business, share based compensation and non-recurring expenditure. Adjusted Earnings (loss) per share represents this figure divided by the weighted average number of ordinary shares outstanding for the period.

Adjusted net income (loss) is used by management for forecasting, making operational and strategic decisions, and evaluating current company performance. It is also one of the inputs used to calculate the variable amount that will be returned to shareholders in the form of quarterly dividends and/or share repurchases. Adjusted net income (loss) is not recognized by IFRS, and should not be considered in isolation or used as alternatives to profit (loss) for the period or any other indicator of our operating performance.

Our presentation of Adjusted net income (loss) is intended to supplement investors' understanding of our operating performance by providing information regarding our ongoing performance that exclude items we believe do not directly affect our core operations and enhancing the comparability of our ongoing performance across periods. We consider Adjusted net income (loss) to be useful to management and investors because it eliminates items that are unrelated to the overall operating performance and that may vary significantly from period to period. Identifying these elements will facilitate comparison of our operating performance to the operating performance of our peers. The definitions of Adjusted net income (loss) used by us may not be comparable to similar measures used by other companies.

The table below presents the reconciliation between Adjusted net income (loss) to profit (loss) attributable to the owners of the Company for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
(In thousands of U.S. dollars, other than per share data)	**2021**	**2020**	**2019**
Profit (loss) for the period attributable to owners of the Company for continuing operations	$ 122,090	$ (32,672)	$ (27,085)
Adjusted for:			
(Reversal of) impairment loss recognized on ships	(3,557)	5,148	2,904
Impairment loss recognized on goodwill and intangibles	965	-	-
(Reversal of) impairment loss recognized on right-of-use assets	(1,046)	-	2,250
Share based compensation	3,330	1,847	3,156
Registration and offering related expenses	633	-	-
Adjusted net income (loss) for continuing operations	122,415	(25,677)	(18,775)
Weighted average number of shares on which profit/(loss) per share has been calculated	19,150,787	18,966,414	19,022,665
Effect of dilutive potential ordinary shares	861,168	-	-
Weighted average number of ordinary shares for the purpose of calculating diluted profit/(loss) per share	20,011,955	18,966,414	19,022,665
Basic profit (loss) per share for continuing operations	$ 6.38	$ (1.72)	$ (1.42)
Diluted profit (loss) per share for continuing operations	$ 6.10	$ (1.72)	$ (1.42)
Basic Adjusted earnings (loss) per share for continuing operations	$ 6.39	$ (1.35)	$ (0.94)
Diluted Adjusted earnings (loss) per share for continuing operations	$ 6.12	$ (1.35)	$ (0.94)

Headline earnings (loss) and Headline earnings (loss) per share. The JSE requires that we calculate and publicly disclose Headline earnings (loss) per share and diluted Headline earnings (loss) per share. Headline earnings (loss) per share is calculated using net income which has been determined based on IFRS. Accordingly, this may differ to the Headline earnings (loss) per share calculation of other companies listed on the JSE because such companies may report their financial results under a different financial reporting framework such as U.S. GAAP.

Headline earnings (loss) for the period represents Profit (loss) for the period attributable to owners of the Company adjusted for the re-measurements that are more closely aligned to the operating or trading results as set forth below, and Headline earnings (loss) per share represents this figure divided by the weighted average number of ordinary shares outstanding for the period.

The table below presents a reconciliation between Headline earnings (loss) to profit (loss) for the years ended December 31, 2021, 2020 and 2019:

	Year ended December 31,		
(In thousands of U.S. dollars, other than per share data)	**2021**	**2020**	**2019**
Profit (loss) for the period attributable to owners of the Company	$ 118,925	$ (38,795)	$ (43,487)
Adjusted for:			
(Reversal of) impairment loss recognized on ships	(3,557)	16,282	16,995
(Reversal of) impairment loss recognized on right-of-use assets	(1,046)	-	2,250
Impairment loss recognized on goodwill and intangibles	965	-	3,179
Impairment loss recognized on assets of disposal group	2,551	576	-
Impairment loss recognized on office equipment, furniture and fittings and motor vehicles	1	138	-
Loss on disposals of business	26	-	-
Headline earnings (loss)	$ 117,865	$ (21,799)	$ (21,063)
Weighted average number of shares on which profit (loss) per share has been calculated	19,150,787	18,966,414	19,022,665
Effect of dilutive potential ordinary shares	861,168	-	-
Weighted average number of ordinary shares for the purpose of calculating diluted profit (loss) per share	20,011,955	18,966,414	19,022,665
Basic profit (loss) per share	$ 6.21	$ (2.05)	$ (2.29)
Diluted profit (loss) per share	$ 5.94	$ (2.05)	$ (2.29)
Basic headline earnings (loss) per share	$ 6.15	$ (1.15)	$ (1.11)
Diluted headline earnings (loss) per share	$ 5.89	$ (1.15)	$ (1.11)

Critical Accounting Policies and Estimates

Our consolidated financial statements and accompanying notes are prepared in accordance with IFRS. In many instances, the application of such principles requires management to make estimates or to apply subjective principles to particular facts and circumstances.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. Described below are our critical accounting policies and estimates where we believe that had we made different estimations, judgments or interpretations from the ones we made, would have yielded the most significant differences in our consolidated financial statements.

See Note 2 to the consolidated financial statements for a summary of all of our significant accounting policies.

Vessels and depreciation

Owned vessels are measured at cost less accumulated depreciation and adjusted for any accumulated impairment losses or reversals of such losses. Cost comprises acquisition cost and costs directly related to the acquisition up until the time when the asset is ready for use, including interest expense incurred to finance the vessel during that period. The market average useful life of a vessel is estimated to range from 25 to 30 years at which point it would usually be scrapped. Our strategy is to maintain a young fleet compared to the market average. For accounting purposes, we estimate useful life as 15 years from date of delivery for new vessels. Vessels are depreciated on a straight-line basis to an estimated residual value over their useful life.

An increase in the useful life of the vessel or in its residual value would have the effect of decreasing the annual depreciation charge and, in the case of an increased useful life, extending it into later periods. A decrease in the useful life of the vessel or in its residual value would have the effect of increasing the annual depreciation charge.

The carrying value of our vessels will not necessarily represent the fair market value of such vessels or the amount we could obtain if we were to sell any of our vessels. Pursuant to our bank credit facilities, prior to drawdown of loans under the credit facilities we submit to the lenders open-market, individual, charter-free valuations of the vessels collateralizing the relevant facility. Thereafter, we will regularly submit to the lenders valuations of our vessels done on the same basis in order to evidence our compliance with the collateral maintenance covenants under our bank credit facilities. We also obtain such valuations each quarter on all 100% owned vessels, joint venture owned vessels and all chartered-in vessels where there is a purchase option in our Fleet. These valuations as well as the valuations for the purposes of the bank credit facilities, are performed by an independent valuator not connected with the group, who has appropriate qualifications and relevant experience in the valuation of the vessels in the relevant sectors. We have received valuations on all 100% owned vessels, joint venture owned vessels and all chartered-in vessels where we have purchase options in our Fleet as of December 31, 2021.

The valuations of our vessels can vary depending on the shipyards where they were built and the dates of delivery.

Impairment and reversals of impairment of Vessels (including owned and right-of-use)

The carrying amount of our vessels will not necessarily represent the fair market value of such vessels or the amount we could obtain if we were to sell any of our vessels. We evaluate the carrying amount of our vessels for events or indicators of potential impairment. We consider if we have contracted to divest the vessel for any reason, business plans such as if a joint venture that owns vessels comes to an end in accordance with its terms or if it no longer fits into our strategic planning and overall market conditions. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

In developing a value in use calculation for a vessel, we make assumptions and estimates about vessels' future performance, with the most significant assumptions relating to (i) charter rates on vessels which are based on management's estimate of the average charter rates over the remaining life of the vessel to 15 years, (ii) off-hire days, which are based on historical off-hire statistics for our Fleet, (iii) operating costs, based on current levels escalated over time based on long-term trends, (iv) drydocking frequency, duration and cost, (v) estimated remaining useful life which is assessed as a total of 15 years from construction and (vi) estimated sale value of that vessel when the vessel reaches 15 years. We apply the U.S. dollar inflation rate to vessel operating costs (not including depreciation). The future cash flows are discounted to their present value using the current fiscal year's discount rate to reflect the time value of money.

Although we believe that the assumptions used to evaluate potential impairment and reversals thereof are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how long long-term charter rates and vessel values (for owned vessels) will remain at their current levels, whether they will improve by any significant degree, or whether they will achieve the forecast charter rates estimated in the value in use calculations. Charter rates may remain at depressed levels for some time, which could adversely affect our revenue and profitability, and future assessments of vessel impairment.

For vessels that we have contracted to sell, the recoverable amount will be classified as inventories are determined based on estimated selling price less cost to sell, with fair value determined based on the market comparable approach that reflects recent transaction prices for similar vessels, with similar age and specifications. In valuing the vessels, the appraisers take into consideration the prevailing market conditions and make adjustments for differences where necessary before arriving at the most appropriate value for the vessels.

Management monitors developments in the market charter rates in order to assess the appropriateness of the charter rates that are utilized in the impairment analyses.

As of December 31, 2021, a change to the following estimate used in management's assessment would result in the recoverable amount of each vessels being below the carrying amount of the vessel (on the basis that each of the other key assumptions remain unchanged):

Drybulk Carriers: 0.0% to 20.83% decrease to the charter rate or 0.0% to 66.57% increase to the discount rate

Based on our impairment analysis, a reversal of impairment loss on our ships of $4.6 million was recognized in "other operating (expense) income" for the year ended December 31, 2021. The impairment loss was largely due to the improved charter rates and vessel values as a result of the fiscal stimulus of global economies causing a demand for commodities and the disruptions and delays experienced in the ports.

Revenue Recognition and Voyage Expenses

Vessel revenue

The primary source of revenue is vessel revenue which comprise of charter hire of ships and freight revenue.

Charter hire revenue is recognized over time as we satisfy our performance obligation based on time elapsed between the delivery of a vessel to a charterer and the redelivery of a vessel from the charterer. Other variable hire components of the charter contract, such as off-hire and speed claims, are recognized only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is subsequently resolved.

Included in the charter hire revenue is the revenue that we earned from pool arrangements. For IVS Handysize Pool and IVS Supramax Pool, we recognize total gross revenue earned by the pools as we are principal to the arrangements and correspondingly, we also recognizes the share of third party vessel owners' net earnings of the pool in the voyage expenses in the period incurred. For third party pool arrangements that our vessels participate in in prior years, we recognize revenue based on its portion of the net distributions reported by the relevant pool, which represents the net voyage revenue of the pool after voyage expenses and pool manager fees.

Freight revenue is recognized over time as we satisfy our performance obligation based on the duration of the voyage between the time the ship is ready at the load port until the cargo has been delivered at the discharge port, as measured using the time that has elapsed from commencement of performance at the load port. The duration of a voyage depends on the size of the ship being loaded, cargo type and quantity, ship speed as well as delays occasioned by weather or due congestion at load or discharge ports. Included in freight revenue is demurrage and dispatch which is recognized in the period such consideration was incurred. We consider demurrage and despatch at contract inception and reassess them throughout the contract period.

We recognize a provision for onerous contract when we have a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract. Full provision is made for the present obligations of the unavoidable future losses of fulfilling the terms of onerous vessel charter contracts or COAs to which we are committed.

Sale of vessels, bunkers and consumables

We generate revenue from the sale of vessels, bunkers and consumables. Immediately prior to the contracted sale, the vessel would be classified as inventories. Revenue is recognized when control of the ships, bunkers and consumables have been delivered to the buyer. We only have the right to the consideration at the point of transfer of the asset. The corresponding cost shall be accounted for as cost of sales.

Management fees

We also generate revenue from the management and operation of vessels owned by third parties and in previous years by equity-accounted investees as well as providing corporate management services to such entities. The performance obligations within these contracts will typically consist of crewing, technical management, insurance and potentially commercial management. The performance obligations are satisfied concurrently and consecutively rendered over the duration of the management contract, as measured using the time that has elapsed from commencement of performance. Consideration for such contracts will generally consist of a fixed monthly management fee, plus the reimbursement of crewing and other costs for vessels being managed. Management fees are typically invoiced monthly.

Voyage expenses

Voyage expenses that relate directly to a contract include charter hire expenses, fuel expenses and port expenses. Contract costs are deferred and amortized over the course of the voyage on a percentage completion basis that is consistent with the revenue recognition. This percentage of completion is derived from time elapsed between the tender of readiness to load a cargo or delivery of a vessel to a charterer, and the completion of discharging a cargo or redelivery of a vessel from a charterer. Contract costs are recognized as an asset if they represent incremental costs of obtaining a contract or fulfilment costs that (i) relate directly a contract or to an anticipated contract, (ii) generate or enhance resources to be used in meeting obligations under the contract and (iii) are expected to be recovered.

Leases

Right-of-use assets are measured at cost less accumulated depreciation and adjusted for impairment losses and reversals of such losses. Depreciation of right-of-use assets commences at the start of the lease and they are depreciated over the shorter period of lease term and useful life of the underlying asset. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

For leases with extension options, we exercised our judgement by considering the circumstances that would create an economic incentive to exercise such options. This is assessed on an ongoing basis and the extension options are only included in the lease term if the lease is reasonably certain to be exercised. At December 31, 2021, we have not recognized $64.5 million of lease liabilities because it is not reasonably certain that the leases will be extended.

Results of Operations

Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Certain financial data on a consolidated basis and for our key segments was as follows for the years ended December 31, 2021 and 2020. This information was derived from our consolidated financial statements for the respective periods.

Consolidated Results of Operations

	Year Ended December 31,	
(In thousands of U.S. dollars)	**2021**	**2020**
Continuing operations		
Revenue	$ 455,839	$ 210,682
Cost of sales		
Voyage expenses	(96,964)	(81,840)
Vessel operating costs	(43,958)	(37,968)
Charter hire costs	(75,381)	(34,369)
Depreciation of ships, drydocking and plant and equipment - owned assets	(25,866)	(22,003)
Depreciation of ships and ship equipment – right-of-use assets	(34,898)	(24,674)
Other expenses	(1,875)	(398)
Cost of ship sale	-	(5,375)
Gross profit	**176,897**	**4,055**
Other operating income (expense)	3,849	(293)
Administrative expense	(36,089)	(21,435)
Share of losses of joint ventures	(31)	(2,476)
Interest income	201	467
Interest expense	(12,298)	(15,106)
Profit (loss) before taxation	**132,529**	**(34,788)**
Income tax benefit (expense)	118	(189)
Profit (loss) for the year from continuing operations	**$ 132,647**	**$ (34,977)**
Discontinued operation		
Loss for the year from discontinued operation	**(3,165)**	**(6,123)**
Profit (loss) for the year	**129,482**	**(41,100)**

Segment Results of Operations(*)

	Year Ended December 31,	
(In thousands of U.S. dollars)	**2021**	**2020**
Drybulk Carriers Business		
Handysize Segment		
Revenue	$ 158,210	$ 84,519
Cost of Sales	(84,231)	(90,453)
Gross profit (loss)	73,979	(5,934)
Supramax/ultramax Segment		
Revenue	$ 292,257	$ 124,672
Cost of Sales	(195,811)	(121,284)
Gross profit (loss)	96,446	3,388

* Segment results of operations include the impact of the proportionate share of joint ventures, which differs from the statements of profit or loss in our consolidated financial statements which account for our investments in joint ventures under the equity method.

Set forth below are selected historical and statistical data of our operating fleet for the years ended December 31, 2021 and 2020 that we believe may be useful in better understanding our operating fleet's financial position and results of operations[1].

	Year Ended December 31,	
	2021	2020
Drybulk Carriers Business		
Handysize Segment		
Calendar days[2]	6,375	6,882
Available days[3]	6,239	6,713
Operating days[4]	6,115	6,584
Owned fleet operating days[5]	5,215	5,354
Long-term charter-in days[6]	-	-
Short-term charter-in days[7]	900	1,230
Fleet utilization[8]	98.0%	98.1%
TCE per day[9]	$ 21,336	$ 6,629
Vessel operating costs per day[10]	$ 5,670	$ 5,030
Long-term charter in costs per day[11]	$ -	$ -
Supramax/ultramax Segment		
Calendar days[2]	9,652	7,787
Available days[3]	9,555	7,736
Operating days[4]	9,428	7,526
Owned fleet operating days[5]	2,943	2,514
Long-term charter-in days[6]	2,674	2,261
Short-term charter-in days[7]	3,812	2,751
Fleet utilization[8]	98.7%	97.3%
TCE per day[9]	$ 23,608	$ 10,072
Vessel operating costs per day[10]	$ 5,223	$ 5,073
Long-term charter in costs per day[11]	$ 12,742	$ 12,005

(1) Segment results of operations include the proportionate share of joint ventures, which differs from the statements of profit or loss in our consolidated financial statements which account for our investments in joint ventures under the equity method.

(2) *Calendar days*: total calendar days the vessels were in our possession for the relevant period. Comparability of the calendar days are affected by the consolidation of the IVS Bulk vessels since February 2020.

(3) *Available days*: total number of calendar days a vessel is in our possession for the relevant period after subtracting off-hire days for scheduled drydocking and special surveys. We use available days to measure the number of days in a relevant period during which vessels should be available for generating revenue. Comparability of the available days are affected by the consolidation of the IVS Bulk vessels since February 2020.

(4) *Operating days*: the number of available days in the relevant period a vessel is controlled by us after subtracting the aggregate number of days that the vessel is off-hire due to a reason other than scheduled drydocking and special surveys, including unforeseen circumstances. We use operating days to measure the aggregate number of days in a relevant period during which vessels are actually available to generate revenue. Comparability of the operating days are affected by the consolidation of the IVS Bulk vessels since February 2020.

(5) *Owned fleet operating days*: the number of operating days in which our owned fleet is operating for the relevant period.

(6) *Long-term charter-in days*: the number of operating days for which our long-term charter-in fleet is operating for the relevant period. We regard chartered-in vessels as long-term charters if the period of the charter that we initially commit to is 12 months or more. Once we have included such chartered-in vessels in our Fleet, we will continue to regard them as part of our Fleet until the end of their chartered-in period, including any period that the charter has been extended under an option, even if at a given time the remaining period of their charter may be less than 12 months.

(7) *Short-term charter-in days*: the number of operating days for which we have chartered-in third party vessels for durations of less than one year for the relevant period.

(8) *Fleet utilization*: the percentage of time that vessels are available for generating revenue, determined by dividing the number of operating days during a relevant period by the number of available days during that period. We use fleet utilization to measure a company's efficiency in technically managing its vessels.

(9) *TCE per day*: vessel revenue less voyage expenses during a relevant period divided by the number of operating days during the period. The number of operating days used to calculate TCE revenue per day includes the proportionate share of our joint ventures' operating days and includes charter-in days. See "—Non-GAAP Financial Measures" above for a discussion of TCE revenue and a reconciliation of TCE revenue to revenue.

(10) *Vessel operating costs per day*: vessel operating costs per day represents vessel operating costs divided by the number of calendar days for owned vessels. The vessel operating costs and the number of calendar days used to calculate vessel operating costs per day includes the proportionate share of our joint ventures' vessel operating costs and calendar days and excludes charter-in costs and charter-in days. See "—Non-GAAP Financial Measures" above for a discussion of vessel operating costs per day.

(11) *Long-term charter-in costs per day*: charter costs associated with long-term charter-in vessels divided by long-term charter-in days for the relevant period. See "—Non-GAAP Financial Measures" above for a discussion of long-term charter-in costs and its reconciliation to adjusted charter hire costs. That discussion also shows an analysis of adjusted charter hire costs split between long-term charter-in costs and short-term charter-in costs.

We completed the plan to discontinue the medium range and small tanker segments during December 2021 and have presented the tanker business as a discontinued operation. We are now focused on the drybulk business which is presented as the continuing operations. Prior period figures have been reclassified to represent the change in our strategy.

Continuing Operations

Revenue. Revenue increased by $245.1 million, or approximately 116.3%, from $210.7 million for the year ended December 31, 2020 to $455.8 million for the year ended December 31, 2021. The increase in revenue was primarily due to an increase in spot rates in the drybulk market, partially offset by a decrease in ship sale revenue. The largest component of revenue is vessel revenue. Vessel revenue increased by $251.3 million, or approximately 123.2%, from $204.0 million for the year ended December 31, 2020 to $455.3 million for the year ended December 31, 2021, respectively. The increase in vessel revenue was primarily due to an increase in the demand for dry bulk tonnage as a result of the global fiscal stimulus that created demand for commodities and, together with delays and port disruptions, positively impacted the spot rates in the drybulk market.

Drybulk Business Revenue and Vessel Revenue

In the drybulk business, our handysize total revenue increased by $73.7 million, or approximately 87.2%, from $84.5 million for the year ended December 31, 2020 to $158.2 million for the year ended December 31, 2021. The handysize business experienced an increase in the spot rates due to the increase in the demand for drybulk tonnage, partially offset by the decrease in ship sale revenue and a decrease in the number of short-term operating days. The supramax/ultramax total revenue increased by $167.6 million, or approximately 134.4%, from $124.7 million for the year ended December 31, 2020 to $292.3 million for the year ended December 31, 2021. The increase in the supramax/ultramax total revenue was primarily due to an increase in the spot rates in 2021 due to an increase in the demand for drybulk tonnage as well as an increase in the operating days due to the delivery of two long-term chartered-in vessels in the last quarter of 2020 and a number of short-term chartered-in vessels with extension options that were chartered-in part way through 2020 at rates below the spot market.

Our handysize vessel revenue increased by $83.1 million, or approximately 111.4%, from $74.6 million for the year ended December 31, 2020 to $157.7 million for the year ended December 31, 2021. The increase in 2021 was primarily due to the same reasons set forth in the above paragraph. Our supramax/ultramax vessel revenue increased by $167.8 million, or approximately 134.9%, from $124.4 million for the year ended December 31, 2020 to $292.2 million for the year ended December 31, 2021. The increase in 2021 was primarily due to the same reasons set forth in the above paragraph.

Drybulk Business TCE Revenue

Handysize TCE per day increased by $14,707 per day, or approximately 221.9%, from $6,629 per day for the year ended December 31, 2020 to $21,336 per day for the year ended December 31, 2021 primarily due to an increase in the handysize spot market rates.

Supramax/ultramax TCE per day increased by $13,536 per day, or approximately 134.4%, from $10,072 per day for the year ended December 31, 2020 to $23,608 per day for the year ended December 31, 2021 primarily due to an increase in the supramax/ultramax spot market rates.

Global lockdowns due to the COVID-19 pandemic and the resultant decline in the demand for dry bulk tonnage negatively impacted the drybulk spot market during the year ended December 31, 2020. To revive the economy, governments provided fiscal and monetary stimulus programs that created a demand for commodities and therefore drybulk tonnage. Together with the port disruptions that affected the available tonnage this resulted in significantly higher spot rates in the drybulk markets during the year ended December 31, 2021.

Cost of sales. Total cost of sales increased by $72.3 million, or approximately 35.0%, from $206.6 million for the year ended December 31, 2020 to $278.9 million for the year ended December 31, 2021. The largest component of cost of sales is voyage expenses, which increased by $15.2 million from $81.8 million for the year ended December 31, 2020 to $97.0 million for the year ended December 31, 2021. This increase in voyage expenses was primarily due to increased pool distributions to third party pool participants in 2021 due to higher spot rate earnings and an increase in fuel costs. Fuel costs were low in 2020 due to reduced demand during the global pandemic but increased significantly in 2021 due to supply constraints. The effect of the increase in fuel costs was partially offset by a decreasing number of freight voyages in 2021 thus reducing the quantity of fuel used. Charter hire costs increased by $41.0 million from $34.4 million for the year ended December 31, 2020 to $75.4 million for the year ended December 31, 2021. This increase was due to the additional number of short-term vessels chartered-in at the end of 2020 for periods of 11 to 12 months with extension options and the higher spot rate for short-term chartered-in dry bulk vessels. Vessel operating costs increased by $6.0 million from $38.0 million in the year to December 31, 2020 to $44.0 million in the year to December 31, 2021. The increase was primarily due to the increased number of supramax/ultramax operating days, partially offset by the reduced number of owned handysize operating days and additional costs incurred for repairs and crew repatriation costs as described in the paragraphs below. Depreciation of ships, dry-docking and plant and equipment – owned assets increased by $3.9 million from $22.0 million in the year to December 31, 2020 to $25.9 million in the year to December 31, 2021. The main reason for this increase was the acquisition of a supramax vessel in 2021 and the reversal of an impairment loss on a handysize vessel in 2021, partially offset by the sale of a handysize vessel towards the end of 2020. Depreciation of ships and ship equipment – right-of-use assets increased by $10.2 million from $24.7 million in the year to December 31, 2020 to $34.9 million in the year to December 31, 2021. The main reason for this increase was due to the delivery of the two long-term chartered-in vessels at the end of 2020 and an extension of a short-term lease that resulted in the capitalisation of the charter contract. Other expenses increased by $1.5 million from $0.4 million in the year to December 31, 2020 to $1.9 million in the year to December 31, 2021. Cost of ship sale decreased by $5.4 million from $5.4 million in the year to December 31, 2020 to $0 million in the year to December 31, 2021. This decrease is due to no drybulk vessels sales in 2021 compared to the sale of a handysize drybulk carrier in 2020.

Drybulk Business Cost of Sales

In the drybulk business, our handysize segment cost of sales decreased by $6.3 million, or approximately 7.0%, from $90.5 million for the year ended December 31, 2020 to $84.2 million for the year ended December 31, 2021. This decrease was primarily due to the sale of a wholly owned handysize vessel and a handysize vessel that was owned through a joint venture in 2020 compared to no ship sales in 2021 and decreased voyage expenses, which was partially offset by increased charter costs, depreciation of owned vessels and rising operating expenses as described below. Our handysize segment voyage expenses decreased by $3.8 million, or approximately 12.3%, from $31.0 million for the year ended December 31, 2020 to $27.2 million for the year ended December 31, 2021. This decrease was primarily due to a decrease in the number of voyages and a decrease in the pool distributions to third party pool participants in our handysize pool due to a decrease in the number of third party participants, partially offset by an increase in the value of the distribution 2021 due to higher earnings. The charter hire costs in the handysize segment increased by $3.0 million, or approximately 34.1%, from $8.8 million for the year ended December 31, 2020 to $11.8 million for the year ended December 31, 2021. The charter-in cost per day was higher in 2021 due to increased global demand for drybulk tonnage. Our handysize vessel operating costs increased by $2.6 million, or approximately 9.2%, from $28.4 million for the year ended December 31, 2020 to $31.0 million for the year ended December 31, 2021. The increase was primarily due to increasing repair costs for some of the aging handyize vessels and increased crew repatriation costs due to COVID-19 travel restrictions, quarantine requirements and related costs, partially offset by the reduced number of owned vessels as a result of the sale of a vessel in 2020.

Our supramax/ultramax segment cost of sales increased by $74.5 million, or approximately 61.4%, from $121.3 million for the year ended December 31, 2020 to $195.8 million for the year ended December 31, 2021. This increase was primarily due to higher spot rates for short-term chartered-in vessels, an increase in depreciation of owned vessels due to the acquisition of a vessel, increased depreciation on right-of-use assets due to the extension and capitalisation of certain short-term charters and higher operating costs and voyage costs as described below. Our supramax/ultramax segment voyage expenses increased by $21.1 million, or approximately 43.5%, from $48.5 million for the year ended December 31, 2020 to $69.6 million for the year ended December 31, 2021. This increase was primarily due to a higher number of operating days available from the short-term vessels and therefore a higher number of voyages in 2021. The charter hire costs in the supramax/ultramax segment increased by $38.1 million, or approximately 149.4%, from $25.5 million for the year ended December 31, 2020 to $63.6 million for the year ended December 31, 2021. The increase was due to a higher number of short- term charter-in days in 2021 at a higher charter-in cost per day due to increased global demand for drybulk tonnage. Our supramax/ultramax vessel operating costs increased by $2.2 million, or approximately 16.2%, from $13.6 million for the year ended December 31, 2020 to $15.8 million for the year ended December 31, 2021. The increase was primarily due to the acquisition of a vessel in 2021 and increased crew repatriation costs due to COVID-19 travel restrictions, quarantine requirements and related costs.

Drybulk Business Vessel Operating Costs Per Day

Handysize vessel operating costs per day increased by $640, or approximately 12.7%, from $5,030 per day for the year ended December 31, 2020 to $5,670 per day for the year ended December 31, 2021.

Supramax/ultramax vessel operating costs per day increased by $150, or approximately 3.0%, from $5,073 per day for the year ended December 31, 2020 to $5,223 per day for the year ended December 31, 2021.

These increases were primarily due to increased crew repatriation costs partly as a result of COVID-19 travel restrictions, quarantine requirements and related costs partially offset by the repair costs on a small number of vessels in 2020 arising from the change over from high sulphur fuel to low sulphur fuel.

In the first half of 2020, employment contracts for crew were extended to protect the crew from exposure to COVID-19 and to continue the operation of the vessels. This resulted in temporary cost savings on the crew repatriation. These savings were reversed in the second half of 2020 as the costs of flights increased, vessels were deviated to facilitate repatriation of existing crew and collect replacement crew from accessible ports, additional costs of COVID-19 testing were incurred and cost for the purchase of personal protective equipment were incurred. During 2021, the effects of the pandemic continued to have a negative impact on crew repatriation as we experienced fluctuating and costly quarantine, vaccination and testing requirements and limited, expensive flights for necessary crew repatriation. In addition, logistics for supplying spares to vessels and the lack of availability of the spares required our technical department to hold increased quantities of stock on board the vessels.

Gross profit. Gross profit increased by $172.8 million, or 4,214.6%, from $4.1 million for the year ended December 31, 2020 to $176.9 million for the year ended December 31, 2021 primarily for the reasons described above.

Other operating income (expense). Other operating income (expense) increased by $4.1 million from an expense of $0.3 million recorded in the year ended December 31, 2021 to $3.8 million recorded in the year ended December 31, 2021. In the year ended December 31, 2021, we recorded the reversal of impairment losses on vessels of $3.6 million, the reversal of impairment losses on right-of-use ships of $1.0 million and an impairment loss on goodwill and intangibles of $1.0 million. For the year ended December 31, 2020, we recorded impairment losses on vessel of $5.1 million. We recorded a foreign exchange gain of $4.9 million and for the year ended December 31, 2020 and we incurred a foreign exchange gain of $0.1 million for the year ended December 31, 2021 as a result of unrealized and realized revaluations of foreign currency bank balances, vendor balances and customer balances at period end.

Administrative expense. Administrative expense increased by $14.7 million, or approximately 68.7%, from $21.4 million for the year ended December 31, 2020 to $36.1 million for the year ended December 31, 2021 primarily due to higher staff incentive costs following the increase in profit and increased legal, professional and insurance costs.

Share of losses of joint ventures. Share of losses of joint ventures decreased from a loss of $2.5 million for the year ended December 31, 2020 to $0 million for the year ended December 31, 2021. Following the consolidation of IVS Bulk in February 2020 and the sale of the *IVS Triview* in November 2020, we no longer have any vessels in unconsolidated joint venture structures. Our drybulk joint ventures were impacted by lower spot market rates in 2020.

Interest income. Interest income decreased by $0.3 million from $0.5 million for the year ended December 31, 2020 to $0.2 million for the year ended December 31, 2021. Interest on loans to our joint ventures decreased for the 12 months ended December 31, 2021 due to loan repayments by joint ventures in the period ended December 31, 2020.

Interest expense. Interest expense decreased by $2.8 million from $15.1 million for the year ended December 31, 2020 to $12.3 million for the year ended December 31, 2021, primarily due to the repayment of the $35.8 million senior secured credit facility used to fund the acquisition of IVS Bulk which incurred interest at a relatively higher interest rate and the repayment of loans on the sale of vessels, partially offset by the marginal increase in LIBOR. Interest expense on bank loans decreased by $0.9 million from $7.1 million for the year ended December 31, 2020 to $6.2 million for the year ended December 31, 2021. Interest expense on bank loans reflect the payment of interest on debt that principally funds our vessels. Our bank loans outstanding decreased from $278.4 million as at December 31, 2020 to $245.7 million as at December 31, 2021 primary due to quarterly repayments and repayment due to ship sales. The weighted average effective interest rate on our outstanding debt increased marginally from 3.71% in 2020 to 3.82% in 2021. The increase in the weighted average effective interest rate was primarily due to the increase in LIBOR as a consequence of the rising inflation.

Income tax benefit (expense). Income tax benefit (expense) for the year remained flat at and expense of $0.2 million for the year ended December 31, 2020 and a benefit of $0.1 million for the year ended December 31, 2021.

Profit (loss) for the year on continuing operations. Our profit for the year ended December 31, 2020 increased to $132.6 million from a loss of $35.0 million for the year ended December 31, 2020 for the same reasons set forth above.

Discontinued Operation

Loss for the year on discontinued operation. Our loss for the year ended December 31, 2021 was $3.2 million compared to a loss of $6.1 million for the year ended December 31, 2020, primarily due to the impairment losses recognized on tankers of $11.1 million for the year ended December 31, 2020 compared to impairment losses recognized on the net disposal group of $2.6 million offset by a tax benefit of $2.7 million recognized on a previously reported legal case that was settled in our favor for the year ended December 31, 2021.

Continuing and Discontinued Operations

Profit (loss) for the year. Our loss for the year ended December 31, 2021 increased to a profit of $129.5 million from a loss of $41.1 million for the year ended December 31, 2020 for the same reasons set forth above.

Year Ended December 31, 2020 Compared to the Year Ended December 31, 2019

Certain financial data on a consolidated basis and for our key segments was as follows for the years ended December 31, 2020 and 2019. This information was derived from our consolidated financial statements for the respective periods.

Consolidated Results of Operations

	Year Ended December 31,	
(In thousands of U.S. dollars)	**2020**	**2019**
Continuing operations		
Revenue	$ 210,682	$ 272,292
Cost of sales		
Voyage expenses	(81,840)	(141,445)
Vessel operating costs	(37,968)	(19,518)
Charter hire costs	(34,369)	(56,087)
Depreciation of ships, drydocking and plant and equipment - owned assets	(22,003)	(10,735)
Depreciation of ships and ship equipment – right-of-use assets	(24,674)	(25,004)
Other expenses	(398)	(239)
Cost of ship sale	(5,375)	(8,280)
Gross profit	**4,055**	**10,984**
Other operating expense	(293)	(6,524)
Administrative expense	(21,435)	(23,902)
Share of losses of joint ventures	(2,476)	(1,873)
Interest income	467	1,882
Interest expense	(15,106)	(8,052)
Loss before taxation	**(34,788)**	**(27,485)**
Income tax (expense) benefit	(189)	400
Loss for the year	$ **(34,977)**	**$ (27,085)**
Discontinued operation		
Loss for the year from discontinued operation	**(6,123)**	**(16,402)**
Loss for the year	**(41,100)**	**(43,487)**

Segment Results of Operations[*]

	Year Ended December 31,	
(In thousands of U.S. dollars)	**2020**	**2019**
Drybulk Carriers Business		
Handysize Segment		
Revenue	$ 84,519	$ 112,232
Cost of Sales	$ (90,453)	$ (111,454)
Gross (loss) profit	(5,934)	778
Supramax/ultramax Segment		
Revenue	$ 124,672	$ 155,155
Cost of Sales	$ (121,284)	$ (148,671)
Gross profit	3,388	6,484

* Segment results of operations include the impact of the proportionate share of joint ventures, which differs from the statements of profit or loss in our consolidated financial statements which account for our investments in joint ventures under the equity method.

Set forth below are selected historical and statistical data of our operating fleet for the years ended December 31, 2020 and 2019 that we believe may be useful in better understanding our operating fleet's financial position and results of operations[1].

	Year Ended December 31,	
	2020	2019
Drybulk Carriers Business		
Handysize Segment		
Calendar days[2]	6,882	6,495
Available days[3]	6,713	6,405
Operating days[4]	6,584	6,352
Owned fleet operating days[5]	5,354	4,546
Long-term charter-in days[6]	-	-
Short-term charter-in days[7]	1,230	1,806
Fleet utilization[8]	98.1%	99.2%
TCE per day[9]	$ 6,629	$ 7,770
Vessel operating costs per day[10]	$ 5,030	$ 5,040
Long-term charter in costs per day[11]	-	$ -
Supramax/ultramax Segment		
Calendar days[2]	7,787	6,670
Available days[3]	7,736	6,626
Operating days[4]	7,526	6,601
Owned fleet operating days[5]	2,514	959
Long-term charter-in days[6]	2,261	2,351
Short-term charter-in days[7]	2,751	3,291
Fleet utilization[8]	97.3%	99.6%
TCE per day[9]	$ 10,072	$ 12,067
Vessel operating costs per day[10]	$ 5,073	$ 4,545
Long-term charter in costs per day[11]	$ 12,005	$ 12,650

(1) Segment results of operations include the proportionate share of joint ventures, which differs from the statements of profit or loss in our consolidated financial statements which account for our investments in joint ventures under the equity method.

(2) *Calendar days*: total calendar days the vessels were in our possession for the relevant period. Comparability of the calendar days are affected by the consolidation of the IVS Bulk vessels since February 2020.

(3) *Available days*: total number of calendar days a vessel is in our possession for the relevant period after subtracting off-hire days for scheduled drydocking and special surveys. We use available days to measure the number of days in a relevant period during which vessels should be available for generating revenue. Comparability of the available days are affected by the consolidation of the IVS Bulk vessels since February 2020.

(4) *Operating days*: the number of available days in the relevant period a vessel is controlled by us after subtracting the aggregate number of days that the vessel is off-hire due to a reason other than scheduled drydocking and special surveys, including unforeseen circumstances. We use operating days to measure the aggregate number of days in a relevant period during which vessels are actually available to generate revenue. Comparability of the operating days are affected by the consolidation of the IVS Bulk vessels since February 2020.

(5) *Owned fleet operating days*: the number of operating days in which our owned fleet is operating for the relevant period.

(6) *Long-term charter-in days*: the number of operating days for which our long-term charter-in fleet is operating for the relevant period. We regard chartered-in vessels as long-term charters if the period of the charter that we initially commit to is 12 months or more. Once we have included such chartered-in vessels in our Fleet, we will continue to regard them as part of our Fleet until the end of their chartered-in period, including any period that the charter has been extended under an option, even if at a given time the remaining period of their charter may be less than 12 months.

(7) *Short-term charter-in days*: the number of operating days for which we have chartered-in third party vessels for durations of less than one year for the relevant period.

(8) *Fleet utilization*: the percentage of time that vessels are available for generating revenue, determined by dividing the number of operating days during a relevant period by the number of available days during that period. We use fleet utilization to measure a company's efficiency in technically managing its vessels.

(9) *TCE per day*: vessel revenue less voyage expenses during a relevant period divided by the number of operating days during the period. The number of operating days used to calculate TCE revenue per day includes the proportionate share of our joint ventures' operating days and includes charter-in days. See "—Non-GAAP Financial Measures" above for a discussion of TCE revenue and a reconciliation of TCE revenue to revenue.

(10) *Vessel operating costs per day*: vessel operating costs per day represents vessel operating costs divided by the number of calendar days for owned vessels. The vessel operating costs and the number of calendar days used to calculate vessel operating costs per day includes the proportionate share of our joint ventures' vessel operating costs and calendar days and excludes charter-in costs and charter-in days. See "—Non-GAAP Financial Measures" above for a discussion of vessel operating costs per day.

(11) *Long-term charter-in costs per day*: charter costs associated with long-term charter-in vessels divided by long-term charter-in days for the relevant period. See "—Non-GAAP Financial Measures" above for a discussion of long-term charter-in costs and its reconciliation to adjusted charter hire costs. That discussion also shows an analysis of adjusted charter hire costs split between long-term charter-in costs and short-term charter-in costs.

We completed the plan to discontinue the medium range and small tanker segments during December 2021 and have presented the tanker business as a discontinued operation. We are now focused on the drybulk business which is presented as the continuing operations. Prior period figures have been reclassified to represent the change in our strategy.

Continuing Operations

Revenue. Revenue decreased by $61.6 million, or approximately 22.6%, from $272.3 million for the year ended December 31, 2019 to $210.7 million for the year ended December 31, 2020. The decrease in revenue was primarily due to a decrease in spot rates in the drybulk market and decrease in ship sale revenue. The largest component of revenue is vessel revenue. Vessel revenue decreased by $55.2 million, or approximately 21.3%, from $259.2 million for the year ended December 31, 2019 to $204.0 million for the year ended December 31, 2020, respectively. The decrease in vessel revenue was primarily due to a decline in the demand for dry bulk tonnage as a result of the COVID-19 pandemic, which negatively impacted the spot rates in the drybulk market.

Drybulk Business Revenue and Vessel Revenue

In the drybulk business, our handysize total revenue decreased by $27.7 million, or approximately 24.7%, from $112.2 million for the year ended December 31, 2019 to $84.5 million for the year ended December 31, 2020. The handysize business experienced a decrease in the spot rates due to the impact of the COVID-19 pandemic on the demand for drybulk tonnage, partially offset by the increase in ship sale revenue. The supramax/ultramax total revenue decreased by $30.5 million, or approximately 19.7%, from $155.2 million for the year ended December 31, 2019 to $124.7 million for the year ended December 31, 2020. The decrease in the supramax/ultramax total revenue was primarily due to a decrease in the spot rates in 2020 as a consequence of the COVID-19 pandemic, partially offset by an increase in operating days as a result of the delivery of two long-term chartered-in vessels in 2020 and the delivery of a long-term chartered-in vessel and two owned vessels in 2019.

Our handysize vessel revenue decreased by $28.2 million, or approximately 27.4%, from $102.8 million for the year ended December 31, 2019 to $74.6 million for the year ended December 31, 2020. The decrease in 2020 was primarily due to the same reasons set forth above. Our supramax/ultramax vessel revenue decreased by $29.5 million, or approximately 19.2%, from $153.9 million for the year ended December 31, 2019 to $124.4 million for the year ended December 31, 2020. The decrease in 2020 was primarily due to the same reasons set forth above.

Drybulk Business TCE Revenue

Handysize TCE per day decreased by $1,141 per day, or approximately 14.7%, from $7,770 per day for the year ended December 31, 2019 to $6,629 per day for the year ended December 31, 2020 primarily due to a decrease in the handysize spot market rates.

Supramax/ultramax TCE per day decreased by $1,995 per day, or approximately 16.5%, from $12,067 per day for the year ended December 31, 2019 to $10,072 per day for the year ended December 31, 2020 primarily due to a decrease in the supramax/ultramax spot market rates.

Global lockdowns due to the COVID-19 pandemic and the resultant decline in the demand for dry bulk tonnage negatively impacted the drybulk spot market.

Cost of sales. Total cost of sales decreased by $54.7 million, or approximately 20.9%, from $261.3 million for the year ended December 31, 2019 to $206.6 million for the year ended December 31, 2020. The largest component of cost of sales is voyage expenses, which decreased by $59.6 million from $141.4 million for the year ended December 31, 2019 to $81.8 million for the year ended December 31, 2020. This decrease in voyage expenses was primarily due to the decrease in pool distributions to third party pool participants and a decrease in fuel costs. The decrease in pool distributions was due to the additional acquisition and subsequent consolidation of IVS Bulk. Fuel costs declined significantly in the first quarter of 2020 as the COVID-19 pandemic reduced the demand for fuel. In addition, the reduced number of freight voyages reduced the quantity of fuel used by us. Charter hire costs decreased by $21.7 million from $56.1 million for the year ended December 31, 2019 to $34.4 million for the year ended December 31, 2020. This decrease was due to a decrease in the short- term charter-in days due to the decrease in the demand for drybulk vessels, the lower spot rate for short-term chartered-in dry bulk vessels and the redelivery of certain vessels that were classified as short-term vessels under the practical expedients on the implementation of IFRS 16. Vessel operating costs increased by $18.5 million from $19.5 million in the year to December 31, 2019 to $38.0 million in the year to December 31, 2020. The main reason for this increase was the additional acquisition and subsequent consolidation of IVS Bulk, partially offset by a reduction in vessel operating costs as a result of the sale of a handysize drybulk carrier in each of 2020 and 2019. Depreciation of ships, dry-docking and plant and equipment – owned assets increased by $11.3 million from $10.7 million in the year to December 31, 2019 to $22.0 million in the year to December 31, 2020. The main reason for this increase was the additional acquisition and subsequent consolidation of IVS Bulk, partially offset by the sale of vessels as described above. Depreciation of ships and ship equipment - right-of-use assets decreased by $0.3 million from $25.0 million in the year to December 31, 2019 to $24.7 million in the year to December 31, 2020. The main reason for this decrease was due to the redelivery of a long-term chartered-in supramax/ultramax vessel and the extension of two long-term charter-in vessels at lower rates, partially offset by the delivery of two long-term charter-in newbuildings. Other expenses remained relatively flat with an increase of $0.2 million from $0.2 million in the year to December 31, 2019 to $0.4 million in the year to December 31, 2020. Cost of ship sale decreased by $2.9 million from $8.3 million in the year to December 31, 2019 to $5.4 million in the year to December 31, 2020. This decrease is due to a handysize drybulk carrier owned in a joint venture being sold in 2020 as compared to one wholly owned handysize drybulk carrier sold in 2019.

Drybulk Business Cost of Sales

In the drybulk business, our handysize segment cost of sales decreased by $21.0 million, or approximately 18.8%, from $111.5 million for the year ended December 31, 2019 to $90.5 million for the year ended December 31, 2020. This decrease was primarily due to a decrease in the pool distributions to third party pool participants in our handysize pool due to the additional acquisition and subsequent consolidation of IVS Bulk, lower fuel costs as the COVID-19 pandemic reduced demand and lower spot rates for short-term chartered-in vessels, partially offset by an increase in operating costs and depreciation due to the additional acquisition and subsequent consolidation of IVS Bulk. Our handysize segment voyage expenses decreased by $22.4 million, or approximately 41.9%, from $53.4 million for the year ended December 31, 2019 to $31.0 million for the year ended December 31, 2020. This decrease was primarily due to a decrease in the pool distributions to third party pool participants in our handysize pool due to the additional acquisition and subsequent consolidation of IVS Bulk and the decreased fuel costs in 2020. The charter hire costs in the handysize segment decreased by $6.4 million, or approximately 42.1%, from $15.2 million for the year ended December 31, 2019 to $8.8 million for the year ended December 31, 2020. There were fewer short-term chartered- in vessels in 2020 and at a lower charter-in cost per day due to reduced global demand for drybulk tonnage. Our handysize vessel operating costs increased by $4.8 million, or approximately 20.3%, from $23.6 million for the year ended December 31, 2019 to $28.4 million for the year ended December 31, 2020. The increase was primarily due to the additional acquisition and subsequent consolidation of IVS Bulk, partially offset by the reduced number of owned vessels as a result of the sale of a vessel in 2019 and a further sale in 2020.

Our supramax/ultramax segment cost of sales decreased by $27.4 million, or approximately 18.4%, from $148.7 million for the year ended December 31, 2019 to $121.3 million for the year ended December 31, 2020. This decrease was primarily due to a decrease in the pool distributions to third party pool participants in our supramax/ultramax pool due to the additional acquisition and subsequent consolidation of IVS Bulk, lower fuel costs as the COVID-19 pandemic reduced demand and lower spot rates for short-term chartered-in vessels, partially offset by an increase in operating costs and depreciation due to the additional acquisition and subsequent consolidation of IVS Bulk. Our supramax/ultramax segment voyage expenses decreased by $25.8 million, or approximately 34.7%, from $74.3 million for the year ended December 31, 2019 to $48.5 million for the year ended December 31, 2020. This decrease was primarily due to a decrease in the pool distributions to third party pool participants due to the additional acquisition and subsequent consolidation of IVS Bulk and lower fuel costs as the COVID-19 pandemic reduced demand. The charter hire costs in the supramax/ultramax segment decreased by $15.9 million, or approximately 38.4%, from $41.4 million for the year ended December 31, 2019 to $25.5 million for the year ended December 31, 2020. There was a lower number of short- term charter-in days in 2020 at a lower charter-in cost per day due to reduced global demand for drybulk tonnage. Our supramax/ultramax vessel operating costs increased by $9.2 million, or approximately 209.1%, from $4.4 million for the year ended December 31, 2019 to $13.6 million for the year ended December 31, 2020. The increase was primarily due to the additional acquisition and subsequent consolidation of IVS Bulk and repair costs on a small number of vessels arising from the change over from high sulphur fuel to low sulphur fuel.

Drybulk Business Vessel Operating Costs Per Day

Handysize vessel operating costs per day decreased by $10 per day, or approximately 0.2%, from $5,040 per day for the year ended December 31, 2019 to $5,030 per day for the year ended December 31, 2020.

Supramax/ultramax vessel operating costs per day increased by $528 per day, or approximately 11.6%, from $4,545 per day for the year ended December 31, 2019 to $5,073 per day for the year ended December 31, 2020. These increases were primarily due to the repair costs on a small number of vessels arising from the change over from high sulphur fuel to low sulphur fuel.

In the first half of 2020, employment contracts for crew were extended to protect the crew from exposure to COVID-19 and to continue the operation of the vessels. This resulted in temporary cost savings on the crew repatriation. These savings were reversed in the second half of 2020 as the costs of flights increased, vessels were deviated to facilitate repatriation of existing crew and collect replacement crew from accessible ports, additional costs of COVID-19 testing were incurred and cost for the purchase of personal protective equipment were incurred.

Gross profit. Gross profit decreased by $6.9 million, or 62.7%, from $11.0 million for the year ended December 31, 2019 to $4.1 million for the year ended December 31, 2020 primarily for the reasons described above.

Other operating expense. Other operating expense decreased by $6.2 million or 95.4% from $6.5 million recorded in the year ended December 31, 2019 to $0.3 million recorded in the year ended December 31, 2020. In the year ended December 31, 2020, we recorded impairment losses on vessel sales of $5.1 million. For the year ended December 31, 2019, we recorded impairment losses on vessel sales of $2.9 million and impairment losses on right-of-use assets of $2.3 million. We recorded a foreign exchange gain of $4.9 million and for the year ended December 31, 2020 and we incurred a foreign exchange loss of $0.5 million for the year ended December 31, 2019 as a result of unrealized and realized revaluations of foreign currency bank balances, vendor balances and customer balances at period end.

Administrative expense. Administrative expense decreased by $2.5 million, or approximately 10.5%, from $23.9 million for the year ended December 31, 2019 to $21.4 million for the year ended December 31, 2020 primarily due to reduced staff costs, travel costs and office costs which were partially offset by increased information technology costs.

Share of losses of joint ventures. Share of losses of joint ventures decreased from a loss of $1.9 million for the year ended December 31, 2019 to a loss of $2.5 million for the year ended December 31, 2020. Following the consolidation of IVS Bulk in February 2020 and the sale of the *IVS Triview* in November 2020, we no longer have any vessels in unconsolidated joint venture structures. Our drybulk joint ventures were impacted by lower spot market rates.

Interest income. Interest income decreased by $1.4 million from $1.9 million for the year ended December 31, 2019 to $0.5 million for the year ended December 31, 2020. Interest on loans to our joint ventures decreased for the 12 months ended December 31, 2020 due to loan repayments by joint ventures. Bank interest decreased for the 12 months ended December 31, 2020 due to the reduction in the average interest rate.

Interest expense. Interest expense increased by $7.0 million from $8.1 million for the year ended December 31, 2019 to $15.1 million for the year ended December 31, 2020, primarily due to the additional acquisition and subsequent consolidation of IVS Bulk, the interest on the $35.8 million senior secured credit facility used to fund the acquisition of 33.25% of IVS Bulk, the amortization of upfront fees on the $35.8 million senior secured credit facility, partially offset by the reduction in the LIBOR rate as a consequence of the COVID-19 pandemic and the sale of vessels that were secured by credit facilities. Interest expense on bank loans increased by $2.7 million from $4.4 million for the year ended December 31, 2019 to $7.1 million for the year ended December 31, 2020. Interest expense on bank loans reflect the payment of interest on debt that principally funds our vessels. Our bank loans outstanding increased from $165.4 million as at December 31, 2019 to $278.4 million as at December 31, 2020 primary due to the acquisition of 33.25% of IVS Bulk and the subsequent consolidation of the subsidiary. The weighted average effective interest rate on our outstanding debt decreased from 5.1% in 2019 to 4.1% in 2020. The decrease in the weighted average effective interest rate was primarily due to the reduction in LIBOR as a consequence of the COVID-19 pandemic, partially offset by the $35.8 million senior secured credit facility that incurs interest at a fixed rate of 7.5% per annum.

Income tax. Income tax for the year remained flat at $0.4 million for the year ended December 31, 2019 and $0.2 million for the year ended December 31, 2020.

Loss for the year on continuing operations. Our loss for the year ended December 31, 2020 increased to a loss of $35.0 million from a loss of $27.1 million for the year ended December 31, 2019 for the same reasons set forth above.

Discontinued Operation

Loss for the year on discontinued operation. Our loss for the year ended December 31, 2020 was $6.1 million compared to a loss of $16.4 million for the year ended December 31, 2019, primarily due to the impairment losses recognized on tankers of $11.1 million for the year ended December 31, 2020 compared to impairment losses recognized on tankers of $14.1 million for the year ended December 31, 2019. In addition, impairment losses on goodwill of $3.2 million were recognized for the year ended December 31, 2019 on tanker operations.

Continuing and Discontinued Operations

Loss for the year. Our loss for the year ended December 31, 2020 decreased to a loss of $41.1 million from a loss of $43.5 million for the year ended December 31, 2019 for the same reasons set forth above.

Liquidity and Capital Resources

Overview

We operate in a capital intensive industry. Our primary short-term liquidity needs relate to working capital needs relating to voyages in progress, corporate overhead, payments of interest, quarterly principal payments under our credit facilities, dividend payments, share repurchases, exercising of purchase options in long-term charter contracts and any balloon payments on loans coming due in the next 12 months, while our long-term liquidity needs are expected to primarily relate to drydock payments, installment payments on new building construction contracts, investment in new and secondhand vessels, exercising of purchase options in long-term charter contracts and final balloon payments relating to our credit facilities. We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from operations, which includes proceeds from the sale of vessels and borrowings. Generally, our long-term sources of funds will be from cash from operations, long-term borrowings and other debt or equity financings.

As of the date of this annual report, we have purchase options to acquire five vessels. We have options to purchase the *IVS Naruo*, the *IVS Pinehurst*, the *IVS Hayakita*, the *IVS Pebble Beach* and the *IVS Atsugi* that have or are expected to first enter into the exercise periods under their respective charter parties in December 2020, November 2021, September 2021, September 2022 and January 2023 respectively. See “Item 4. Information on the Company—Business Overview—Our Fleet”. The prices of these purchase options range from approximately $18.0 million to $25.2 million, subject to adjustments, where an option is exercisable on more than one date, based on the remaining time balance of the charter. In each case, such purchase option is subject to certain other adjustments and conditions and will expire at the completion of the applicable time charter.

The shipping environment has been challenging and volatile over the last several years due to an oversupply of vessels allied to a lower growth rate of the world economy. As a result, we have reported losses and negative cash flow for the last three consecutive years. The outbreak of COVID-19 in 2020 has resulted in governments of many countries implementing measures to mitigate the spread of the virus. These measures have resulted in a significant reduction in global economic activity and extreme volatility in the freight rates for drybulk vessels which has a significant impact on our operations and cash flows. In 2021 we experienced a significant increase in demand for drybulk tonnage which, together with the reduced supply of new vessels into the market and increased port congestion, resulted in a strong spot market that favored our operations. The increased earnings improved liquidity and strengthened our balance sheet and has provided us with sufficient free cash to pay dividends, repurchase shares, expand our fleet and to reduce our debt obligation.

We manage liquidity risk by monitoring forecast and actual cash flows and ensuring that adequate borrowing facilities are maintained. Our management may, from time to time, at their discretion raise or borrow monies for our requirements as they deem fit. There are measures in place to preserve cash, maintain adequate financing to meet our obligations and comply with existing loan covenants imposed by the banks. The covenant levels are monitored continuously to identify any potential covenant issues so that solutions such as waivers or modifications to the loan covenants to obtain more favorable terms can be implemented in advance. We may seek to accomplish any of these independently or in conjunction with one or more of these actions. Based on the 12 months cash flow forecast prepared by management from the date of this annual report, our Board of Directors has no reason to believe that we will not continue as a going concern and has assessed that that there is no material uncertainty related to these conditions and there is no substantial doubt about our ability to continue as a going concern. We have plans in place to sell certain vessels, exercise certain purchase options, repay certain loans, protect existing covenants on term loans and maintain adequate liquidity.

Cash Flow Discussion

The following table presents cash flow information for each of the years ended December 31, 2021, 2020 and 2019.

	Year Ended December 31,		
(In thousands of U.S. dollars)	**2021**	**2020**	**2019**
Net cash flows generated from (used in) operating activities[(1)]	$ 204,852	$ 70,384	$ (55,587)
Net cash generated from (used in) investing activities	1,066	(22,559)	35,166
Net cash flows (used in) generated from financing activities	(139,076)	(41,983)	19,373
Net increase (decrease) in cash and cash equivalents	**66,842**	**5,842**	**(1,048)**
Cash and cash equivalents, beginning of year	37,942	32,527	33,498
Effect of exchange rate changes on the balance of cash held in foreign currencies	(541)	(427)	77
Cash and cash equivalents, end of year	**$ 104,243**	**$ 37,942**	**$ 32,527**

(1) Net cash flows generated from (used in) generated from operating activities includes capital expenditure on ships of $33,455,000, $9,021,000 and $106,107,000 and proceeds from disposal of ships of $47,819,000, $40,366,000 and $15,634,000 for the years ended December 31, 2021, 2020 and 2019, respectively.

Net cash flows generated from (used in) operating activities. Net cash flows generated from (used in) operating activities was an inflow of $204.9 million for the 12 months ended December 31, 2021, an inflow of $70.4 million for the 12 months ended December 31, 2020 and an outflow of $55.6 million for the 12 months ended December 31, 2019. Net cash flows generated from operating activities for the 12 months ended December 31, 2021 includes capital expenditure on vessels of $33.5 million and proceeds from vessel sales of $47.8 million. Net cash flows generated from operating activities for the 12 months ended December 31, 2020 includes capital expenditure on vessels of $9.0 million and proceeds from vessel sales of $40.4 million. Net cash flows used in operating activities for the 12 months ended December 31, 2019 includes capital expenditure on vessels of $106.1 million, proceeds from vessel sales of $15.6 million and payments to related parties of $6.0 million.

Net cash flows generated from (used in) operating activities increased by $134.5 million due to an inflow of $204.9 million for the year ended December 31, 2021 as compared to an inflow of $70.4 million for the year ended December 31, 2020, primarily due to an increase in cash generated through operating activities of $161.1 million as a result of the strong drybulk markets in 2021, an increase in proceeds on the sale of ships of $7.4 million and a decrease in interest paid of $3.3 million, partially offset by an increase in capital expenditure on vessels of $24.4 million and negative movements in working capital of $12.0 million.

Net cash flows generated from (used in) operating activities increased by $126.0 million due to an inflow of $70.4 million for the year ended December 31, 2020 as compared to an outflow of $55.6 million for the year ended December 31, 2019, primarily because capital expenditure on vessels decreased by $97.1 million, proceeds on the sale of ships increased by $24.8 million and positive movements in working capital increased by $8.8 million. This was partially offset by an increase in interest paid of $3.7 million due to the additional acquisition and subsequent consolidation of IVS Bulk and the decrease in interest received of $1.1 million due to the settlement of loans to joint ventures.

Net cash generated from (used in) investing activities. Net cash generated from (used in) investing activities was an inflow of $1.1 million for the 12 months ended December 31, 2021, an outflow of $22.6 million and an inflow of $35.2 for the 12 months ended December 31, 2020 and 2019, respectively. Net cash generated from investing activities in the 12 months ended December 31, 2021 were relatively immaterial receipts from a joint venture loan of $0.8 million and dividends received from a joint venture of $0.3 million. Net cash used in investing activities in the 12 months ended December 31, 2020 was impacted by the acquisition of 33.25% of IVS Bulk (net of cash acquired) of $28.3 million, repayment of related parties of $2.1 million partially offset by the receipt of loan repayments from joint ventures of $5.1 million and the dividends and distributions from joint ventures of $3.1 million. Net cash generated from investing activities in the 12 months ended December 31, 2019 was impacted by the repayment by joint ventures of $20.3 million of loans to joint ventures, repayments by related parties of $7.6 million of balances with related parties, dividends received from a joint venture of $5.0 million and capital distribution from a joint venture of $2.5 million.

Net cash flows from investing activities increased by $23.6 million for the 12 months to December 31, 2021 compared to the 12 months to December 31, 2020 primarily due to the acquisition of a controlling interest in IVS Bulk of $28.3 million and a payment of $2.1 million to related parties in the prior year which was partially offset by the recovery of joint venture loans which decreased by $4.3 million and distributions received from joint ventures which decreased by $2.9 million. Net cash flows from investing activities decreased by $57.8 million for the 12 months to December 31, 2020 compared to the 12 months to December 31, 2019 primarily due to the acquisition of IVS Bulk (net of the cash acquired) was $28.3 million, distributions received from joint ventures decreased by $4.4 million, the recovery of joint venture loans decreased by $15.2 million and a decrease of $9.7 million in related party transactions due to payments made to related parties of $2.1 million in 2020 compared to payments received from related parties of $7.6 million in 2019.

Net cash flows (used in) generated from financing activities. Net cash flows (used in) generated from financing activities was an outflow of $139.1 million for the 12 months ended December 31, 2021, an outflow of $42.0 million for the 12 months ended December 31, 2020 and an inflow of $19.4 million for the 12 months ended December 31, 2019. Net cash flows used in financing activities in the 12 months ended December 31, 2021 was primarily impacted by the repayment of $82.1 million in existing debt, the acquisition of the non-controlling interest in IVS Bulk of $46.6 million, the repayment of $36.0 million in lease liabilities, dividends paid of $13.6 million and the acquisition of treasury shares of $11.9 million, offset by a net inflow of $48.0 million from the incurrence of new debt and the release of restricted cash of $3.1 million,. Net cash flows used in financing activities in the 12 months ended December 31, 2020 was primarily impacted by $74.9 million repayment of existing debt (including repayment of debt as a result of ship sales) and $28.0 million repayment of lease liabilities, offset by a net inflow of $60.7 million from the incurrence of new debt. Net cash flows generated from financing activities in the 12 months ended December 31, 2019 was primarily impacted by a net inflow of $95.8 million from the incurrence of new debt, partially offset by $45.5 million repayment of existing debt (including repayment of debt as a result of ship sales), $29.9 million repayment of lease liabilities, $0.9 million of restricted cash was released and treasury shares of $2.0 million were acquired.

Net cash flows used in financing activities increased by $97.1 million from an outflow of $42.0 million for the year ended December 31, 2020 to an outflow of $139.1 million for the year ended December 31, 2021 primarily due to the acquisition of the non-controlling interest in IVS Bulk of $46.6 million, a dividend payment of $13.5 million, the acquisition of treasury shares of $11.9 million, a decrease in the long-term interest bearing debt raised of $12.7, an increase in the repayment of the capital portion of long-term interest-bearing debt of $7.2 million and an increase in the repayments on lease liabilities of $8.1 million, partially offset by a reduction in restricted cash of $3.1 million.

Net cash flows from financing activities declined by $61.4 million from an inflow of $19.4 million for the year ended December 31, 2019 to an outflow of $42.0 million for the year ended December 31, 2020 primarily due to the raising of long-term interest bearing debt decreased by $35.1 million, $0.9 million of restricted cash was released and the payment of the capital portion of long-term interest-bearing debt increased by $29.4 million as a result of increased ship sales, a maturing loan and the acquisition and consolidation of IVS Bulk. This was partly offset by a decrease in principal repayments on lease liabilities of $1.9 million and a decrease in the acquisition of treasury shares of $2.0 million.

Restricted cash. The above cash flow figures in this “Cash Flow Discussion” are after deducting restricted cash of $9.5 million which is pledged to certain banks to secure loans and other credit facilities. As of December 31, 2021, we had cash and bank balances (including restricted cash) of $113.8 million.

Capital Expenditures

We make capital expenditures from time to time in connection with drydocking activities and maintenance in the ordinary course and in order to comply with environmental and other governmental regulations and in connection with our vessel acquisitions. We may in the future enter into newbuilding contracts or contracts to acquire newbuildings, or resale contracts, or to acquire second hand vessels.

On May 17, 2021, we repaid the full remaining balance of $25.8 million of the $35.8 million senior secured credit facility previously entered into in connection with our February 2020 acquisition of shares in IVS Bulk. The facility was repaid in full and the security under the facility was released.

On September 1, 2021, we acquired the remaining ordinary shares in IVS Bulk for a total purchase consideration of $37.2 million as discussed above under "Item 4. Information on the Company—Our Joint Ventures". IVS Bulk concurrently redeemed in full $27.3 million preferred share capital using available cash in the IVS Bulk structure. The Company received $18.2 million from the redemption and Sankaty received $9.1 million.

In addition to acquisitions that we may undertake in future periods, we will incur additional expenditures due to drydockings for our Fleet. The location of the drydock will be decided when the vessel is scheduled to drydock. We estimate our drydocking costs, including capitalized costs incurred during drydocking related to vessels and vessel equipment, and scheduled off-hire days for our Fleet through 2022 and 2023 to be:

Year	Estimated Drydocking Cost	Estimated Off-hire Days
	(U.S. dollars)	
2022	$ 8.3 million	169.00 days
2023	$ 10.9 million	220.00 days

Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash from operations. These costs do not include drydock expense items that are reflected in vessel operating costs or costs associated with the installation of ballast water treatment systems.

Actual length of drydocking will vary based on the condition of the vessel, yard schedules and other factors. Higher repairs and maintenance expenses during drydocking for vessels which are over 15 years old typically result in a higher number of off-hire days depending on the condition of the vessel.

For the years ended December 31, 2021, 2020 and 2019, we incurred a total of $8.8 million, $8.6 million, and $4.8 million of drydocking costs, respectively, excluding costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

During 2021, ten of our vessels completed their scheduled drydockings. We estimate that 9 of our vessels will be drydocked in 2022 and twelve of our vessels will be drydocked in 2023.

Description of Indebtedness

Below is a summary of our significant debt obligations.

Loan Agreements

$100.0 Million Senior Secured Credit Facility

On May 8, 2018, GSPL entered into a $100.0 million senior secured credit facility with Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch and Standard Chartered Bank, Singapore Branch originally relating to 11 handysize drybulk carriers and five tankers, and now relating to six remaining vessels. The facility bears interest at LIBOR plus a margin of 2.95% per annum. The facility is made up of two tranches (A and B) of up to $10.0 million and up to $90.0 million respectively. Tranche A matures on May 15, 2022 and Tranche B matures on May 15, 2023. The facility is secured by, among other things (a) first priority mortgages over each of the remaining vessels, each owned by a subsidiary of GSPL, (b) a guarantee from each of the GSPL subsidiaries owning the remaining six vessels, as well as Grindrod Shipping, and (c) security over the shares in the GSPL subsidiaries owning the remaining six vessels. On December 14, 2018, GSPL, as borrower, and Grindrod Shipping, as corporate guarantor and the subsidiaries owning the vessels, as owner guarantors, entered into a side letter to, among other things, release the proceeds of the sale of *IVS Kanda* from a collateral account under the facility, and amend certain terms of the credit facility relating to mandatory prepayments with the proceeds of a sale of a vessel and the minimum required security cover. On June 28, 2019, GSPL, as borrower, Grindrod Shipping, as corporate guarantor and the subsidiaries owning the vessels, as owner guarantors, entered into a second side letter to amend the minimum book value net worth covenant and introduce a new working capital covenant as set out further in "—Loan Covenants" below, and clarify the calculations of the covenants following the implementation of IFRS16. On April 16, 2020, the parties to the facility agreement entered into further amendments the purpose of which was to amend the definitions of consolidated current assets and consolidated current liabilities for purposes of the working capital covenant, such that the determination of the consolidated current assets and consolidated current liabilities of Grindrod Shipping excludes any adjustments made for IFRS 16. On December 31, 2020, the parties to the facility agreement entered into further amendments the purpose of which was to provide relief on the book value net worth covenant, the debt to market adjusted tangible fixed asset ratio and the working capital covenant as set out further in "—Loan Covenants" below. On June 7, 2021, the parties to the facility agreement entered into further amendments the purpose of which was to acknowledge the change of lenders from DVB Bank SE Singapore Branch and Standard Chartered Bank, Singapore Branch to NIBC Bank N.V. and to amend the book value net worth covenant as set out further in "—Loan Covenants" below. The covenants applicable to this facility are the same as the covenants that apply to the $29.9 million senior secured credit facility described below. As of December 31, 2021, $14.4 million was outstanding on this facility.

$29.9 Million Senior Secured Credit Facility

On December 21, 2018, Grindrod Shipping and two of its subsidiaries entered into a $29.9 million senior secured term loan facility with NIBC Bank N.V. that was fully repaid on April 21, 2021 with the proceeds from the sale of two tankers.

$114.1 Million Senior Secured Credit Facility (increased to $120.0 Million)

On February 10, 2020, Grindrod Shipping and IVS Bulk, as joint and several borrowers, entered into a $114.1 million senior secured term loan facility with Credit Agricole Corporate and Investment Bank and Hamburg Commercial Bank AG relating to all of the vessels owned by the subsidiaries of IVS Bulk, other than the *IVS North Berwick*, being a total of 11 drybulk vessels. The facility was drawn in full on February 13, 2020, for the purpose of refinancing the existing indebtedness of the IVS Bulk subsidiaries, other than the subsidiary that owns the *IVS North Berwick*, refinancing other indebtedness of IVS Bulk and for general corporate purposes. The facility bears interest at LIBOR plus a margin of 3.10% per annum and matures on February 13, 2025. The facility is secured by, among other things, (a) first priority mortgage over each of the 11 vessels owned by IVS Bulk's subsidiaries other than the *IVS North Berwick*, (b) a guarantee from each of the IVS Bulk subsidiaries other than the subsidiary that owns the *IVS North Berwick*, and (c) security over the shares in the IVS Bulk subsidiaries other than the subsidiary owning the *IVS North Berwick*. Grindrod Shipping has provided an undertaking to Sankaty, the other shareholder in IVS Bulk, that Grindrod Shipping will not directly borrow under this facility, and to the extent Grindrod Shipping has not borrowed under this facility but are nevertheless required, as a joint and several borrower, to make payments to the lenders, Sankaty has provided Grindrod Shipping with an indemnity for its share of such payment, so that as between us and Sankaty the net payment is borne in proportion to each of our shareholding in IVS Bulk. On December 29, 2020, the parties to the facility agreement entered into an amendment the purpose of which was to provide relief on the book value net worth covenant, the debt to market adjusted tangible fixed asset ratio and the working capital covenant as set out further in "—Loan Covenants" below. On September 10, 2021, the parties to the facility agreement entered into an amendment and restatement agreement the purpose of which was to increase the size of the facility to $120.0 million (increasing the amount then available for drawdown by $23.0 million). The covenants applicable to this facility are the same as the covenants that apply to the $100.0 million senior secured credit facility and the $29.9 million senior secured credit facility described above. As of December 31, 2021, $117.0 million was outstanding on this facility.

$13.1 Million Senior Secured Credit Facility

On January 31, 2020, IVS Bulk and its subsidiary that owns the drybulk vessel the *IVS North Berwick* entered into a $13.1 million senior secured term loan facility with Showa Leasing Co., Ltd. relating to the *IVS North Berwick*. The facility was drawn in full on February 13, 2020, the proceeds of which were used primarily to refinance the existing indebtedness of the IVS Bulk subsidiary that owns the *IVS North Berwick*. The facility bears interest at LIBOR plus a margin of 2.75% per annum and matures on February 13, 2025. The facility is secured by, among other things (a) first priority mortgage over the *IVS North Berwick*, (b) a guarantee from IVS Bulk, and (c) security over the shares in the IVS Bulk subsidiary owning the *IVS North Berwick*. As of December 31, 2021, $11.3 million was outstanding on this facility.

Combined $31.4 Million Senior Secured Credit Facility

On July 29, 2019, each of the subsidiaries owning *IVS Okudogo* and *IVS Prestwick*, entered into a separate term loan facility, as borrower, with The IYO Bank, each for an amount up to approximately $15.7 million, the proceeds of which were used to finance a portion of the purchase price of *IVS Okudogo* on her delivery on August 8, 2019, and of *IVS Prestwick*, on her delivery on September 26, 2019, respectively. Grindrod Shipping is a party, as guarantor, to each of these agreements. On August 27, 2019, the respective parties to each of these two facilities entered into an addendum to the relevant facility agreement, in each case to clarify matters relating to the balloon payment. The facilities each have a seven-year term, are repayable in quarterly installments with a balloon payment at the end of the repayment schedule, bear interest at a rate of LIBOR plus 2.00% per annum and are secured by, amongst other security, a mortgage over the relevant vessel and, in each case, a mortgage over the vessel *IVS Ibis* and a guarantee by Grindrod Shipping. As of December 31, 2021, a total of $26.8 million was outstanding on these facilities.

$35.8 Million Senior Secured Credit Facility

On February 13, 2020, Grindrod Shipping entered into a $35.8 million senior secured term loan facility with Sankaty that was repaid in full on May 17, 2021 with available funds generated from operations.

Other Borrowings

GSPL has other borrowings that relate to $87.6 million in financing arrangements entered into with third parties with respect to five of the vessels we regard as owned, namely *IVS Knot*, *IVS Kinglet*, *IVS Magpie, Matuku* and *IVS Phoenix*. The arrangements commenced on June 26, 2019, September 19, 2019, November 20, 2019, December 22, 2020 and September 16, 2021, respectively, the loans are payable monthly in advance and bear interest at a rate of LIBOR plus 1.7% per annum and LIBOR plus 1.75%. The loans mature on June 25, 2030, October 18, 2031, November 19, 2031, November 30, 2035 and August 16, 2036. As of December 31, 2021, the outstanding balances in relation to these borrowings was $76.8 million.

Loan Covenants

On June 28, 2019, the parties to the relevant agreements entered into amendments to our $100.0 million senior secured credit facility, the purpose of which was to lower the amount of the minimum book value net worth covenant, introduce a new working capital covenant and clarify, for purposes of calculating financial covenants, the treatment of assets and liabilities that has been reflected in our financial statements from January 1, 2019 as a consequence of the adoption of IFRS 16. On April 16, 2020, the parties to the relevant agreements entered into further amendments to our $100.0 million senior secured credit facility, the purpose of which was to amend the definitions of consolidated current assets and consolidated current liabilities for purposes of the working capital covenant described below, in each case such that the determination of the consolidated current assets and consolidated current liabilities of Grindrod Shipping excludes any adjustments made for IFRS 16. Further, in respect of these facilities, the lenders agreed to the following covenant amendments during 2020:

- the reduction of the cash covenant to be tested as at June 30, 2020 and September 30, 2020 from $30 million to $20 million; and
- the determination of current liabilities will exclude the amount owed under the $35.8 million senior secured credit facility for purposes of testing, as at June 30, 2020 and September 30, 2020, the covenant that requires our current assets to exceed our current liabilities.

On December 29, 2020 and December 31, 2020, the parties to the relevant agreements entered into further amendments to our $114.1 million senior secured credit facility and our $100.0 million senior secured credit facility, respectively, in which the Lenders agreed to the following covenant amendments:

- the book value net worth for the purposes of testing, as at December 31, 2020 shall not be lower than US$225 million;
- the ratio of debt to market adjusted tangible fixed assets for the purposes of testing, as at December 31, 2020 shall be not more than 80%;
- the determination of current liabilities shall exclude the amount owed to the $35.8 million senior secured credit facility for purposes of testing, as at December 31, 2020, the working capital covenant that requires our current assets to exceed our current liabilities.

On December 29, 2020 and June 7, 2021, the parties to the relevant agreements entered into further amendments to our $114.1 million senior secured credit facility and our $100.0 million senior secured credit facility, respectively, in which the Lenders agreed to the following covenant amendments:

- the book value net worth for the purposes of testing, as at January 1, 2021 and thereafter shall not be lower than US$200 million;

On September 10, 2021, the parties to the relevant agreements entered into an amendment and restatement agreement to our $114.1 million senior secured credit facility to increase the amount of the facility and as the IVS Bulk group was 100% owned by the Group, to remove the financial covenant requirement for the consolidated group of IVS Bulk and its subsidiaries.

The $114.1 million senior secured credit facility and the $100.0 million senior secured credit facility described above contain, among other conditions and obligations, the following amended financial covenants the most stringent of which require us and our subsidiaries, to maintain on a consolidated basis:

- book value net worth of the lower of (a) the aggregate of $200 million from January 1, 2021 thereafter plus 25% of the amount of positive retained earnings plus 50% of each capital raise and (b) $275 million. For purposes of the forgoing, “positive retained earnings” means the positive retained earnings of Grindrod Shipping and its subsidiaries on a consolidated basis tested bi-annually at each June 30 and December 31, and “capital raise” means the dollar amount (or equivalent amount in dollars) of the proceeds of any equity capital raised by Grindrod Shipping (without giving effect to any capital raised by its subsidiaries), as evidenced in the latest accounts as of each June 30 or December 31;
- cash and cash equivalents (which may, depending on the facility, include cash restricted in certain security accounts) of not less than $30 million;
- a ratio of debt to market adjusted tangible fixed assets of not more than 75%. For purposes of the foregoing, the definition of “debt” excludes lease obligations recognized under IFRS 16 and the definition of “tangible fixed assets” excludes right-of-use assets relating to ships; and
- positive working capital, such that consolidated current assets (excluding any adjustments made for IFRS 16) must exceed the consolidated current liabilities (excluding any adjustments for IFRS 16) as evidenced in the latest accounts as of each June 30 and December 31.

Further, the credit facilities referred to above, other than the $35.8 million senior secured credit facility which contained its own security coverage ratio, contained provisions requiring a minimum value of the collateral for each relevant facility, such that the aggregate fair market value of the vessels securing the relevant facility plus any additional security securing that facility divided by the relevant debt amount results in at least a specified minimum amount (depending on the relevant facility agreement and the type and age of the vessels securing the loan), with the relevant minimum amount ranging between 125% and 145%. GSPL’s $35.8 million credit facility was secured by among other things a first fixed charge over all the shares held by GSPL in IVS Bulk and any loans that may be owed by IVS Bulk to GSPL, which was further subject to the condition that at each fiscal quarter end of GSPL the value of the security must be at least 1.30 times the amount of the outstanding principal of the loan. Following the repayment of the facility on May 17, 2021, the lenders discharged and released the security.

The credit facilities referred to above, other than the $35.8 million senior secured credit facility in respect of the vessel-related covenants, also contain, among other conditions, restrictive covenants which could or would restrict our ability, amongst other restrictions, to:

- incur additional indebtedness on the relevant vessels securing that facility;
- sell any collateral vessel (unless a corresponding amount under the relevant facility were prepaid in accordance with its terms);
- upon the happening of an event of default or potential event of default, make additional investments or acquisitions;
- upon the happening of an event of default or potential event of default, pay dividends; or
- effect a change of ownership or control of the relevant borrower group under each facility.

A violation of any of the financial or restrictive covenants, or various other provisions, contained in the credit facilities described above and under "—Off-Balance Sheet Arrangements" below may constitute an event of default under the relevant credit facility, which, unless cured (if permitted, and capable of being cured), or waived or modified by the relevant banks, provides those banks with the right to, among other things (and as the case may be), require the relevant borrowers or other obligors to post additional collateral, enhance their equity and liquidity, increase the interest payable, pay down the relevant indebtedness to a level where compliance with relevant loan covenants are met, sell vessels, reclassify indebtedness as current liabilities, accelerate indebtedness, enforce security on fleet vessels and the other assets securing the credit facilities, and make demand under guarantees, which would impair our ability to continue to conduct our business.

Furthermore, the credit facilities contain cross-default provisions. A cross-default provision in one facility means that an event of default under one or more other facilities could, subject to any applicable thresholds, result in an event of default occurring under the first facility. Because of the presence of cross-default provisions in the facilities, the refusal of the lenders under any credit facilities to grant or extend a waiver could result in certain indebtedness being accelerated, even if the other lenders under the other credit facilities have waived defaults under their respective credit facilities. If any of our secured indebtedness is accelerated in full or in part, it could be difficult in the current financing environment for us to refinance the relevant debt or obtain additional financing in such circumstances and we could lose vessels and other assets securing the credit facilities if the lenders foreclose their security, which would adversely affect our ability to conduct our business.

Moreover, in connection with any waivers of or amendments to the credit facilities that have been obtained, or may be obtained in the future, the banks may impose additional operating and financial restrictions or modify the terms of the existing credit facilities. These restrictions may further restrict our ability to, among other things, pay dividends, make capital expenditures or incur additional indebtedness, including through the issuance of guarantees. In addition, the banks may require the payment of additional fees, require prepayment of a portion of the indebtedness owed to them, accelerate the amortization schedule for facility indebtedness and increase the interest rates charged on outstanding indebtedness.

As of December 31, 2021, Grindrod Shipping, GSPL, the borrowers and the other GSPL subsidiaries were in compliance with all of the financial and restrictive covenants contained in our credit facilities.

See Note 25 to our consolidated financial statements for further details regarding the credit facilities.

Trend Information

Our results of operations depend primarily on the charter hire rates that we are able to realize for our vessels, which depend on demand and supply dynamics characterizing the drybulk and tanker markets at any given time. For other trends affecting our business, please see other discussions under "—Factors Affecting our Results of Operations and Financial Condition" above.

Off Balance Sheet Arrangements

Charter Hire Obligations

We are committed to make certain charter hire payments to third parties for chartered-in vessels. IFRS 16 requires us to recognize, on a discounted basis, the rights and obligations created by the commitment to lease assets on the balance sheet. Leases with term of lease less than 12 months or of low value would be considered as off balance sheet arrangements.

Please see "—Contractual Obligations and Contingencies" below for these and our other contractual obligations and commitments.

Contractual Obligations and Contingencies

Our contractual obligations and commercial commitments consist primarily of long-term debt, time charter agreements, capital expenditure on vessels and, from time to time, newbuilding commitments.

The following table summarizes our contractual obligations as of December 31, 2021:

	Payments Due by Period				
(In thousands of U.S. dollars)	**Total**	**Less Than 1 Year**	**1–3 Years**	**3–5 Years**	**More than 5 Years**
Secured bank loans and other borrowings[(1)]	245,666	28,020	55,670	114,996	46,980
Interest on secured bank loans and other borrowings[(2)]	32,457	7,019	12,489	5,365	7,584
Capital expenditure on vessels[(1)]	887	887	-	-	-
Time charter agreements[(3)]	3,249	3,249	-	-	-
Lease liabilities[(4)]	33,271	27,375	5,896	-	-
Total contractual obligations	315,530	66,550	74,055	120,361	54,564

(1) These obligations are disclosed in Notes 25 and 43 of the consolidated financial statements.

(2) Interest is based on LIBOR assumption of 0.17% per annum for secured bank loans and other borrowings.

(3) Represents lease obligations that qualify as short-term leases and hence they are not recorded as lease liabilities. Please see Note 23 of the consolidated financial statements.

(4) Include obligations under certain time charter agreements. Please see Note 24 of the consolidated financial statements.

Recent Accounting Pronouncements

From 1 January 2021, we applied a number of new IFRSs and amendments to IFRSs issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2021. The adoption of these new and revised IFRSs has not resulted in significant changes to our accounting policies and has no material effect on the amounts reported for the current or prior periods.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors

The table below details the names of, and information about, the directors or alternate directors of Grindrod Shipping. At our next annual general meeting, Mr. John Herholdt and Mr. Quah Ban Huat and Mr. Paul Over will retire from office and will be eligible to and, we expect, will stand for re-election.

Name	Age	Position	Term Expires
Stephen Griffiths	61	Director	*
Murray Grindrod	54	Director	Annual General Meeting, by rotation
Michael Hankinson[1]	72	Director/Chairman	Annual General Meeting, by rotation
John Herholdt	73	Director	Next Annual General Meeting, by rotation [3]
Quah Ban Huat	55	Director	Next Annual General Meeting, by rotation [3]
Paul Over	65	Director	Next Annual General Meeting, by retirement[4]
Pieter Uys[1][5]	59	Director	Resigned effective February 16, 2022
Martyn Wade	62	Director	*
Alternate Directors:			
Willem van Wyk[2][5]	43	Alternate Director	Resigned effective February 16, 2022

* Messrs Wade and Griffiths will serve as Directors so long as they continue to hold the positions of Chief Executive Officer and Chief Financial Officer, respectively.

(1) Currently also serves as a director of Former Parent.

(2) Mr. van Wyk was an alternate director of Grindrod Shipping appointed to act in the absence of Mr. Pieter Uys. Mr. van Wyk was entitled to notice of directors' meetings and, if Mr. Uys was not present at a meeting, was entitled to vote and be counted in the quorum as a director. Mr. van Wyk was entitled to attend, but not vote at and not count in the quorum for, each meeting at which Mr. Uys was present. Mr. van Wyk also served as an alternate director of Former Parent

(3) At each Annual General Meeting subsequent to the first Annual General Meeting, one-third of the directors for the time being (or, if their number is not a multiple of three the number nearest to one-third) shall retire from office by rotation. The directors to retire in every year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring director shall be eligible for re-election.

(4) Mr. Over was appointed by the Directors of the Company on February 17, 2022 and shall hold office only until the next Annual General Meeting. He is required to retire at the Annual General Meeting of the Company pursuant to Regulation 106 of the Constitution and shall be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

(5) Mr. Uys and Mr. van Wyk have resigned from our board of directors on February 16, 2022.

Stephen Griffiths has served as a member of our board of directors and as our Chief Financial Officer since November 7, 2017, and also served as Chief Financial Officer of Former Parent's shipping business from April 2009 until the Spin-Off. Mr. Griffiths joined Grindrod Limited in 2004 as Group Financial Manager. Previously, Mr. Griffiths worked for the Reunert Group from 1989 to 2003 in financial management roles. Mr. Griffiths qualified as a Chartered Accountant (South Africa) in 1985 and completed his articles at Hudson, Langham, Morrison and Co.

Murray Grindrod graduated from the University of Cape Town, South Africa in 1989 with a Bachelor of Arts degree. From 1993 to 1996, he worked in the corporate finance and corporate banking divisions of The Standard Bank of South Africa Limited group. Since 1997 he has held various management roles within the Grindrod Limited group across its shipping, investments and freight logistics businesses. He is currently employed at Grindrod Limited where his responsibilities include treasury and investments and he is a director of a number of its subsidiaries including Grindrod Bank Limited. Mr. Grindrod has a number of years of experience in the Grindrod Shipping Group, both prior to and after the spin-off and separate listing in June 2018, and therefore has a good knowledge of the Company and its operations.

Michael Hankinson has served as a member of our board of directors since June 20, 2018. Mr. Hankinson has served as a director of Former Parent since 2009, as its Non-Executive Chairman from 2014 to 2017, its Executive Chairman from August 2017 to November 2018 at which time he once again became its Non-Executive Chairman. Mr. Hankinson has also been the non-executive Chairman of the Spar Group Limited since 2004 and has retired on February 28, 2021. In 1997, Mr. Hankinson was appointed its Chief Executive at Dunlop Limited, a tire and rubber manufacturer listed on the Johannesburg Stock Exchange, and held this position until 2006. In 1976, Mr. Hankinson joined Romatex Limited as Financial Manager and in 1994 was appointed as Chief Executive Officer. Mr. Hankinson has also held numerous non-executive positions on various boards related to the textile, tire and sugar industries as well at Transnet Limited. Mr. Hankinson qualified as a Chartered Accountant (South Africa) in 1976 after completing his articles at Deloitte and Touche.

John Herholdt has served as a member of our board of directors since November 6, 2017 and is the Chairman of the Compensation and Nomination Committee. Between 2012 and 2015, Mr. Herholdt consulted the Maitland Group. From 1987 to 2012 Mr. Herholdt served as a London based senior partner of the Maitland Group with offices in Europe, South Africa, North America and elsewhere. He also served as a Director on the boards of several of its subsidiaries. The London office of Shepstone and Wylie was established by Mr. Herholdt in 1985 and in 1987 merged the Shepstone and Wylie operation with that of Maitlands, then the offshore arm of the South African law firm Webber Wentzel. He remained associated with Shepstone and Wylie until 2012. In 1984, Mr. Herholdt joined the South African law firm Shepstone and Wylie as a senior partner in the maritime department, acting primarily for vessel owners and P&I Clubs. In 1979, Mr. Herholdt was appointed a Director of Leo Raphaely and Sons, an international commodity trading firm. From 1972 to 1979, Mr. Herholdt was a partner of the law firm Goodrickes and specialized in maritime and commodities law. His responsibilities included all maritime and commodity issues, as well as, legal, commercial, and tax matters. Mr. Herholdt obtained his Bachelor of Arts in Law Degree in 1969 and his Bachelor of Laws degree in 1971, and was admitted as an attorney of the Supreme Court of South Africa in 1972.

Quah Ban Huat has served as a member of our board of directors since November 2, 2017 and is the Chairman of the Audit and Risk Committee. He is a principal advisor at KPMG Corporate Finance and specializes in mergers & acquisitions, structuring and financing. In addition, he is also a director of AP Oil International Limited, Samudera Shipping Line Ltd and Primeur Holdings Pte. Ltd. and its subsidiary. Prior to that, Mr. Quah served as a director on the boards of mDR Ltd from 2014 to 2017 and Croesus Asset Management Pte. Ltd. (the trustee manager of Croesus Retail Trust) from 2012 to 2017. Prior to this he held various key finance positions including Regional Business Area Controller at Deutsche Bank for its Asia Pacific Money Markets and Treasury operations, Group Finance Director at the IMC Group, Chief Financial Officer at City Gas Pte. Ltd. and Rickmers Trust Management Pte. Ltd. (the trustee manager of Rickmers Maritime Trust). Mr. Quah qualified as an accountant with the Institute of Chartered Accountants of England and Wales and the Association of Certified Chartered Accountants. He completed his articles with Benjamin Taylor & Co and was a manager at the banking division of Coopers and Lybrand prior to joining Deutsche Bank in London.

Paul Over is based in Hong Kong. Paul Over joined the London shipbroking company of Eggar Forrester Ltd in 1976 after being at sea with Kristian Jebsen A/S. He then joined Jardine, Matheson & Co., Limited, working first for their London based shipbroking company, Howe Robinson, before transferring to Hong Kong in 1980 to the ship owning division of the group. He left Jardines in 1984 to join the Continental Grain Company in Hong Kong where he was responsible for their Far East and Australian freight activities. Mr. Over joined Pacific Basin on its inception in 1987 as a founder and subsequent COO of the listed entity before retiring from that position in 2006. He held positions as independent non-executive director within the Baltic Exchange as a Director, Vice Chairman of the main company and as Chairman of its Freight Futures subsidiary Baltic Exchange Derivatives Trading Ltd. He also held independent non-executive director positions with Carisbrooke Shipping Ltd., Runciman Investments Ltd., Epic Gas Pte. Ltd. and the London P&I Club. He is currently an independent non-executive director of Asia Maritime Pacific of Hong Kong and a director of Taylor Maritime (HK) Ltd as well as being a current member of the Owners Board of the UK P&I Club.

Pieter Uys has served as a member of our board of directors since June 20, 2018. Mr. Uys has been a member of Former Parent's board of directors since August 2013. Mr. Uys is currently a director of Mediclinic International PLC, Dark Fibre Africa, Seacom Ltd, Seacom Capital Ltd, Former Parent, Blue Bulls Company (Pty) Ltd., CIV Fibre Network Solution (Pty) Ltd., Community Investment Ventures Holdings (Pty) Ltd., Kagiso Media Pty Ltd. and Kagiso Tiso Holdings (Pty) Ltd. and Remgro Management Services Ltd.. Since 2013, Mr. Uys has served as an investment executive for Remgro Limited, one of our significant shareholders. From 2008 to 2012 Mr. Uys was Chief Executive Officer of the Vodacom Group. Prior to that, Mr. Uys served as Managing Director of Vodacom South Africa since 2001, and as Vodacom Group Chief Operating Officer since 2004. From 1993 to 2001, Mr. Uys was an employee at Vodacom as a member of the initial engineering team. Mr. Uys holds a Bachelor of Science degree in Engineering, a Masters in Engineering degree from the University of Stellenbosch and a Master of Business Administration degree from the Stellenbosch Business School.

Martyn Wade has served as a member of our board of directors since November 15, 2017. Mr. Wade served on the Grindrod Limited board from November 2011 until November 1, 2017. Mr. Wade continues to serve as the Chief Executive Officer of GSPL, a role he has been in since July 2011. Mr. Wade is currently a director of The UK Freight Demurrage & Defense Association (UK), The United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited, or The UK P&I Club, and a member of the advisory panel to the Singapore Maritime Foundation. Mr. Wade has 44 years' international shipping experience and has worked for vessel owners, operators and shipbrokers in London, Johannesburg, New York and now Singapore. The companies Mr. Wade has worked for include Van Ommeren UK, Simpson Spence and Young Johannesburg, Clipper Bulk USA and HSBC Shipping Services London. Mr. Wade is a member of the Baltic Exchange having been first elected in 1979.

Willem van Wyk has served on our board as an Alternate Director to Pieter Uys since March 16, 2020. Mr. van Wyk was appointed as the Group Tax Manager of Remgro Limited on January 16, 2006, where he was later appointed as Investment Manager in the Corporate Finance division. Mr. van Wyk is also an alternate director on the board of the Former Parent, Pembani Remgro Infrastructure Managers, and a Members' Trustee of the M& I Retirement Fund. Mr. van Wyk qualified as a Chartered Accountant (South Africa) in 2005 and completed his articles at Ernst & Young and Mr. van Wyk holds an Honours degree in accounting from the University of Stellenbosch and an Honours degree in taxation from the University of Cape Town.

Senior Management

The table below details the names of, and information about, the individuals who serve as Executive Officers:

Name	Age	Position
Martyn Wade	62	Chief Executive Officer
Stephen Griffiths	61	Chief Financial Officer

The business address of the persons noted above is Grindrod Shipping's executive office at #03-01 Southpoint, 200 Cantonment Road, Singapore 089763.

Compensation of Directors and Senior Management

We paid an aggregate cash compensation of $6.0 million to our Executive Officers and non-executive directors in 2021. For the year ended December 31, 2021, each non-executive director, other than the chairman of the board, was compensated with a fee of $65,000 for his or her services as one of our directors and an additional fee of $20,000 for his or her services as chairman of one of the board committees or an additional fee of $10,000 for his or her services as a member of one of the board committees; the chairman of the board receives a total annual fee of $150,000 for his or her services, inclusive of any such services as a director and as a committee chairman or member; and Mr. van Wyk does not receive any fees for services as an Alternate Director.

Our Executive Officers are remunerated in accordance with their contracts of employment. In addition, Executive Officers are eligible for variable compensation under our forfeitable share plan for achieving company-wide objectives and for their individual contribution to our results and objectives. In 2018 we granted awards of 743,000 forfeitable ordinary shares with a value of $7.6 million to our employees, including our Chief Executive Officer and our Chief Financial Officer. In respect of these awards, $3.2 million, $1.5 million and $0.8 million was expensed in our 2019, 2020 and 2021 statement of profit or loss and other comprehensive income, respectively, and further expenses in respect of these awards will be recorded in subsequent financial periods *pro rata* to the vesting period. Included in the 2018 awards of 743,000 forfeitable ordinary shares are 180,000 and 100,000 forfeitable ordinary shares that we awarded to our Chief Executive Officer and our Chief Financial Officer, respectively, and which, in each case, vested in three equal tranches, on March 1, 2020, March 1, 2021 and 2022. During 2019, awards of 15,000 ordinary shares were forfeited by employees.

In 2020 we granted awards of 225,000 forfeitable ordinary shares with a value of $0.7 million to our employees, including our Chief Executive Officer and our Chief Financial Officer. In respect of these awards, $0.3 million and $0.2 million were expensed in our 2020 and 2021 statement of profit or loss and other comprehensive income, and further expenses in respect of this new tranche of awards will be recorded in subsequent financial periods pro rata to the vesting period. Included in the 2020 awards of 225,000 forfeitable ordinary shares are 73,000 and 37,000 forfeitable ordinary shares that we awarded to our Chief Executive Officer and our Chief Financial Officer, respectively. The Chief Executive Officer's awards vested in two equal tranches, on March 1, 2021 and 2022 whilst the Chief Financial Officer's awards will vest in three equal tranches, the first and second having vested on March 1, 2021 and 2022 and the subsequent vesting on March 1, 2023. During 2020, awards of 20,000 ordinary shares were forfeited by employees from the grant of 2020 awards and awards of 40,000 were forfeited from the grant of the 2018 awards.

In 2021 we granted awards of 516,000 forfeitable ordinary shares with a value of $6.1 million to our employees, including our Chief Executive Officer and our Chief Financial Officer. In respect of these awards, $2.3 million was expensed in our 2021 statement of profit or loss and other comprehensive income, and further expenses in respect of this new tranche of awards will be recorded in subsequent financial periods pro rata to the vesting period. Included in the 2021 awards of 516,000 forfeitable ordinary shares are 160,000 and 80,000 forfeitable ordinary shares that we awarded to our Chief Executive Officer and our Chief Financial Officer, respectively. The Chief Executive Officer's and the Chief Financial Officer's awards will vest in three equal tranches, the first having vested on March 1, 2022 and the subsequent vesting on March 1, 2023 and 2024. During 2021, awards of 1,334 ordinary shares were forfeited from the grant of the 2018 awards.

The following description is only a summary of the material provisions of the forfeitable share plan and is governed in it entirely by the forfeitable share plan which is included as an exhibit to this annual report. We adopted the forfeitable share plan to provide selected employees with the opportunity to receive compensatory equity awards of our ordinary shares and to serve as a retention mechanism and recruitment tool. The forfeitable share plan also provides participants with the opportunity to share in the success of the company and aligns forfeitable share plan participant interests with the interests of our shareholders. The forfeitable share plan is administered by the compensation and nomination committee. Participants receive grants of forfeitable ordinary shares, subject to applicable time and/or performance vesting conditions and other terms, that settle in ordinary shares when vested and are forfeited, in part in or in full, upon certain termination of employment events if not previously vested. Under the terms of the forfeitable share plan, the aggregate number of ordinary shares that may be granted and not yet vested under the forfeitable share plan at any one time shall not exceed 5% of the number of shares in issue (excluding treasury shares) as determined in reference to the day preceding the award.

We will obtain shareholder approval annually to authorize the issuance of ordinary shares under the plan. We have obtained such approval until the conclusion of our next annual general meeting.

Board Practices

Grindrod Shipping's board of directors comprises seven directors, including four independent non-executive members, as determined in accordance with the prevailing Code of Corporate Governance issued by the Monetary Authority of Singapore, which is the 2018 Singapore Corporate Governance Code. Each of Grindrod Shipping's directors is elected by Grindrod Shipping's shareholders or appointed by the directors pursuant to Grindrod Shipping's constitution. In addition, Mr. Quah is also a director of Samudera Shipping Line Ltd. To the extent that Mr. Quah's service as a member of the board of directors of Samudera Shipping Line Ltd. presents a conflict of interest with respect to any matters involving us, Mr. Quah has agreed to inform our board of directors of any such conflict and recuse himself from any proceedings or vote relating to such matters. In addition, Mr. Over is also a director of Taylor Maritime (HK) Limited, and Asia Maritime Pacific. To the extent that Mr. Over's service as a member of the board of directors of Taylor Maritime (HK) Limited, and Asia Maritime Pacific presents a conflict of interest with respect to any matters involving us, Mr. Over has agreed to inform our board of directors of any such conflict and recuse himself from any proceedings or vote relating to such matters.

At our first annual general meeting, which was held on May 29, 2019, all of the directors, other than the Chief Executive Officer and the Chief Financial Officer, retired from office and were eligible to and stood for re-election. At each subsequent annual general meeting, one-third of the directors then in office, or if their number is not a multiple of three, the number nearest to one-third, shall retire from office by rotation, provided no director holding office as Chief Executive Officer or Chief Financial Officer shall be subject to retirement by rotation or be taken into account in determining the number of directors to retire. In addition, any director who has been appointed by the directors to fill a vacancy during any given year will be required to retire from office at the next annual general meeting and shall be eligible for re-election at such meeting. Directors holding office as Chief Executive Officer or Chief Financial Officer shall resign from their directorship upon no longer holding such positions.

The directors to retire by rotation in every year shall be those who have been longest serving in office since their last re-election or appointment. Where directors were re-elected or appointed on the same day, those to retire shall be agreed amongst themselves or be determined by lot.

A director shall vacate his office upon his resignation, removal, bankruptcy, becoming mentally disordered or disqualification. A director may only be removed from office by or according to resolution of the shareholders.

No director is entitled to any severance benefits on termination of his or her service as a director.

Grindrod Shipping has established two committees of the board of directors: the audit and risk committee and the compensation and nomination committee.

Audit and Risk Committee
The members of the audit and risk committee are Messrs. Quah (chairman), Herholdt and Hankinson. The audit and risk committee, among other things, oversees our financial reporting, risk management, related party transactions and internal controls (in relation to financial, operational, compliance and information technology controls), engages our external auditors and oversees our internal audit activities, tax policies and effectiveness of our legal and compliance systems.

Compensation and Nomination Committee
The members of the compensation and nomination committee are Messrs. Herholdt (chairman), Quah, and Hankinson. The compensation and nomination committee oversees our compensation policy and the executive compensation policy, approves awards of stock based incentives, approves the individual package of the chief executive officer, reviews and monitors the nomination and appointment process and composition of the board of directors and succession planning of the board, the committees of the board of directors and the performance of the board.

Corporate Governance Practices

Pursuant to an exception under NASDAQ listing standards available to foreign private issuers, we are not required to comply with many of the corporate governance practices followed by U.S. companies under the NASDAQ listing standards. Accordingly, we are exempt from many of NASDAQ's corporate governance practices. We are incorporated under the laws of Singapore and have elected to voluntarily comply with the relevant guidelines of the 2018 Singapore Corporate Governance Code. In connection with the listing of our ordinary shares on NASDAQ, we certified to NASDAQ that our corporate governance practices are in compliance with, and are not prohibited by, Singapore law. We also agreed or elected to comply with certain JSE corporate governance requirements in addition to complying with the applicable Singapore Corporate Governance Code and NASDAQ listing standards. Set forth below is a list of the significant differences between our corporate governance practices and NASDAQ listing standards applicable to listed U.S. companies.

Independence of Directors. NASDAQ requires that a U.S.-listed company maintain a majority of independent directors. Our board of directors consists of seven directors, three of whom are the members of our audit and risk committee and are considered "independent" under Rule 10A-3 promulgated under the Exchange Act as it applies to us under the rules of NASDAQ. Under the 2018 Singapore Corporate Governance Code, only one-third of our board of directors is required to be independent if the chairman of our board of directors is independent. However, the determination of independence under the 2018 Singapore Corporate Governance Code is different from NASDAQ standards. Under the 2018 Singapore Corporate Governance Code, three of our directors, Messrs. Hankinson (Chairman), Quah and Herholdt are considered independent.

Compensation and Nomination Committee. NASDAQ requires that a U.S.-listed company have a compensation committee consisting only of independent directors and that director nominees be selected or recommended for the board's selection by either a vote in which only independent directors participate or a nominations committee comprised solely of independent directors. Under the 2018 Singapore Corporate Governance Code, a company's remuneration committee and nominating committee, which we combine as our compensation and nomination committee, are not required to consist entirely of independent directors. The 2018 Singapore Corporate Governance Code requires each of these committees be comprised of at least three directors, a majority of whom should be independent (including the chairman or chairmen of such committee or committees), and that all members of the remuneration committee be non-executive directors. Our compensation and nomination committee currently consists of Messrs. Herholdt, Quah and Hankinson, all of whom are independent and non-executive directors under the 2018 Singapore Corporate Governance Code.

Audit and Risk Committee. NASDAQ requires that a U.S.-listed company have an audit committee comprised of at least three members, all of whom shall be entirely independent directors. The 2018 Singapore Corporate Governance Code requires an audit committee to be comprised of at least three directors, a majority of whom should be independent (including the chairman of such committee), and that all members of the audit committee be non-executive directors. Our audit and risk committee currently consists of Messrs. Quah, Herholdt and Hankinson, all of whom are independent and non-executive directors under the 2018 Singapore Corporate Governance Code and "independent" under Rule 10A-3 promulgated under the Exchange Act.

Executive Sessions. NASDAQ requires that the independent directors of a U.S. listed company have regularly scheduled meetings at which only independent directors are present, or executive sessions. The 2018 Singapore Corporate Governance Code provides that the independent directors should meet periodically without the presence of the other directors.

Quorum. NASDAQ requires that a U.S.-listed company's bylaws provide for a quorum of at least 33 1/3 percent of the outstanding shares of the company's common voting stock. Our constitution provides that shareholders holding an aggregate not less than 15 percent of the issued and fully paid shares in the capital of the company, present in person or by proxy, shall be a quorum. The 2018 Singapore Corporate Governance Code does not prescribe a quorum requirement.

Employees

As of December 31, 2021, we had approximately 596 employees, of which approximately 483 seagoing staff serve on the vessels that we manage and 113 provide general management, financial management, and commercial and technical management to the vessels that we manage. Our seafarers are represented by collective bargaining agreements but we have not experienced a work stoppage in the past few years. Seafarers employed by our vessel managers are unionized under various jurisdictions and are employed under various collective bargaining agreements which does expose us to a risk of potential labor unrest at times when those collective bargaining agreements are being re-negotiated.

Share Ownership of Directors and Executive Officers

The following sets forth, to the knowledge of Grindrod Shipping's management, the total amount of ordinary shares directly or indirectly owned by Grindrod Shipping's current Directors, Alternate Directors and Executive Officers based on 19,310,024 ordinary shares outstanding as of March 1, 2022.

Holder	Direct interest in Grindrod Shipping Ordinary Shares	Direct Percentage Ownership	Indirect interest in Grindrod Shipping Ordinary Shares	Indirect Percentage Ownership
Stephen Griffiths	108,032	*	-	-
Michael Hankinson	2,875	*	200	*
John Herholdt	-	*	-	-
Murray Grindrod	45,000	*	1,424,853	7.4%
Quah Ban Huat	-	*	-	-
Pieter Uys	-	*	-	-
Martyn Wade	306,333	*	-	-
Willem van Wyk	-	*	-	-

* Less than 1%

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

To our knowledge: (1) no corporation or foreign government owns more than 50% of our outstanding ordinary shares; and (2) there are no arrangements the operation of which may at a subsequent date result in a change in control of Grindrod Shipping. Except as otherwise set forth herein, there is no controlling shareholder of Grindrod Shipping.

A list of the individuals and organizations holding, to the knowledge of Grindrod Shipping's management, directly or indirectly, 5% or more of our issued share capital, is set forth below.

	Ordinary shares beneficially owned as of March 1, 2022	
Beneficial owner	Grindrod Shipping Ordinary Shares[1]	Percentage Ownership[2]
Good Falkirk (MI) Limited	4,925,023	26.6%
PSG Asset Management Proprietary Limited	2,026,572	11.0%
Grindrod Investments Proprietary Limited	1,922,740	10.4%

(1) Based solely on information included in the reports on, respectively, (i) Schedule 13D by Good Falkirk (MI) Limited as of December 20, 2021; (ii) Schedule 13G by PSG Asset Management Proprietary Limited as of October 4, 2018; and (iii) Schedule 13G by Grindrod Investments Proprietary Limited as of July 20, 2018.

In addition, since January 1, 2019, we have been notified of the following significant changes in the percentage ownership of major shareholders: On February 14, 2022, QVT Financial LP, QVT Financial GP LLC, QVT Associates GP LLC and QVT Family Office Fund LP (the "QVT Entities") notified us that as of December 31, 2021, the QVT Entities beneficially owned 0% of our ordinary shares; the QVT Entities had previously notified us that each QVT Entity could be deemed to beneficially own 6.68% of our ordinary shares as of December 31, 2020, 6.83% of our ordinary shares as of December 31, 2019 and 6.01% of our ordinary shares as of December 31, 2018. On February 10, 2022, Ninety One SA (Pty) Limited ("Ninety One") notified us that as of January 31, 2022, it held 0.03% of our ordinary shares; Ninety One had previously notified us that it beneficially owned 5.05% of our ordinary shares as of December 31, 2020. On February 3, 2022, Industrial Partnership Investments Proprietary Limited and Remgro Limited (the "Remgro Entities") notified us that as of January 28, 2022, the Remgro Entities beneficially owned 0% of our ordinary shares; the Remgro Entities had previously notified us that as of June 18, 2018 they each could be deemed to beneficially own 22.7% of our ordinary shares. On September 28, 2021, Grindrod Limited notified us that as of September 22, 2021, it beneficially owned 0% of our ordinary shares; Grindrod Limited had previously notified us that it (directly, and through its subsidiary, Grindrod (South Africa) Proprietary Limited) beneficially owned 9.7% of our ordinary shares as of September 8, 2020.

(2) Percentage amounts based on 18,484,861 ordinary shares outstanding (excluding treasury shares) as of March 1, 2022.

None of the above shareholders hold voting rights which are different from those that are held by Grindrod Shipping's other shareholders.

On March 1, 2021, 246,191 new ordinary shares were issued to fulfill the vesting of the Forfeitable Share Plan awards. The share capital increased by 246,191 shares to 19,310,024 shares in issue (including treasury shares) since the date of listing on NASDAQ, June 18, 2018, and the date of this annual report.

On September 27, 2021, certain existing shareholders of the Company completed an underwritten public secondary offering of 1,841,962 ordinary shares. The selling shareholders received all of the proceeds from such offering.

Register of Members

Grindrod Shipping's ordinary shares trade in the United States on NASDAQ under the symbol "GRIN". The principal non-United States trading market for the ordinary shares of Grindrod Shipping is the JSE, on which the ordinary shares trade on the main board of the JSE, with a share code of GSH and under the abbreviated name GRINSHIP. Since Grindrod Shipping is a Singapore company, a principal register of members is maintained by Grindrod Shipping in Singapore. In addition, Continental Stock Transfer & Trust Company acts as Grindrod Shipping's transfer agent and maintains Grindrod Shipping's branch register of members, which is located in the United States. In South Africa, Computershare (Pty) Ltd acts as the administrative depository agent and maintains an administrative depository register reflecting the dematerialised shares trading on the JSE. All Grindrod Shipping ordinary shares reflected on the South African administrative depository register are held electronically through the Strate System at all times. See "Item 10. Additional Information—General" for additional information about the Singapore register, branch register and shareholder rights.

As of December 31, 2021, Cede & Co, a nominee of The Depository Trust Company, is the record holder of 18,322,361 ordinary shares, two recipients of ordinary shares issued in terms of our 2018 FSP are record holders of an aggregate of 162,500 ordinary shares, and we are the record holder of 825,163 ordinary shares, being treasury shares. We believe that the ordinary shares held by Cede & Co. and the two aforementioned record holders (excluding us) include 7,370,552, or 39.9% (based on 18,484,861 ordinary shares outstanding, excluding treasury shares), ordinary shares held by beneficial owners in the United States.

Related Party Transactions

For a description of our material joint ventures, see "Item 4. Information on the Company—Business Overview—Our Joint Ventures".

For a description of our financing arrangements with certain of our joint ventures, see "Item 4. Information on the Company—Business Overview—Our Joint Ventures", "Item 5. Operating and Financial Review and Prospects—Off Balance Sheet Arrangements" and Notes 10 and 11 to our consolidated financial statements.

Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

Reference is made to Item 18 for a list of all financial statements filed as part of this annual report. For information on legal proceedings, please refer to "Item 4. Information on the Company—Business Overview—Legal Proceedings".

Dividend Policy and Dividend Distributions

We intend, subject to operating needs and other circumstances, to return approximately 30% of our adjusted net income (adjusted for extraordinary items) to shareholders through a combination of quarterly dividends and/or share repurchases. The Company intends to pay a minimum quarterly base dividend of $0.03 per share and an additional variable component, that will consist of additional dividends and/or share repurchases. We expect that the return to shareholders will be primarily in the form of dividends, though the Company retains the right to adjust the allocation to maximize value to shareholders based on market conditions, share price levels, share liquidity, and other related matters.

The declaration and payment of dividends, if any, are subject to the discretion of our board of directors. The timing and amount of any dividends declared will depend on, among other things: (i) our earnings, financial condition and cash requirements and available sources of liquidity, (ii) decisions in relation to our growth and leverage strategies, (iii) provisions of Singapore law governing the payment of dividends, (iv) restrictive covenants in our existing and future debt instruments and (v) global financial conditions. Our board of directors may review and amend our dividend policy from time to time and we may stop paying dividends at any time and cannot assure you that we will pay any dividends, including any minimum quarterly base dividend amount, in the future or of the amount of any such dividends. For the avoidance of doubt, the payment of any dividends is not guaranteed, and the payment of dividend is subject at all times to the requirements and restrictions set out in the Company's Constitution and Singapore Companies Act (Cap. 50). See "Item 3. Key Information—Risk Factors-Grindrod Shipping may not have sufficient distributable profits to pay dividends or otherwise distribute cash or assets to shareholders" and "Item 10. Additional Information—Dividends".

Significant Changes

Please refer to "Item 5. Operating and Financial Review and Prospects—Recent Developments".

ITEM 9. THE OFFER AND LISTING

Offer and Listing Details

The ordinary shares of Grindrod Shipping are listed on NASDAQ under the symbol "GRIN" and on the JSE under the symbol "GSH".

Plan of Distribution

Not applicable.

Markets

The ordinary shares of Grindrod Shipping are listed on NASDAQ under the symbol "GRIN" and on the JSE under the symbol "GSH".

Selling Shareholders

Not applicable.

Dilution

Not applicable.

Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

General

For the purposes of this section, references to "shareholders" mean those shareholders whose names and number of shares are entered in Grindrod Shipping's principal or branch register of members. Only persons who are registered in Grindrod Shipping's principal or branch register of members are recognized under Singapore law as shareholders of Grindrod Shipping with legal standing to institute shareholder actions against Grindrod Shipping or otherwise seek to enforce their rights as shareholders. Grindrod Shipping's branch register of members is maintained by its transfer agent, Continental Stock Transfer & Trust Company, located in the United States. In South Africa, Computershare (Pty) Ltd maintains an administrative depository register to facilitate trading on the JSE.

The ordinary shares of Grindrod Shipping are held through The Depository Trust Company, or DTC. Accordingly, DTC, or its nominee, Cede & Co., is the shareholder of record registered in Grindrod Shipping's branch register of members. The beneficial interests in the ordinary shares are reflected in position listings of the DTC participants for shares held through DTC or its nominee (for shareholders trading on NASDAQ) and on the administrative depository register located in South Africa (for shareholders trading on the JSE). Non-South Africa residents (and those South Africa residents complying with applicable exchange control regulations) are able to reposition their Grindrod Shipping ordinary shares reflected in the administrative depository register located in South Africa to an account with a U.S. broker-dealer that is a DTC participant. Shareholders who wish to reposition their Grindrod Shipping ordinary shares to an account with a U.S. broker-dealer should contact their South African broker or CSDP for more information about repositioning their ordinary shares between the South African administrative depository register and an account with a U.S. broker-dealer that is a DTC participant.

A holder of dematerialised interests in Grindrod Shipping's shares may become a registered shareholder by exchanging its interest in the shares for certificated shares (if requested) and being registered in Grindrod Shipping's register of members. The procedures by which a holder of dematerialised interests may exchange such interests for certificated shares (if requested) are determined by DTC and Continental Stock Transfer & Trust Company, in accordance with their internal policies and guidelines regulating the withdrawal and exchange of dematerialised interests for certificated shares (if requested), and following such an exchange Continental Stock Transfer & Trust Company will perform the procedures to register the shareholder in the branch register.

Shares may only be traded on the JSE in electronic form as dematerialised shares and trade for electronic settlement in terms of the Strate System (an electronic custody, clearing and settlement environment, managed by Strate), for all share transactions concluded on the JSE and off-market (and in terms of which transactions in securities are settled and transfers of beneficial ownership in securities are recorded electronically). Dematerialised shares are shares that have been dematerialised (the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares for the purpose of Strate). Accordingly, all beneficial holders of Grindrod Shipping's ordinary shares reflected on the South African administrative depository register must appoint a CSDP for shares traded on the JSE, directly or through a broker, to hold the dematerialised Grindrod Shipping shares on their behalf.

If (a) the name of any person is without sufficient cause entered in or omitted from the register of members; or (b) default is made or there is unnecessary delay in entering in the register of members the fact of any person having ceased to be a member, the person aggrieved or any member of the company or the company, may apply to the Singapore courts for rectification of the register of members. The Singapore courts may either refuse the application or order rectification of the register of members, and may direct the company to pay any damages sustained by any party to the application. The Singapore courts will not entertain any application for the rectification of a register of members in respect of an entry which was made in the register of members more than 30 years before the date of the application.

Share Capital

Not applicable.

Constitution

The description of our constitution under "Item 10. Additional Information—Constitution" contained in the Registration Statement is incorporated by reference in this annual report.

Comparison of Shareholder Rights

The comparison of shareholders rights under "Item 10. Additional Information—Comparison of Shareholder Rights" contained in the Registration Statement is incorporated by reference in this annual report.

Material Contracts

Joint Venture Agreements

For a description of our material joint ventures, see "Item 4. Information on the Company—Business Overview—Our Joint Ventures".

Loan Agreements

For a description of our material loan agreements, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Loan Agreements".

Exchange Controls

South Africa

Exchange controls in South Africa are administered by the South African Reserve Bank, or SARB, in terms of the Exchange Control Regulations, 1961, and regulate transactions involving South African residents. The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. We expect that South African exchange controls will continue to operate in the foreseeable future. The Government of South Africa has, however, committed itself to relaxing exchange controls gradually and significant relaxation has occurred in recent years. See "Item 10. Additional Information—General" in this Annual Report.

Residents of the CMA

Residents in the CMA (comprising South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of Swaziland) or offshore subsidiaries of a resident in the CMA may not reposition their ordinary shares from the South African administrative depository register to an account with a U.S. broker-dealer or otherwise beneficially own or hold any Grindrod Shipping ordinary shares whether through a U.S. broker-dealer or directly on the principal or branch register unless specific approval has been obtained from the SARB by such persons for any subscription, purchase or beneficial holding or ownership, or as otherwise permitted under the South African Exchange Control Regulations or the rulings promulgated thereunder.

Singapore

There are no exchange control restrictions in effect in Singapore.

Taxation

Material U.S. Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax considerations applicable to us and to beneficial owners of our ordinary shares. This discussion is based upon provisions of the Code, the Treasury regulations promulgated under the Code, as amended, or the Treasury regulations, and administrative rulings and court decisions, all as in effect or in existence on the date of this annual report and all of which are subject to change or differing interpretations, possibly with retroactive effect. Any such change could result in U.S. federal income tax consequences that are materially different from those described below. Moreover, any change after the date of this annual report in any of the factual matters set forth in this filing or in our or our subsidiaries' conduct, practices or activities may affect the considerations discussed below. We are under no obligation to update the discussion to reflect future changes in law or changes in any of the foregoing factual matters that may later come to our attention.

This discussion is for general information purposes only, does not purport to be a comprehensive description of all of the U.S. federal income tax considerations applicable to us or beneficial owners of ordinary shares and does not address any tax laws other than U.S. federal income tax laws. Potential investors are encouraged to consult their tax advisers concerning the overall tax consequences arising in their own particular situations under U.S. federal, state, local and non-U.S. laws. The conclusions expressed in this discussion are not binding on the IRS or any court, and there is no assurance that the IRS or a court would not reach a contrary conclusion. No ruling from the IRS or opinion of counsel has been obtained or will be requested regarding any matter affecting us or prospective holders of our ordinary shares.

Treatment as a Corporation

We are treated as a non-U.S. corporation for U.S. federal income tax purposes. As such, we are subject to U.S. federal income tax on our income to the extent it is from sources within the United States or is Effectively Connected Income as discussed below. U.S. Holders (as defined below) are not directly subject to U.S. federal income tax on their shares of our income, but rather will be subject to U.S. federal income tax on distributions received from us and dispositions of ordinary shares as described below.

Taxation of Operating Income

Under the Code, income derived from, or in connection with, the use (or hiring or leasing for use) of a vessel, or the performance of services directly related to the use of a vessel, is treated as "Transportation Income." Transportation Income that is attributable to transportation that either begins or ends, but that does not both begin and end, in the United States is considered to be 50% derived from sources within the United States, or U.S. Source International Transportation Income. Transportation Income attributable to transportation that both begins and ends in the United States is considered to be 100% derived from sources within the United States, or U.S. Source Domestic Transportation Income. Transportation Income that is attributable to transportation exclusively between non-U.S. destinations is considered to be 100% derived from sources outside the United States. Transportation Income derived from sources outside the United States generally is not subject to U.S. federal income tax.

We expect that we and our subsidiaries will earn income that will constitute Transportation Income. We do not expect us or our subsidiaries to earn U.S. Source Domestic Transportation Income. However, certain of our and our subsidiaries' activities could give rise to U.S. Source International Transportation Income, and future expansion of or changes in our and our subsidiaries' operations could result in an increase in the amount thereof, which generally would be subject to U.S. federal income taxation, unless the Section 883 Exemption applied. Based on our current plans and expectations regarding our and our subsidiaries' organization and operations, we expect that only a relatively small portion of our and our subsidiaries' gross Transportation Income will likely constitute U.S. Source International Transportation Income and, if the Section 883 Exemption were not to apply, we expect that the effective rate of U.S. federal income tax on our and our subsidiaries' gross Transportation Income would be less than 1%.

The Section 883 Exemption

In general, the Section 883 Exemption provides that if a non-U.S. corporation satisfies the requirements of Section 883 of the Code and the Treasury regulations thereunder, or the Section 883 Regulations, it will not be subject to the net basis and branch profit taxes or the 4% gross basis tax described below on its U.S. Source International Transportation Income, including any U.S. Source International Transportation Income it derives from participation in a pool, partnership or other joint venture arrangement that satisfies the requirements of the Section 883 Regulations. The Section 883 Exemption applies only to U.S. Source International Transportation Income and does not apply to U.S. Source Domestic Transportation Income. The Section 883 Exemption applies separately to us and each of our subsidiaries that is treated as a corporation for U.S. federal income tax purposes and earns U.S. Source International Transportation Income (which we refer to below as our "applicable subsidiaries").

We and our applicable subsidiaries will qualify for the Section 883 Exemption if, among other matters, we and our applicable subsidiaries meet the following three requirements:

- We and each of our applicable subsidiaries are organized in a jurisdiction outside the United States that grants an equivalent exemption from tax to corporations organized in the United States with respect to the types of U.S. Source International Transportation Income that we earn, or an Equivalent Exemption;
- We and each of our applicable subsidiaries satisfy the Publicly Traded Test or the Qualified Shareholder Stock Ownership Test (each as described below); and
- We and each of our applicable subsidiaries meet certain substantiation, reporting and other requirements.

We are organized under the laws of Singapore and our applicable subsidiaries are organized under the laws of Singapore, South Africa, the Isle of Man and the Marshall Islands. The U.S. Treasury Department has recognized each of these jurisdictions as a jurisdiction that grants an Equivalent Exemption with respect to the type of U.S. Source International Transportation Income that we or our applicable subsidiaries generally expect to earn. Consequently, our and our applicable subsidiaries' U.S. Source International Transportation Income should be exempt from U.S. federal income taxation provided we and our applicable subsidiaries meet the Publicly Traded Test or the Qualified Shareholder Stock Ownership Test and we and our applicable subsidiaries satisfy certain substantiation, reporting and other requirements.

Publicly Traded Test

In order to meet the Publicly Traded Test, the equity interests in the non-U.S. corporation at issue must be "primarily traded" and "regularly traded" on an established securities market either in the United States or in a jurisdiction outside the United States that grants an Equivalent Exemption. The Section 883 Regulations generally provide, in pertinent part, that equity of a non-U.S. corporation will be considered to be "primarily traded" on one or more established securities markets in a given country if, with respect to the class or classes of equity relied upon to meet the "regularly traded" requirement described below, the number of shares of each such class 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. Our ordinary shares, which are our only class of equity interests, are traded on the NASDAQ and the JSE, each of which is considered to be an established securities market for purposes of these rules. As long as our ordinary shares continue to only be traded on the NASDAQ and the JSE, our ordinary shares will be "primarily traded" on an established securities market either in the United States or in South Africa, which is a jurisdiction outside the United States that grants an Equivalent Exemption.

Equity interests in a non-U.S. corporation will be considered to be "regularly traded" on an established securities market under the Section 883 Regulations provided one or more classes of such equity interests representing more than 50% of the aggregate vote and value of all of the outstanding equity interests in the non-U.S. corporation satisfy certain listing and trading volume requirements. These requirements are satisfied with respect to a class of equity interests listed on an established securities market, provided that either (a) trades in such class of equity interests are effected, other than in de minimis quantities, on such market on at least 60 days during the taxable year and the aggregate number of shares in such class that are traded on such market or markets during the taxable year are at least 10% of the average number of shares outstanding in that class during the taxable year (with special rules for short taxable years) or (b) such class of equity interests is traded on an established securities market in the United States and is "regularly quoted by dealers making a market" in such class (within the meaning of the Section 883 Regulations). Our ordinary shares will represent 100% of the total combined voting power and value of our equity interests. Accordingly, provided that our ordinary shares (i) satisfy the listing and trading volume requirements described immediately above and (ii) are not subject to the Closely Held Block Exception described immediately below, our ordinary shares will be considered to be "regularly traded" on an established securities market. There can be no assurance that our ordinary shares will satisfy the listing and trading volume requirements described immediately above for any taxable year.

Notwithstanding these rules, a class of equity that would otherwise be treated as "regularly traded" on an established securities market will not be so treated if, for more than half of the number of days during the taxable year, one or more "5% shareholders" (i.e., shareholders owning, actually or constructively, at least 5% of the vote and value of that class) own in the aggregate 50% or more of the vote and value of that class, or the Closely Held Block Exception, unless the corporation can establish that a sufficient proportion of such 5% shareholders are Qualified Shareholders (as defined below) so as to preclude other persons who are 5% shareholders from owning 50% or more of the value of that class for more than half the days during the taxable year.

We expect that one or more 5% shareholders may own 50% or more of our ordinary shares for more than half of the number of days during our current taxable year and/or future taxable years. In such case, we will lose eligibility for the Publicly Traded Test with respect to any such taxable year, unless can establish that a sufficient proportion of such 5% shareholders are Qualified Shareholders (as defined below) so as to preclude other persons who are 5% shareholders from owning 50% or more of the value of that class for more than half the days during the taxable year. Under the applicable Treasury regulations, we would also have to satisfy certain substantiation requirements regarding the identity of our 5% shareholders. These requirements are onerous and there is no assurance that we would be able to satisfy them. In particular, we would be required to obtain certifications of Qualified Shareholder status from our 5% shareholders, which our 5% shareholders may not be willing or able to provide. Given the factual nature of the issues involved and the practical uncertainties, we can give no assurances as to our qualification for the Section 883 Exemption for any taxable year. Furthermore, our board of directors could determine that it is in our best interests to take an action that would result in our not being able to satisfy the Publicly Traded Test in the future. We do not expect any of our applicable subsidiaries to satisfy the Publicly Traded Test.

Qualified Shareholder Stock Ownership Test

As an alternative to satisfying the Publicly Traded Test, a non-U.S. corporation will qualify for the Section 883 Exemption if it is able to satisfy the Qualified Shareholder Stock Ownership Test. The Qualified Shareholder Stock Ownership Test generally is satisfied if more than 50% of the value of the outstanding equity interests in the non-U.S. corporation is owned, or treated as owned after applying certain attribution rules, for at least half of the number of days in the taxable year by:

- individual residents of jurisdictions that grant an Equivalent Exemption;
- non-U.S. corporations organized in jurisdictions that grant an Equivalent Exemption and that meet the Publicly Traded Test; or
- certain other qualified persons described in the Section 883 Regulations, or collectively, the Qualified Shareholders.

We do not expect to be able to satisfy the Qualified Shareholder Stock Ownership Test for any taxable year. However, because stock owned by a non-U.S. corporation meeting the Publicly Traded Test is treated as owned by a Qualified Shareholder for purposes of the Qualified Shareholder Stock Ownership Test, in the event that we are able to satisfy the Publicly Traded Test described above for a taxable year, we expect that each of our applicable subsidiaries that is more than 50%-owned (by value) by us for at least half of the number of days in such taxable year would satisfy the Qualified Shareholder Stock Ownership Test for such taxable year. We do not expect any applicable subsidiary that is not more than 50%-owned (by value) by us to satisfy the Qualified Shareholder Stock Ownership Test for any taxable year, unless a sufficient portion of such subsidiary's other equity interests were owned by Qualified Shareholders to cause such subsidiary to be more than 50%-owned (by value) by Qualified Shareholders for at least half the number of days in a taxable year and such other Qualified Shareholders were to provide certifications of their Qualified Shareholder status. There can be no assurance that these requirements will be satisfied with respect to any of our applicable subsidiaries for any taxable year.

The Net Basis Tax and Branch Profits Tax

If we or our subsidiaries earn U.S. Source International Transportation Income and the Section 883 Exemption does not apply, the U.S. source portion of such income may be treated as Effectively Connected Income if we or any of our subsidiaries have a fixed place of business in the United States and substantially all of our or any such subsidiary's U.S. Source International Transportation Income is attributable to regularly scheduled transportation or, in the case of bareboat charter income, is attributable to a fixed place of business in the United States. Based on our and our subsidiaries' current operations, none of our or our subsidiaries' potential U.S. Source International Transportation Income is attributable to regularly scheduled transportation or is received pursuant to bareboat charters, nor do we or any of our subsidiaries have a fixed place of business in the United States. As a result, we do not anticipate that any of our or our subsidiaries' U.S. Source International Transportation Income will be treated as Effectively Connected Income. However, there is no assurance that we or any of our subsidiaries will not have a fixed place of business in the United States or that we or any of our subsidiaries will not earn substantially all of its U.S. Source International Transportation Income pursuant to regularly scheduled transportation or bareboat charters attributable to a fixed place of business in the United States in the future, which would result in such income being treated as Effectively Connected Income. In addition, any U.S. Source Domestic Transportation Income generally will be treated as Effectively Connected Income.

Any income we or our subsidiaries earn that is treated as Effectively Connected Income would be subject to U.S. federal corporate income tax (imposed at a 21% rate) as well as 30% branch profits tax imposed under Section 884 of the Code. In addition, a 30% branch interest tax could be imposed on certain interest paid or deemed paid by us or our subsidiaries.

On the sale of a vessel that has produced Effectively Connected Income, we or our subsidiaries could be subject to the net basis corporate income tax as well as branch profits tax with respect to the gain recognized up to the amount of certain prior deductions for depreciation that reduced Effectively Connected Income. Otherwise, we and our subsidiaries would not be subject to U.S. federal income tax with respect to gain realized on the sale of a vessel, provided the sale is considered to occur outside of the United States (as determined under U.S. tax principles) and the gain is not attributable to an office or other fixed place of business maintained by us or our subsidiaries in the United States under U.S. federal income tax principles.

The 4% Gross Basis Tax

If the Section 883 Exemption does not apply and the net basis tax does not apply, we and our subsidiaries would be subject to a 4% U.S. federal income tax on our U.S. Source International Transportation Income, without benefit of deductions.

U.S. Federal Income Taxation of U.S. Holders

The following is a discussion of the material U.S. federal income tax considerations that may be relevant to beneficial owners of our ordinary shares.

The following discussion applies only to beneficial owners of our ordinary shares that own the ordinary shares as "capital assets" (generally, property held for investment purposes). The following discussion does not address all aspects of U.S. federal income taxation which may be important to particular beneficial owners of our ordinary shares in light of their individual circumstances, such as (i) beneficial owners of our ordinary shares subject to special tax rules (e.g., banks or other financial institutions, real estate investment trusts, regulated investment companies, insurance companies, broker-dealers, traders that elect to mark-to-market for U.S. federal income tax purposes, tax-exempt organizations and retirement plans, individual retirement accounts and tax-deferred accounts, or former citizens or long-term residents of the United States) or to beneficial owners that will hold the ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, (ii) partnerships or other entities classified as partnerships for U.S. federal income tax purposes or their partners, (iii) U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar or that transact in ordinary shares in a currency other than U.S. dollars, or (iv) beneficial owners of ordinary shares that own 2% or more (by vote or value) of our ordinary shares, all of whom may be subject to tax rules that differ significantly from those summarized below. This discussion does not contain information regarding any state or local, estate, gift or alternative minimum tax considerations concerning the ownership or disposition of our ordinary shares.

If a partnership or other entity classified as a partnership for U.S. federal income tax purposes holds our ordinary shares, the tax treatment of its partners generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partner in a partnership holding our ordinary shares, you should consult your own tax advisor regarding the tax consequences to you of the partnership's ownership of our ordinary shares.

U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain applicable financial statements. The application of this rule may require the accrual of income earlier than would be the case under the general U.S. federal income tax rules described below. U.S. Holders that use an accrual method of accounting for U.S. federal income tax purposes should consult with their tax advisors regarding the potential applicability of this rule to their particular situation.

Each prospective beneficial owner of our ordinary shares should consult its own tax advisor regarding the U.S. federal, state, local, and other tax consequences of the ownership or disposition of our ordinary shares.

As used in this annual report, the term "U.S. Holder" means a beneficial owner of our ordinary shares that:

- is an individual U.S. citizen or resident (as determined for U.S. federal income tax purposes);
- a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more "United States persons" (as defined in the Code) have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under current Treasury regulations to be treated as a "United States person."

Distributions

Subject to the discussion below of the rules applicable to a PFIC, any distributions to a U.S. Holder made by us with respect to our ordinary shares generally will constitute dividends, which will be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. We do not intend to compute (or to provide U.S. Holders with information necessary to compute) earnings and profits under U.S. federal income tax principles. Accordingly, U.S. Holders generally should expect to treat all distributions on the ordinary shares as taxable dividends. U.S. Holders that are corporations generally will not be entitled to claim a dividend received deduction with respect to distributions they receive from us. Dividends received with respect to the ordinary shares will be treated as foreign source income and generally will be treated as "passive category income" for U.S. foreign tax credit purposes.

Dividends received with respect to our ordinary shares by a U.S. Holder who is an individual, trust or estate, or a non-corporate U.S. Holder, generally will be treated as "qualified dividend income" that is taxable to such non-corporate U.S. Holder at preferential long-term capital gain tax rates, provided that: (i) our ordinary shares are traded on an "established securities market" in the United States (such as the NASDAQ, where our ordinary shares are traded) and are "readily tradeable" on such an exchange; (ii) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we are, have been or will be, as discussed below); (iii) the non-corporate U.S. Holder has owned the ordinary shares for more than 60 days during the 121-day period beginning 60 days before the date on which the ordinary shares become ex-dividend (and has not entered into certain risk limiting transactions with respect to such ordinary shares); and (iv) the non-corporate U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. It is not currently known whether our ordinary shares will be considered "readily tradeable" on the NASDAQ for purposes of these rules. If a dividend is treated as qualified dividend income, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation generally will be reduced to appropriately take into account the tax rate differential between the reduced rate of tax applicable to qualified dividend income and the highest rate of tax normally applicable to dividends. Any dividends paid on our ordinary shares that are not treated as qualified dividend income will be taxed as ordinary income to a non-corporate U.S. Holder. In addition, a 3.8% tax may apply to certain investment income. See "—Medicare Tax" below.

Special rules may apply to any amounts received in respect of our ordinary shares that are treated as "extraordinary dividends." In general, an extraordinary dividend is a dividend with respect to an ordinary share that is equal to or in excess of 10% of a U.S. Holder's adjusted tax basis (or fair market value upon the U.S. Holder's election) in such ordinary share. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20% of a U.S. Holder's adjusted tax basis (or fair market value) in an ordinary share. If we pay an "extraordinary dividend" on our ordinary shares that is treated as "qualified dividend income," then any loss recognized by a non-corporate U.S. Holder from the sale or exchange of such ordinary shares will be treated as long-term capital loss to the extent of the amount of such dividend.

Sale, Exchange or Other Disposition of Ordinary Shares

Subject to the discussion of the PFIC rules below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our ordinary shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's adjusted tax basis in such ordinary shares. The U.S. Holder's initial tax basis in the ordinary shares generally will be the U.S. Holder's purchase price for the ordinary shares. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition.

A corporate U.S. Holder's capital gains, long-term and short-term, are taxed at ordinary income tax rates. If a corporate U.S. Holder recognizes a loss upon the disposition of our ordinary shares, such U.S. Holder is limited to using the loss to offset other capital gain. If a corporate U.S. Holder has no other capital gain in the tax year of the loss, it may carry the capital loss back three years and forward five years.

Long-term capital gains of non-corporate U.S. Holders are subject to the favorable tax rate of a maximum of 20%. In addition, a 3.8% tax may apply to certain investment income. See "—Medicare Tax" below. A non-corporate U.S. Holder may deduct a capital loss resulting from a disposition of our ordinary shares to the extent of capital gains plus up to $3,000 ($1,500 for married individuals filing separate tax returns) annually and may carry forward a capital loss indefinitely.

PFIC Status and Significant Tax Consequences

In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which the holder holds our ordinary shares, 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 the assets held by us (based on an average of the quarterly values of the assets during a taxable year) produce, or are held for the production of, passive income.

Income earned, or deemed earned, by us in connection with the performance of services would not constitute passive income. By contrast, rental income generally would constitute "passive income" unless we were treated as deriving our rental income in the active conduct of a trade or business under the applicable rules. The PFIC provisions contain a look-through rule under which we will be treated as earning directly our proportionate share of any income, and owning directly our proportionate share of any assets, of another corporation if we own at least 25% of the value of the stock of such other corporation.

Based on our current and projected, income, assets and methods of operations, we believe that we should not be treated as a PFIC for our current taxable year and we expect that we should not become a PFIC for the foreseeable future. In this regard, we believe that the income we receive from time and voyage chartering activities should constitute services income, rather than rental income. Consequently, we believe that such income should not constitute passive income and the assets engaged in generating such income should not be treated as passive assets and, so long as our income from time and voyage charters exceeds 25% of our gross income for each taxable year after our initial taxable year and the value of our vessels contracted under time and voyage charters exceeds 50% of the average value of our assets for each taxable year after our initial taxable year, we should not be a PFIC.

We expect that substantially all of the vessels in our fleet will be engaged in time or voyage chartering activities and intend to treat our income from those activities as non-passive income, and the vessels engaged in those activities as non-passive assets, for PFIC purposes. We believe that there is a significant amount of legal authority consisting of the Code, legislative history, IRS pronouncements and administrative rulings supporting our position that the income from time and voyage chartering activities constitutes services income (rather than rental income). There is, however, no direct legal authority under the PFIC rules addressing whether income from time chartering activities is services income or rental income. Moreover, in a case not interpreting the PFIC rules, Tidewater Inc. v. United States, 565 F.3d 299 (5th Cir. 2009), the Fifth Circuit held that the vessel time charters at issue generated predominantly rental income rather than services income. However, the IRS stated in an Action on Decision (AOD 2010-001) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the Tidewater decision, and in its discussion stated that the time charters at issue in Tidewater would be treated as producing services income for PFIC purposes. The IRS's AOD, however, is an administrative action that cannot be relied upon or otherwise cited as precedent by taxpayers.

The determination of whether we are a PFIC in any taxable year is fact specific and will depend upon the portion of our assets (including goodwill) and income that are characterized as passive under the PFIC rules and other factors, some of which may be beyond our control. In particular, because the total value of our assets for purposes of the asset test described above will generally be calculated using the market price of our ordinary shares, our PFIC status may depend in large part on the market price of our ordinary shares. Accordingly, fluctuations in the market price of the ordinary shares may cause us to become a PFIC. In addition, the composition of our income and assets will be affected by how, and how quickly, we use the cash generated by our business operations and any net proceeds that we receive from any future financing or capital transactions. The PFIC determination also depends on the application of complex U.S. federal income tax rules concerning the classification of our assets and income for this purpose, and these rules are uncertain in some respects. Further, the PFIC determination is made annually and our circumstances or the nature of our operations may change. Accordingly, there can be no assurance that we will not be classified as a PFIC for the current taxable year or any future taxable year, and no ruling from the IRS or opinion of counsel has been issued or has been or will be sought with respect to our potential status as a PFIC.

If we were treated as a PFIC for any taxable year in which a U.S. Holder owned our ordinary shares, the U.S. Holder generally would be subject to special tax rules resulting in increased tax liability with respect to any "excess distribution" the U.S. Holder receives on, and any gain the U.S. Holder realizes from a sale or other disposition (including a pledge) of, our ordinary shares, unless a "mark-to-market" election is available and a U.S. Holder makes such election with respect to the ordinary shares, as discussed below. In addition, if we were treated as a PFIC for any taxable year in which a U.S. Holder owned our ordinary shares, the U.S. Holder would be required to file IRS Form 8621 with the U.S. Holder's U.S. federal income tax return for each year to report the U.S. Holder's ownership of such ordinary shares. Substantial penalties apply to any failure to timely file IRS Form 8621, unless the failure is shown to be due to reasonable cause and not due to willful neglect. In the event a U.S. Holder does not file IRS Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year will not close before the date which is three years after the date on which such report is filed. A U.S. Holder would not be able to make a "qualified electing fund" election as we do not expect to provide the information necessary for U.S. Holders to make "qualified electing fund" elections.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

If we were to be treated as a PFIC for any taxable year and our ordinary shares were treated as "marketable stock" for purposes of these rules, then a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our ordinary shares, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury regulations. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the U.S. Holder's ordinary shares at the end of the taxable year over the U.S. Holder's adjusted tax basis in the ordinary shares. The U.S. Holder also would be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the ordinary shares over the fair market value thereof 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 U.S. Holder's tax basis in the U.S. Holder's ordinary shares would be adjusted to reflect any such income or loss recognized. Gain recognized on the sale, exchange or other disposition of our ordinary shares would be treated as ordinary income, and any loss recognized on the sale, exchange or other disposition of the ordinary shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder. A mark-to-market election would not apply to our ordinary shares owned by a U.S. Holder in any taxable year during which we are not a PFIC, but would remain in effect with respect to any subsequent taxable year for which we are a PFIC, unless our ordinary shares are no longer treated as "marketable stock" or the IRS consents to the revocation of the election.

A "mark-to-market" election may itself have negative tax consequences to a U.S. Holder and would not mitigate any negative tax consequences with respect to PFICs directly or indirectly owned by us. In addition, even if a U.S. Holder makes a "mark-to-market" election for one of our taxable years, if we were a PFIC for a prior taxable during which the U.S. Holder owned our ordinary shares and for which the U.S. Holder did not make a timely mark-to-market election, the U.S. Holder would also be subject to the more adverse rules described below under "Taxation of U.S. Holders Not Making a Timely Mark-to-Market Election." U.S. holders should consult with their tax advisers regarding the availability and advisability making a mark-to-market election with respect to the ordinary shares.

Taxation of U.S. Holders Not Making a Timely Mark-to-Market Election

If we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make a timely "mark-to-market" election for that year (i.e., the taxable year in which the U.S. Holder's holding period commences), whom we refer to as a "Non-Electing Holder," would be subject to special rules resulting in increased tax liability with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our ordinary shares 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 ordinary shares), and (2) any gain realized on the sale, exchange or other disposition of our ordinary shares. Under these special rules:

- the excess distribution and any gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the ordinary shares;
- the amount allocated to the current taxable year and any year prior to the year we were first treated as a PFIC with respect to the Non-Electing Holder would be taxed as ordinary 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.

In addition, if we were to be treated as a PFIC, a U.S. Holder would be treated as owning a proportionate amount of any shares that we own, directly or indirectly by application of certain attribution rules, in other PFICs (including any of our subsidiaries, if they are PFICs) and would be subject to the PFIC rules on a separate basis with respect to its indirect interests in any such PFICs. If we were treated as a PFIC for any taxable year and a Non-Electing Holder who is an individual dies while owning our ordinary shares, such holder's successor generally would not receive a step-up in tax basis with respect to such ordinary shares.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's "net investment income" for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for such taxable year over $200,000 ($250,000 in the case of joint filers). For these purposes, "net investment income" will generally include dividends paid with respect to our ordinary shares and net gain attributable to the disposition of our ordinary shares not held in connection with certain trades or businesses, but will be reduced by any deductions properly allocable to such income or net gain.

U.S. Federal Income Taxation of Non-U.S. Holders

A beneficial owner of our ordinary shares (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is a "Non-U.S. Holder."

Distributions

Distributions we pay to a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax if the Non-U.S. Holder is not engaged in a U.S. trade or business. If the Non-U.S. Holder is engaged in a U.S. trade or business, our distributions will be subject to U.S. federal income tax to the extent they constitute income effectively connected with the Non-U.S. Holder's U.S. trade or business (and a corporate Non-U.S. Holder may also be subject to U.S. federal branch profits tax). However, distributions paid to a Non-U.S. Holder who is engaged in a trade or business may be exempt from taxation under an income tax treaty if the income arising from the distribution is not attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder.

Disposition of Ordinary Shares

In general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on any gain resulting from the disposition of our ordinary shares provided the Non-U.S. Holder is not engaged in a U.S. trade or business. A Non-U.S. Holder that is engaged in a U.S. trade or business will be subject to U.S. federal income tax in the event the gain from the disposition of ordinary shares is Effectively Connected Income (provided, in the case of a Non-U.S. Holder entitled to the benefits of an income tax treaty with the United States, such gain also is attributable to a U.S. permanent establishment). However, even if not engaged in a U.S. trade or business, individual Non-U.S. Holders may be subject to tax on gain resulting from the disposition of our ordinary shares if they are present in the United States for 183 days or more during the taxable year in which those ordinary shares are disposed and meet certain other requirements.

Backup Withholding and Information Reporting

In general, payments to a non-corporate U.S. Holder of distributions or the proceeds of a disposition of ordinary shares may be subject to information reporting. These payments to a non-corporate U.S. Holder also may be subject to backup withholding, if the non-corporate U.S. Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that it has failed to report all interest or corporate distributions required to be reported on his U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

A U.S. Holder generally is required to certify its compliance with the backup withholding rules on IRS Form W-9.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable.

Backup withholding is not an additional tax. Rather, a shareholder generally may obtain a credit for any amount withheld against its liability for U.S. federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by filing a U.S. federal income tax return with the IRS.

Individual U.S. Holders (and to the extent specified in applicable Treasury regulations, certain individual Non-U.S. Holders and certain U.S. Holders that are entities) that hold "specified foreign financial assets," including our ordinary shares, whose aggregate value exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year (or such higher amounts as prescribed by applicable Treasury regulations) are required to file a report on IRS Form 8938 with information relating to the assets for each such taxable year. Specified foreign financial assets would include, among other things, our ordinary shares, unless such ordinary shares are held in an account maintained by a U.S. "financial institution" (as defined). 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 U.S. Holder (and to the extent specified in applicable Treasury regulations, an individual Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. 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. U.S. Holders (including U.S. entities) and Non-U.S. Holders should consult their own tax advisors regarding their reporting obligations.

South African Tax Considerations

The following is a summary of the material South African income tax consequences for South African tax resident shareholders who are resident for tax purposes in South Africa in relation to the acquisition, ownership and disposal of our ordinary shares, based on current South African law and South African Revenue Service, or SARS, practice as at the date of this document.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular shareholder. This summary is not exhaustive of all South African income tax considerations. Accordingly, shareholders should consult their own tax advisors as to the tax consequences under the tax laws of the country of which they are resident or otherwise subject to tax.

As used in this annual report, the term "SA Tax Resident Shareholder" means a beneficial owner of Grindrod Shipping ordinary shares that is a "resident" as defined in the South African Income Tax Act, No. 58 of 1962, or the Income Tax Act.

Consequently, the term "Non SA Tax Resident Shareholder" means a beneficial owner of Grindrod Shipping ordinary shares that does not meet the requirements to be a "resident" as defined in terms of the Income Tax Act.

This summary only addresses the South African tax consequences for SA Tax Resident Shareholders who hold their ordinary shares as capital assets and does not address the tax consequences which may be relevant to other categories of shareholders such as share dealers. Moreover, certain categories of shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with the Company and those for whom the shares are employment related securities, may be subject to special rules and this summary does not apply to such shareholders.

This summary only addresses the South African tax consequences for SA Tax Resident Shareholders who are shareholders of our ordinary shares registered on the South African administrative depository register.

For purposes of this summary it is understood that Grindrod Shipping is incorporated and tax resident (i.e. has its place of effective management), in Singapore.

Exchange Control

SA Tax Resident Shareholders who choose to reposition their interest into an account with a U.S. broker dealer will need to apply for approval from the Financial Surveillance Department of the South African Reserve Bank, or Fin Surv, through their authorised dealer.

SA Tax Resident Shareholders who are individuals can apply to the extent of their single discretionary allowance and foreign capital allowance. If their investment in our ordinary shares registered on the U.S. branch register will exceed these allowances they will need to apply for a special tax clearance certificate before applying to Fin Surv for approval.

SA Tax Resident Shareholders that are corporates will also need to apply for approval to hold our ordinary shares as part of their foreign portfolio investment allowance, provided they do not hold more than 10% of our ordinary shares.

Repositioning of ordinary shares on register located in South Africa to an account with a U.S. broker-dealer

A deemed disposal and reacquisition for an amount equal to the market value of that security will be triggered where a SA Tax Resident Shareholder (applying only to a natural person or a trust) chooses to reposition their ordinary shares reflected in the administrative depository register located in South Africa to an account with a U.S. broker-dealer. The deemed disposal and reacquisition will be deemed to take place on the day that the security is registered on the U.S. branch register. Please note that this is a recent amendment in the Income Tax Act which came into operation on March 1, 2021 and applies in respect of any security listed on an exchange outside of South Africa on or after that date.

Please refer to "*Taxation of Capital Gains*" below in respect of the South African tax consequences of the deemed disposal for SA Tax Resident Shareholders which are natural persons or trusts.

Controlled Foreign Company, or CFC

Notably, a controlled foreign company is a non-South African company in which more than 50% of the participation rights / voting rights are directly or indirectly held / exercisable by SA Tax Resident Shareholders who are not headquarter companies.

Prior to January 28, 2022, the Grindrod Shipping ordinary shares were held more than 50% by SA Tax Resident Shareholders, who each held at least 5% of the listed Grindrod Shipping ordinary shares and thus Grindrod Shipping appeared to be a CFC. Any non-South African subsidiaries of Grindrod Shipping in which it could exercise more than 50% of the voting rights would also be CFCs. Certain profits of CFCs would be included in the taxable income of SA Tax Resident Shareholders subject to certain exclusions and exemptions.

Because the Company was a CFC, SA Tax Resident Shareholders who, together with connected persons, held more than 10% of the Grindrod Shipping ordinary shares are advised to obtain tax advice regarding the South African tax implications, including the tax treatment of foreign dividends, arising from holding shares in a CFC. The tax implications set out below may potentially not apply to such shareholders.

Taxation of Dividends

The Company is a foreign company as defined in section 1 of the Income Tax Act. A foreign dividend means an amount that is paid or payable by a foreign company in respect of a share in that company, where that amount is treated as a dividend or similar payment by that foreign company for purposes of the laws relating to tax on income on companies of the country in which that foreign company has its place of effective management, which for purposes of this summary is deemed to be Singapore.

The Company is a dual listed foreign company, that is, a company listed on the JSE as well as a recognized foreign exchange, for the purposes of the Income Tax Act.

Corporate Income Tax in relation to dividends

In terms of Section 10B(2)(d) of the Income Tax Act, foreign dividends, excluding such dividends that consist of a distribution of an asset in specie, from the Company will typically be exempt from income tax in the hands of tax residents of South Africa.

In terms of section 10B(2)(e), foreign dividends in respect of a listed share that constitute a distribution of and asset in specie will be exempt in the hands of South African tax resident companies. Where the shareholder is any person other than a South African tax resident company (for example, an individual or trust), a portion, determined in terms of a formula, of the market value of the distribution in specie would be included in the income of the shareholder.

Non-resident shareholders should not be subject to South African income tax in respect of such foreign dividends on the basis that these dividends arise from a source outside South Africa.

Dividends Tax

For purposes of determining a shareholder's liability for dividends tax, the definition of a dividend in section 64D of the Income Tax Act includes a foreign dividend paid by a foreign company listed on the JSE, provided that the foreign dividend does not constitute the distribution of an asset in specie. Thus a foreign dividend declared by a company listed on the JSE, will not attract dividends tax if it constitutes the distribution of an asset in specie. Moreover, a foreign dividend received by a SA Tax Resident Shareholder which holds shares in the Company which are registered on the NASDAQ (and does not hold shares registered on the South African administrative depository register would not be subject to dividends tax in South Africa.

In terms of Section 64D of the Income Tax Act, a cash foreign dividend declared by the Company will fall within the definition of a dividend for dividends tax purposes. Such foreign dividends will attract dividends tax calculated at the rate of 20% of the amount of any foreign dividends paid or becoming due and payable.

In terms of section 64F of the Income Tax Act certain foreign dividends are exempt from dividends tax. These include, inter alia, foreign dividends declared to South African resident companies, provided that the shareholder in question has made the necessary declaration and undertaking prior to the dividend having been paid or becoming due and payable.

Taxation of Capital Gains

On a disposal of Shares by a shareholder, a capital gain or loss will arise, equal to the difference between the disposal proceeds and the base cost of the shares. Such capital gain or loss will be aggregated with all other capital gains or losses derived by the shareholder in the same tax year.

Any aggregate capital gain will, if applicable, be reduced by the natural person's annual exclusion of R40,000 (R300,000 in the year of death) and the relevant percentage of the capital gain (40% for individuals, special trusts and individual policyholder funds, resulting in a maximum effective tax rate of 18%, and 80% for companies, ordinary trusts and other taxable insurance portfolios, resulting in an effective tax rate of 36% for ordinary trusts and 22.4% for companies), will be included in the shareholder's taxable income. Any aggregate capital loss will, if applicable, be reduced by the natural person's annual exclusion as above, and the net amount will be carried forward for set off against future capital gains.

Securities Transfer Tax, or STT

STT arises on the transfer of a share in a non-resident company which is listed on the JSE (i.e. registered on the South African administrative depository register), including any reallocation of securities from a shareholder's bank restricted stock account or a shareholder's unrestricted and security stock account to a shareholder's general restricted stock account.

Thus the disposal of ordinary shares in the Company which are listed on the JSE will typically give rise to STT at the rate of 0.25% of the 'taxable amount', generally being the consideration payable for the shares. STT only arises to the extent that a transfer results in a change in beneficial ownership.

In terms of the STT Act No 25 of 2007, or the STT Act, the liability to pay STT in relation to the transfer of a share listed on the JSE, rests with-

(a) a member (defined as an "authorised user" in section 1 of the Financial Markets Act No 19 of 2012), if the listed security is purchased through the agency of, or from such member;

(b) the participant (defined as a person authorised by the central securities depository to hold in custody and administer the listed security), where the listed security is purchased from the participant and the STT has not been settled by a member referred to under (a) above;

(c) by the purchaser, if no STT was payable under (a) or (b) above.

The STT Act contains a number of specific exemptions from STT, which may apply to exempt the transfer in question from STT.

Donations Tax

Donations tax is payable on the value of any property disposed of under any donation made by any SA Tax Resident Shareholder. A donation means any gratuitous disposal of property, including any gratuitous waiver or renunciation of a right, and is deemed to include the disposal of an asset to the extent that the consideration is inadequate. Exemptions from donations tax include donations between spouses, donations made in contemplation of death and an annual exemption of R100,000 for individuals.

Donations tax is payable at a rate of 20% on the value of aggregate donations not exceeding R30 million and 25% of the aggregate donations exceeding R30 million.

Estate Duty

Inheritance tax in South Africa is referred to as estate duty. Estate duty will be levied on the worldwide assets of any person who is *ordinarily resident* in South Africa at the date of his or her death. Estate duty will also be levied on any person who is not ordinarily resident in South Africa at the date of his or her death in respect of any assets situated in South Africa or rights which are enforceable in South Africa.

Various allowable deductions are permitted to determine the net value of the estate, including the value of all property that accrues to a surviving spouse of the deceased. After deducting a primary abatement of R3.5 million, estate duty is levied at a rate of 20% on the first R30 million of the dutiable amount of an estate and 25% on the amount exceeding R30 million. Any foreign death duties proved to have been paid in respect of property situated outside South Africa and included in the estate of any person who at the date of death was ordinarily resident in South Africa, may be deducted from the estate duty payable.

Shares which are registered on the South African administrative depository register of the Company in South Africa will be included in the estate of any person who is ordinarily resident in South Africa at the date of death, and in the South African estate of any person who is not ordinarily resident in South Africa at the date of death, on the basis that any transfer of ownership in such Ordinary Shares is required to be registered in South Africa.

Estate duty is subject to the provisions of any applicable double taxation agreement in relation to estate duty.

Singapore Tax Considerations

Dividends or Other Distributions with Respect to Ordinary Shares

Under the one-tier corporate tax system which currently applies to all Singapore tax resident companies, tax on corporate profits is final, and dividends paid by a Singapore tax resident company will be income tax exempt in the hands of a shareholder, whether or not the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Capital Gains upon Disposition of Ordinary Shares

Under current Singapore tax laws, there is no tax on capital gains. There are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of Grindrod Shipping's ordinary shares may be construed to be of an income nature and subject to Singapore income tax, if these are regarded as shares held on revenue account for trading purposes. However, under Singapore tax laws, any gains derived by a divesting company from its disposal of ordinary shares in an investee company between June 1, 2012 and December 31, 2027 are generally not taxable if immediately prior to the date of the relevant disposal, the investing company legally and beneficially has held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months.

Goods and Services Tax

The gross proceeds received from the issue or transfer of ownership of Grindrod Shipping's ordinary shares to a Singapore incorporated entity should be exempt from Singapore Goods and Services Tax. On the other hand, the gross proceeds received from the issue or transfer of shares of Grindrod Shipping's ordinary shares to an overseas incorporated entity should qualify for zero-rating GST treatment. Hence, the holders would not incur any Goods and Services Tax on the subscription or subsequent transfer of the shares.

Stamp Duty

If Grindrod Shipping's ordinary shares evidenced in certificated forms are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of 0.2% of the consideration for or market value of Grindrod Shipping's ordinary shares, whichever is higher.

Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of Grindrod Shipping's ordinary shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. Transfer of scripless shares is generally not subject to Singapore stamp duty.

On the basis that any transfer instrument in respect of Grindrod Shipping's shares traded on the NASDAQ or the JSE are executed outside Singapore through Grindrod Shipping's transfer agent and share registrar in the United States for registration in Grindrod Shipping's branch register of members maintained in the United States (without any transfer instrument being received in Singapore), no stamp duty should be payable in Singapore on such transfers.

Tax Treaties Regarding Withholding Taxes

There is no comprehensive avoidance of double taxation agreement between the United States and Singapore which applies to withholding taxes on dividends or capital gains.

Dividends and Paying Agents

Not applicable.

Statement by Experts

Not applicable.

Documents on Display

Grindrod Shipping files its annual and current reports and other information with the SEC. The SEC filings are available to the public from commercial document retrieval services. Grindrod Shipping's SEC filings may also be obtained electronically via the Electronic Data Gathering, Analysis and Retrieval, or EDGAR, system on the website maintained by the SEC at http://www.sec.gov.

The above information and certain other documents may be obtained at the registered office of Grindrod Shipping and are accessible at www.grinshipping.com. The information contained on our website is not incorporated by reference in this annual report.

Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Spot Market Rate Risk

We currently employ our vessels primarily in the spot market or spot market-oriented pools and do not have a significant amount of fixed revenue cover and we are therefore exposed to the cyclicality and volatility of the spot market. Spot rates may fluctuate significantly based upon the supply of and demand for seaborne shipping capacity.

Interest Rate Risk

Borrowings under our credit facilities generally bear interest at rates based on a premium over LIBOR. Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. We currently do not have any interest rate swaps in place. We may, in the future use interest rate swaps to reduce our exposure to market risk from changes in interest rates. The principal objective of these contracts is to minimize the risks and costs associated with our variable-rate debt and are not for speculative or trading purposes.

Our bank loans and other borrowings were originally issued at US$ LIBOR floating rates plus a margin. They have not been transitioned to an alternative rate as the US$ LIBOR referred to in the agreements will continue to be quoted until 30 June 2023. Two of the bank loans will mature before this date and do not require amendment. Management are discussing the transition for the longer term bank loans and other borrowings with the lenders and do not anticipate material adjustments to effective interest rates. We do not currently have any interest rate hedging instruments.

For the years ended December 31, 2021, 2020 and 2019, we paid interest on our outstanding debt at a weighted average interest rate of 3.82%, 3.71% and 5.09%, respectively. A 0.5% increase or decrease in LIBOR would have increased or decreased our interest expense for the years ended December 31, 2021, 2020 and 2019, by $0.5 million, $1.1 million and $0.7 million, respectively.

Foreign Exchange Rate Risk

Our primary economic environment is the international shipping market. This market utilizes the U.S. dollar as its functional currency. Consequently, virtually all of our revenue and expenses are in U.S. dollars. Transactions in currencies other than the functional currency are translated at the exchange rate on the transaction date and the relevant payment is translated on the payment date, with the difference being reported in the income statement as an exchange gain or loss. In addition, a part of our debt obligations were, but no longer are, denominated in currencies other than the U.S. dollar, being the Japanese Yen. Assets and liabilities denominated in currencies different from the functional currency are translated into the functional currency for the preparation of the statement of financial position at the exchange rate prevailing on the statement of financial position date. Differences in exchange rates between statement of financial position dates may lead to gains or losses being reported in the income statement.

Extraordinary transactions and the translation of the financial statements of the subsidiaries whose functional currencies are not the U.S. dollar for purposes of preparing our consolidated financial statements, may follow different translation procedures. Depreciation in the value of the U.S. dollar relative to other currencies will increase the U.S. dollar cost of us paying such expenses. The portion of our business conducted in other currencies could increase in the future, which could expand our exposure to losses arising from currency fluctuations.

There is a risk that currency fluctuations will have a negative effect on our cash flows. We have not entered into any hedging contracts to protect against currency fluctuations. We may seek to hedge this currency fluctuation risk in the future.

The following sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the respective period end for a 10% change in foreign currency rates. If the relevant foreign currency strengthens by 10% against our functional currency, relative to the exchange rate that we used to prepare the respective financial statements, profit or loss will increase/(decrease) by:

	Impact on profit or loss	
(In millions of U.S. dollars)	**2021**	**2020**
U.S. dollars	$ 0.1	$ 0.2
South African Rand	(0.5)	(0.0)

Freight Derivatives Risk

From time to time, we may take positions in freight derivatives, mainly FFAs. Generally freight derivatives may be used to hedge exposure to charter rate market risk through the purchase or sale of specified time charter rates for forward positions. Settlement of FFA is in cash, against a daily market index published by the Baltic Exchange. By taking positions in FFAs or other derivative instruments we could suffer losses in the settling or termination of these agreements.

As of December 31, 2021, we had 23 FFAs outstanding. There were no outstanding contracts as of December 31, 2020 and December 31, 2019. For the years ended December 31, 2021, 2020 and 2019, we recorded a net gain on outstanding FFAs of $5.1 million, $nil, and $nil, respectively, in our consolidated financial statements, which resulted from fair value gains.

Bunker Price Risk

Our operating results are affected by movement in the price of fuel oil consumed by the vessels-known in the industry as bunkers. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including changes in legislation such as the IMO 2020 regulations, geopolitical developments, supply of and demand for oil and gas, actions by OPEC 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 our profitability. We do hedge some of our exposure to bunker price risk.

For the years ended December 31, 2021, 2020 and 2019, we recorded a net gain of $0.2 million, a net gain of $0.5 million and a net gain of $0.2 million on bunker swaps, respectively, which resulted from fair value loss or gain, in our consolidated financial statements.

A 10% increase or decrease in the bunker price, would result in a decrease or increase of the hedging reserve for the years ended December 31, 2021, 2020 and 2019, by $0.8 million, $0.2 million and $0.2 million, respectively.

Concentration of Credit Risk

Financial instruments, which potentially subject us to significant concentrations of credit risk, consist principally of trade accounts receivable and bank balances. We closely monitor our exposure to customers for credit risk. We have policies in place to ensure that we trade with customers with an appropriate credit history. We do not take out credit default insurance.

Our maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at the end of each financial year in relation to each class of recognized financial assets is the carrying amount of those assets as indicated in our statement of financial position.

Inflation

We do not expect inflation to be a significant risk to direct expenses in the current and foreseeable economic environment.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Debt Securities

Not applicable.

Warrants and Rights

Not applicable.

Other Securities

Not applicable.

American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, conducted an evaluation, pursuant to Rule 13a-15(e) promulgated under the Exchange Act, of the effectiveness of our disclosure controls and procedures as of December 31, 2021. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2021. Disclosure controls and procedures means controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

B. Management's Annual Report on Internal Control Over Financial Reporting

In accordance with Rule 13a-15(f) of the Exchange Act, the management of the Company is responsible for the establishment and maintenance of adequate internal controls over financial reporting for the Company. 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 IFRS as issued by the IASB. The Company's system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as issued by the IASB and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposal of the Company's assets that could have a material effect on the financial statements. Management has performed an assessment of the effectiveness of the Company's internal controls over financial reporting as of December 31, 2021, based on the provisions of Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in 2013. Based on our assessment, management determined that the Company's internal controls over financial reporting were effective as of December 31, 2021 based on the criteria in Internal Control - Integrated Framework issued by COSO (2013).

C. Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our registered public accounting firm related to management's assessment of internal control over financial reporting as required by Section 404(b) of the Sarbanes-Oxley Act of 2002 because we qualify as an "emerging growth company" under Section 3(a)(80) of the Exchange Act and, as a result, are exempt from the requirements under Section 404(b) of the Sarbanes-Oxley Act of 2002.

D. Changes in Internal Control Over Financial Reporting

During the year ended December 31, 2021, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Quah Ban Huat is an "audit committee financial expert" as defined in Item 16A of Form 20-F under the Exchange Act. Our board of directors has also determined that Quah Ban Huat satisfies the NASDAQ listed company "independence" requirements.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Ethics that applies to all our employees, officers and directors, including our Chief Executive Officer and our Chief Financial Officer. Our Code of Ethics is available on our website at www.grinshipping.com. There have been no changes to our Code of Ethics and no waivers granted from a provision of the code to our Chief Executive Officer or our Chief Financial Officer.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Deloitte & Touche LLP, an affiliate of a member firm of the Deloitte Network, namely Deloitte Network Southeast Asia Ltd, is our independent registered public accounting firm for the audits of the years ended December 31, 2021, 2020 and 2019. The Audit and Risk Committee, or ARC, is responsible for the appointment, compensation and oversight of the work of the independent auditor and is required to pre-approve all auditing services and non-audit services (other than "prohibited non-audit services") to be provided to Grindrod Shipping by Deloitte & Touche LLP, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, which are approved by the ARC prior to the completion of the audit.

Our ARC charter also provides that the ARC may delegate authority to one or more independent members of the ARC to grant pre-approvals of audit and permitted non-audit services; provided that any such pre-approvals shall be presented to the full ARC at its next scheduled meeting. Notwithstanding the foregoing, pre-approval is not necessary for minor non-audit services if: (A) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its External Auditor during the fiscal year in which the non-audit services are provided; (B) such services were not recognized by the Company at the time of the engagement to be non-audit services; and (C) such services are promptly brought to the attention of the ARC and approved prior to the completion of the audit by the ARC or by one or more members of the ARC who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the ARC. The ARC separately pre-approved all engagements and fees paid to our independent auditor that were required under our policy for the fiscal year ended December 31, 2021.

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Deloitte & Touche LLP (PCAOB ID No.1046) for the years ended December 31, 2021, 2020 and 2019.

	Year Ended December 31,		
(In thousands of U.S. dollars)	**2021**	**2020**	**2019**
Audit Fees[(1)]	1,765.6	1,426.8	1,633.1
Audit-Related Fees[(2)]	65.6	13.0	1.4
Tax Fees[(3)]	14.2	36.4	17.4
Other Fees[(4)]	-	16.0	2.1
Total Fees	**1,845.4**	**1,492.2**	**1,654.0**

(1) Includes fees billed or accrued for professional services rendered by the principal accountant, and member firms in their respective network, for the audit or review of our annual financial statements, and those of our consolidated subsidiaries.

(2) Fees for services reasonably related to the performance of the audit review and include services associated with the Registration Statement for the year ended December 31, 2021.

(3) Consists of fees for professional services rendered during the fiscal year by the principal accountant mainly for tax advice, compliance and assistance with tax audits and appeals.

(4) Other fees comprise of additional services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements, except for those not required by statute or regulation

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On July 14, 2020, our ordinary shareholders passed a resolution authorizing the purchase by us of up to 10% of our outstanding ordinary shares as of the date of the resolution (excluding any ordinary shares held as treasury shares at that date) and on May 20, 2021, our ordinary shareholders passed a resolution on the same terms authorizing the purchase by us of up to 10% of our outstanding ordinary shares as of the date of the resolution (excluding any ordinary shares held as treasury shares at that date) or 1,931,002 ordinary shares. The table below sets forth information relating to our acquisition of a total of 825,829 ordinary shares during the year end December 31, 2021 since the granting of these authorities. The maximum number of ordinary shares that may yet be purchased under the authorization is 1,105,173. Purchases or acquisitions of our ordinary shares may be made by way of open market purchases on NASDAQ and / or the JSE and at such price or prices as may be determined by the Board from time to time in accordance with the shareholder authorization. At our next annual general meeting, we expect to seek approval of the renewal of our share repurchase program on the same terms as currently in effect.

Period	Total number of ordinary shares purchased	Weighted average price per ordinary share[1]	Total Number of Shares Purchased as part of Publicly Announced Plans or Programs	Maximum Number (or Appropriate U.S. Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2021	-	-	-	-
February 1 - February 28, 2021	-	-	-	-
March 1 - March 31, 2021	-	-	-	-
April 1 - April 30, 2021	-	-	-	-
May 1 - May 31, 2021	32,261	$ 8.45	32,361	-[2]
June 1 - June 30, 2021	1,206	$ 8.70	1,206	-[2]
July 1 - July 31, 2021	-	-	-	-
August 1 - August 31, 2021	91,871	$ 14.87	91,871	-[2]
September 1 - September 30, 2021	-	-	-	-
October 1 - October 31, 2021	-	-	-	-
November 1 - November 30, 2021	328,531	$ 14.45	328,531	-[2]
December 1 - December 31, 2021	371,960	$ 14.58	371,960	-[2]
Total ordinary shares purchased	**825,829**	**$ 14.31**	**825,829**	**-**

The following table sets forth information relating to purchases of our ordinary shares in 2021 by certain of our directors in open market transactions that were not under our publicly announced share repurchase program discussed above. The disclosure below should not be deemed to be an admission that any such directors is an "affiliated purchaser" within the meaning of Rule 10b-18(a)(3) of the Exchange Act.

Period	Total number of ordinary shares purchased	Weighted average price per ordinary share	Total Number of Shares Purchased as part of Publicly Announced Plans or Programs	Maximum Number (or Appropriate U.S. Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2021	-	-	-	-
February 1 - February 28, 2021	-	-	-	-
March 1 - March 31, 2021	-	-	-	-
April 1 - April 30, 2021	-	-	-	-
May 1 - May 31, 2021	-	-	-	-
June 1 - June 30, 2021	-	-	-	-
July 1 - July 31, 2021	-	-	-	-
August 1 - August 31, 2021	1,200	$ 13.85	-	-
September 1 - September 30, 2021	-	-	-	-
October 1 - October 31, 2021	-	-	-	-
November 1 - November 30, 2021	-	-	-	-
December 1 - December 31, 2021	-	-	-	-
Total ordinary shares purchased	**1,200**	**$ 13.85**	**-**	**-**

(1) For purposes of the weighted average price per ordinary share calculation, ordinary share purchases made in South African Rand have been converted into U.S. Dollars using the closing exchange rate on December 31, 2021 of 0.0628.

(2) The purchases of ordinary shares were not made under our publicly announced share repurchase plan.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

The information contained in "Item 6. Directors, Senior Management and Employees—Corporate Governance Practices" in this annual report is incorporated by reference to this Item 16G.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Grindrod Shipping has responded to Item 18 in lieu of responding to this item.

ITEM 18. FINANCIAL STATEMENTS

Historical Consolidated Financial Statements

See pages F-1 to F-88 for the financial statements of Grindrod Shipping filed as part of this annual report.

ITEM 19. EXHIBITS

The following instruments and documents are included as Exhibits to this annual report.

No.	Exhibit
1.1	Constitution of Grindrod Shipping Holdings Ltd.[1]
2.1	Share Purchase Agreement between Grindrod Limited and Grindrod Shipping Holdings Pte. Ltd. in respect of Grindrod Shipping (South Africa) Pty Ltd dated March 23, 2018[2]
2.2	Share Purchase Agreement between Grindrod Limited and Grindrod Shipping Holdings Pte. Ltd. in respect of Grindrod Shipping Pte. Ltd. dated March 23, 2018[2]
2.3	Implementation Agreement between Grindrod Shipping Holdings Pte. Ltd., Grindrod Limited, Grindrod Shipping (South Africa) Pty Ltd and Grindrod Shipping Pte. Ltd. dated March 23, 2018[2]
2.4	Form of Specimen Ordinary Share Certificate (Grindrod Shipping Holdings Ltd.)[3]
2.5	Description of the rights of each class of securities registered under Section 12 of the Exchange Act.[5]
4.1(a)	Transitional Services Agreement between Grindrod Shipping (South Africa) Pty Ltd and Grindrod Limited dated April 23, 2018[3]
4.1(a)(i)	Addendum dated May 19, 2020 to the Transitional Services Agreement between Grindrod Shipping (South Africa) Pty Ltd and Grindrod Limited dated April 23, 2018[5]
4.1(b)	Transitional Services Agreement between Grindrod Shipping Holdings Pte. Ltd. and Grindrod Limited dated April 24, 2018[3]
4.1(b)(i)	Addendum dated May 20, 2020 to the Transitional Services Agreement between Grindrod Shipping Holdings Ltd. and Grindrod Limited dated April 24, 2018[5]
4.2	Form of 2018 Forfeitable Share Plan[1]
4.3(a)	Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.À.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated December 11, 2013[2]
4.3(b)	First Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated February 4, 2015[2]
4.3(c)	Second Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated January 20, 2016[2]
4.3(d)	Third Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated April 1, 2016[2]
4.3(e)	Fourth Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated April 25, 2016[2]
4.3(f)	Fifth Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated July 6, 2016[2]
4.3(g)	Sixth Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated October 31, 2016[2]
4.3(h)	Seventh Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated January 31, 2019[4]
4.3(i)	Eighth Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated March 26, 2019[4]
4.3(j)	Ninth Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated June 13, 2019[5]

4.3(k)	Tenth Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated September 11, 2019[5]
4.3(l)	Eleventh Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated November 25, 2019[5]
4.3(m)	Twelfth Amendment to Shareholders' Agreement between Grindrod Shipping Pte. Ltd., Sankaty European Investments III S.A.R.L., Regiment Capital Ltd and IVS Bulk Pte. Ltd. dated December 30, 2019[5]
4.4(a)	Shareholders' Agreement between Grindrod Shipping Pte. Ltd. and Vitol Shipping Singapore Pte. Ltd. dated April 2, 2012[2]
4.4(b)	Addendum to Shareholders' Agreement between Grindrod Shipping Pte. Ltd. and Vitol Shipping Singapore Pte. Ltd. dated December 2012[2]
4.4(c)	Agreement between Grindrod Shipping Pte. Ltd. and Vitol Shipping Singapore Pte. Ltd. dated August 30, 2018[4]
4.5	Loan Agreement, dated August 26, 2010, between Island View Shipping International Pte. Ltd., Standard Chartered Bank (Singapore Branch) and the banks and financial institutions named therein[1]
4.6	Supplemental Agreement dated December 13, 2011 to the Loan Agreement dated August 26, 2010, between Grindrod Shipping Pte. Ltd., IVS Bulk Owning Pte. Ltd., IVS Bulk Carriers Pte. Ltd, IVS Bulk 603 Pte. Ltd., Standard Chartered Bank (Singapore Branch) and the banks and financial institutions named therein[1]
4.7	Consent and Amendment Letter dated November 30, 2012, between Grindrod Shipping Pte. Ltd., IVS Bulk Owning Pte. Ltd., IVS Bulk Carriers Pte. Ltd, IVS Bulk 603 Pte. Ltd. and Standard Chartered Bank (Singapore Branch) in connection with the Loan Agreement dated August 26, 2010[1]
4.8	Supplemental Agreement No. 2 dated May 31, 2016 to the Loan Agreement dated August 26, 2010, between Grindrod Shipping Pte. Ltd., IVS Bulk Owning Pte. Ltd., IVS Bulk Carriers Pte. Ltd, IVS Bulk 603 Pte. Ltd., IVS Bulk 612 Pte. Ltd. and Standard Chartered Bank (Singapore Branch)[1]
4.9	Third Amendment Letter dated February 10, 2017 between Grindrod Shipping Pte. Ltd., IVS Bulk Owning Pte. Ltd., IVS Bulk Carriers Pte. Ltd, IVS Bulk 603 Pte. Ltd., IVS Bulk 612 Pte. Ltd. and Standard Chartered Bank (Singapore Branch) in connection with the Loan Agreement dated August 26, 2010[1]
4.10	Fourth Amendment Letter dated August 31, 2017 between Grindrod Shipping Pte. Ltd., IVS Bulk Owning Pte. Ltd., IVS Bulk Carriers Pte. Ltd, IVS Bulk 603 Pte. Ltd., IVS Bulk 612 Pte. Ltd. and Standard Chartered Bank (Singapore Branch) in connection with the Loan Agreement dated August 26, 2010[1]
4.11	Loan Agreement, dated July 7, 2011, between Grindrod Shipping Pte. Ltd., Credit Agricole Corporate and Investment Bank, Standard Chartered Bank, Singapore Branch, DVB Group Merchant Bank (Asia) Limited, BNP Paribas, Singapore Branch and the banks and financial institutions named therein[1]
4.12	Supplemental Letter dated August 20, 2013 between Grindrod Shipping Pte. Ltd., IVS Bulk 462 Pte. Ltd., IVS Bulk 511 Pte. Ltd., IVS Bulk 512 Pte. Ltd., Unicorn Ross Pte. Ltd., Unicorn Baltic Pte. Ltd., Unicorn Ionia Pte. Ltd., Unicorn Scotia Pte. Ltd., IVS Bulk 430 Pte. Ltd., Grindrod Shipping Limited and Credit Agricole Corporate and Investment Bank, in connection with the Loan Agreement dated July 7, 2011[1]
4.13	Supplemental Letter dated August 27, 2015 between Grindrod Shipping Pte. Ltd., IVS Bulk 462 Pte. Ltd., IVS Bulk 511 Pte. Ltd., IVS Bulk 512 Pte. Ltd., Unicorn Ross Pte. Ltd., Unicorn Baltic Pte. Ltd., Unicorn Ionia Pte. Ltd., IVS Bulk 430 Pte. Ltd., IVS Bulk 611 Pte. Ltd., Grindrod Limited and Credit Agricole Corporate and Investment Bank, in connection with the Loan Agreement dated July 7, 2011[1]
4.14	Supplemental Letter dated January 12, 2017 between Grindrod Shipping Pte. Ltd., IVS Bulk 462 Pte. Ltd., IVS Bulk 511 Pte. Ltd., IVS Bulk 512 Pte. Ltd., Unicorn Ross Pte. Ltd., Unicorn Baltic Pte. Ltd., Unicorn Ionia Pte. Ltd., IVS Bulk 430 Pte. Ltd., IVS Bulk 611 Pte. Ltd., IVS Bulk 475 Pte. Ltd., Grindrod Limited and Credit Agricole Corporate and Investment Bank, in connection with the Loan Agreement dated July 7, 2011[1]
4.15	$21.0 million Term Loan Facility Agreement, dated March 30, 2017, between Grindrod Shipping Pte. Ltd., Unicorn Atlantic Pte. Ltd., Unicorn Caspian Pte. Ltd., IVS Bulk 609 Pte. Ltd. and Credit Agricole Corporate and Investment Bank[1]
4.16	Letter, dated December 11, 2017 between Grindrod Shipping Pte. Ltd., Unicorn Atlantic Pte. Ltd., Unicorn Caspian Pte. Ltd., IVS Bulk 609 Pte. Ltd. and Credit Agricole Corporate and Investment Bank in connection with the $21.0 million Term Loan Facility Agreement dated March 30, 2017[1]
4.17	Letter, dated March 27, 2018 between Grindrod Shipping Pte. Ltd., Unicorn Atlantic Pte. Ltd., Unicorn Caspian Pte. Ltd., IVS Bulk 609 Pte. Ltd. and Credit Agricole Corporate and Investment Bank in connection with the $21.0 million Term Loan Facility Agreement dated March 30, 2017[1]
4.18	$27.0 million Facility Agreement, dated December 9, 2016, between Grindrod Limited, Grindrod Shipping Pte. Ltd., Grindrod Maritime LLC, DVB Bank SE Singapore Branch and DVB Bank SE[1]

4.18(a)	Amendment No. 1 dated June 18, 2018 to the $27.0 million Facility Agreement, dated December 9, 2016, between Grindrod Limited, Grindrod Shipping Pte. Ltd., Grindrod Maritime LLC, DVB Bank SE Singapore Branch and DVB Bank SE[4]
4.18(b)	Side Letter dated December 7, 2018 to the $27.0 million Facility Agreement, dated December 9, 2016, between Grindrod Limited, Grindrod Shipping Pte. Ltd., Grindrod Maritime LLC, DVB Bank SE Singapore Branch and DVB Bank SE, as amended and restated[5]
4.18(c)	Side Letter No. 2 dated June 28, 2019 to the $27.0 million Facility Agreement, dated December 9, 2016, between Grindrod Limited, Grindrod Shipping Pte. Ltd., Grindrod Maritime LLC, DVB Bank SE Singapore Branch and DVB Bank SE, as amended and restated[5]
4.18(d)	Side Letter No. 3 dated April 16, 2020 to the $27.0 million Facility Agreement, dated December 9, 2016, between Grindrod Limited, Grindrod Shipping Pte. Ltd., Grindrod Maritime LLC, DVB Bank SE Singapore Branch and DVB Bank SE, as amended and restated[5]
4.18(e)	Letter dated June 5, 2020, relating to the $27.0 million Facility Agreement, dated December 9, 2016, between Grindrod Limited, Grindrod Shipping Pte. Ltd., Grindrod Maritime LLC, DVB Bank SE Singapore Branch and DVB Bank SE, as amended and restated[5]
4.19	Form of Non-Executive Director Appointment Letter[1]
4.20	$100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., IVS Bulk Carriers Pte. Ltd., IVS Bulk Owning Pte. Ltd., IVS Bulk 462 Pte. Ltd., IVS Bulk 475 Pte. Ltd., Unicorn Atlantic Pte. Ltd., Unicorn Baltic Pte. Ltd., Unicorn Ross Pte. Ltd., Unicorn Ionia Pte. Ltd., IVS Bulk 511 Pte. Ltd., IVS Bulk 603 Pte. Ltd., IVS Bulk 707 Pte. Ltd., Unicorn Caspian Pte. Ltd., IVS Bulk 512 Pte. Ltd., IVS Bulk 609 Pte. Ltd., IVS Bulk 611 Pte. Ltd., IVS Bulk 612 Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions named therein[3]
4.20(a)	Side Letter dated December 14, 2018 to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions, and guarantors named therein[4]
4.20(b)	Side Letter No. 2 dated June 28, 2019 to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions, and guarantors named therein[5]
4.20(c)	Side Letter No. 3 dated April 16, 2020 to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions, and guarantors named therein[5]
4.20(d)	Letter dated June 5, 2020 relating to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions, and guarantors named therein[5]
4.20(e)	Side Letter No. 4 dated June 30, 2020 to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions, and guarantors named therein[6]
4.20(f)	Side Letter No. 5 dated November 11, 2020 to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions, and guarantors named therein[6]
4.20(g)	Side Letter No. 6 dated December 31, 2020 to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch, Standard Chartered Bank, Singapore Branch and the banks and financial institutions, and guarantors named therein[6]
4.20(h)	Side Letter No. 7 dated June 7, 2021 to the $100.0 million Facility Agreement dated May 8, 2018, between Grindrod Shipping Pte. Ltd., Crédit Agricole Corporate and Investment Bank and NIBC Bank N.V. and the banks and financial institutions, and guarantors named therein
4.21	$29.9 million Term Loan Facility Agreement dated December 21, 2018 between Grindrod Shipping Holdings Ltd., Unicorn Moon Pte. Ltd., Unicorn Sun Pte. Ltd., NIBC Bank N.V. and the banks and financial institutions named therein[4]
4.21(a)	Side Letter dated June 28, 2019 to the $29.9 million Term Loan Facility Agreement dated December 21, 2018 between Grindrod Shipping Holdings Ltd., Unicorn Moon Pte. Ltd., Unicorn Sun Pte. Ltd., NIBC Bank N.V. and the banks and financial institutions named therein[5]
4.21(b)	Side Letter No. 2 dated May 8, 2020 to the $29.9 million Term Loan Facility Agreement dated December 21, 2018 between Grindrod Shipping Holdings Ltd., Unicorn Moon Pte. Ltd., Unicorn Sun Pte. Ltd., NIBC Bank N.V. and the banks and financial institutions named therein[5]
4.21(c)	Letter dated June 4, 2020 relating to the $29.9 million Term Loan Facility Agreement dated December 21, 2018 between Grindrod Shipping Holdings Ltd., Unicorn Moon Pte. Ltd., Unicorn Sun Pte. Ltd., NIBC Bank N.V. and the banks and financial institutions named therein[5]

4.21(d)	Side Letter No. 3 dated June 30, 2020 to the $29.9 million Term Loan Facility Agreement dated December 21, 2018 between Grindrod Shipping Holdings Ltd., Unicorn Moon Pte. Ltd., Unicorn Sun Pte. Ltd., NIBC Bank N.V. and the banks and financial institutions named therein[6]
4.21(e)	Side Letter No. 4 dated December 30, 2020 to the $29.9 million Term Loan Facility Agreement dated December 21, 2018 between Grindrod Shipping Holdings Ltd., Unicorn Moon Pte. Ltd., Unicorn Sun Pte. Ltd., NIBC Bank N.V. and the banks and financial institutions named therein[6]
4.22	$15.7 million Term Facility Agreement dated July 29, 2019, between IVS Bulk 3720 Pte. Ltd., Grindrod Shipping Holdings Ltd. and The IYO Bank, Ltd., Singapore Branch[5]
4.22(a)	Addendum dated August 27, 2019, to the $15.7 million Term Facility Agreement dated July 29, 2019, between IVS Bulk 3720 Pte. Ltd., Grindrod Shipping Holdings Ltd. and The IYO Bank, Ltd., Singapore Branch[5]
4.23	$15.7 million Term Facility Agreement dated July 29, 2019, between IVS Bulk 3708 Pte. Ltd., Grindrod Shipping Holdings Ltd. and The IYO Bank, Ltd., Singapore Branch[5]
4.23(a)	Addendum dated August 27, 2019, to the $15.7 million Term Facility Agreement dated July 29, 2019, between IVS Bulk 3708 Pte. Ltd., Grindrod Shipping Holdings Ltd. and The IYO Bank, Ltd., Singapore Branch[5]
4.24	$13.1 million Loan Agreement dated January 31, 2020, between IVS Bulk 10824 Pte. Ltd., IVS Bulk Pte. Ltd. and Showa Leasing Co., Ltd.[5]
4.25	$114.1 million Term Loan Facility Agreement dated February 10, 2020, between IVS Bulk Pte. Ltd., Grindrod Shipping Holdings Ltd., IVS Bulk 709 Pte. Ltd., IVS Bulk 5858 Pte. Ltd., IVS Bulk 543 Pte. Ltd., IVS Bulk 5855 Pte. Ltd., IVS Bulk 541 Pte. Ltd., IVS Bulk 545 Pte. Ltd., IVS Bulk 712 Pte. Ltd., IVS Bulk 1345 Pte. Ltd., IVS Bulk 554 Pte. Ltd., IVS Bulk 7297 Pte. Ltd., IVS Bulk 3693 Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Hamburg Commercial Bank AG, and the banks and financial institutions named therein[5]
4.25(a)	Letter dated June 4, 2020 relating to the $114.1 million Term Loan Facility Agreement dated February 10, 2020, between IVS Bulk Pte. Ltd., Grindrod Shipping Holdings Ltd., IVS Bulk 709 Pte. Ltd., IVS Bulk 5858 Pte. Ltd., IVS Bulk 543 Pte. Ltd., IVS Bulk 5855 Pte. Ltd., IVS Bulk 541 Pte. Ltd., IVS Bulk 545 Pte. Ltd., IVS Bulk 712 Pte. Ltd., IVS Bulk 1345 Pte. Ltd., IVS Bulk 554 Pte. Ltd., IVS Bulk 7297 Pte. Ltd., IVS Bulk 3693 Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Hamburg Commercial Bank AG, and the banks and financial institutions named therein[5]
4.25(b)	Supplemental Letter dated June 30, 2020 relating to the $114.1 million Term Loan Facility Agreement dated February 10, 2020, between IVS Bulk Pte. Ltd., Grindrod Shipping Holdings Ltd., IVS Bulk 709 Pte. Ltd., IVS Bulk 5858 Pte. Ltd., IVS Bulk 543 Pte. Ltd., IVS Bulk 5855 Pte. Ltd., IVS Bulk 541 Pte. Ltd., IVS Bulk 545 Pte. Ltd., IVS Bulk 712 Pte. Ltd., IVS Bulk 1345 Pte. Ltd., IVS Bulk 554 Pte. Ltd., IVS Bulk 7297 Pte. Ltd., IVS Bulk 3693 Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Hamburg Commercial Bank AG, and the banks and financial institutions named therein[6]
4.25(c)	Supplemental Letter dated December 29, 2020 relating to the $114.1 million Term Loan Facility Agreement dated February 10, 2020, between IVS Bulk Pte. Ltd., Grindrod Shipping Holdings Ltd., IVS Bulk 709 Pte. Ltd., IVS Bulk 5858 Pte. Ltd., IVS Bulk 543 Pte. Ltd., IVS Bulk 5855 Pte. Ltd., IVS Bulk 541 Pte. Ltd., IVS Bulk 545 Pte. Ltd., IVS Bulk 712 Pte. Ltd., IVS Bulk 1345 Pte. Ltd., IVS Bulk 554 Pte. Ltd., IVS Bulk 7297 Pte. Ltd., IVS Bulk 3693 Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Hamburg Commercial Bank AG, and the banks and financial institutions named therein[6]
4.25(d)	Amendment and Restatement Agreement dated September 10, 2021 relating to the $114.1 million Term Loan Facility Agreement dated February 10, 2020, between IVS Bulk Pte. Ltd., Grindrod Shipping Holdings Ltd., IVS Bulk 709 Pte. Ltd., IVS Bulk 5858 Pte. Ltd., IVS Bulk 543 Pte. Ltd., IVS Bulk 5855 Pte. Ltd., IVS Bulk 541 Pte. Ltd., IVS Bulk 545 Pte. Ltd., IVS Bulk 712 Pte. Ltd., IVS Bulk 1345 Pte. Ltd., IVS Bulk 554 Pte. Ltd., IVS Bulk 7297 Pte. Ltd., IVS Bulk 3693 Pte. Ltd., Crédit Agricole Corporate and Investment Bank, Hamburg Commercial Bank AG, and the banks and financial institutions named therein
4.26	$35.8 million Financing Agreement dated February 13, 2020, between Grindrod Shipping Pte. Ltd., the Lenders from time to time party thereto and Sankaty European Investments III S.A.R.L.[5]
4.26 (a)	Payoff Letter for the $35.8 million Financing Agreement dated February 13, 2020, between Grindrod Shipping Pte. Ltd., the Lenders from time to time party thereto and Sankaty European Investments III S.A.R.L.
4.26 (b)	Deed of Discharge, Release and Reassignment for the $35.8 million Financing Agreement dated February 13, 2020, between Grindrod Shipping Pte. Ltd., the Lenders from time to time party thereto and Sankaty European Investments III S.A.R.L.
4.27	Share Purchase Agreement dated February 14, 2020, between Regiment Capital Ltd. and Grindrod Shipping Pte. Ltd.[5]
4.28	Shareholders' Agreement dated February 14, 2020, between Sankaty European Investments III S.A.R.L. and Grindrod Shipping Pte. Ltd. in respect of IVS Bulk Pte. Ltd.[5]
4.29	Indemnity Agreement dated February 13, 2020, between Sankaty European Investments III S.A.R.L., Grindrod Shipping Holdings Ltd., IVS Bulk Pte. Ltd. and Grindrod Shipping Pte. Ltd.[5]

4.30	Letter of Undertaking dated February 14, 2020, by Grindrod Shipping Holdings Ltd. to Sankaty European Investments III S.A.R.L.[2]
4.31	Share Purchase Agreement dated July 20, 2021, between Letter of Undertaking dated February 14, 2020, by Grindrod Shipping Holdings Ltd. to Sankaty European Investments III S.A.R.L. and Grindrod Shipping Pte. Ltd.
8.1	List of subsidiaries of the registrant
12.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, U.S.C. Section 1350
13.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, U.S.C. Section 1350
15.2	Consent of the Independent Registered Public Accounting Firm
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Financial Position as of December 31, 2021 and 2020; (ii) Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Years Ended December 31, 2021, 2020 and 2019; (iii) Consolidated Statements of Changes in Equity for the Years ended December 31, 2021, 2020 and 2019; (vi) Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2020 and 2019; and (v) Notes to Consolidated Financial Statements for the Years Ended December 31, 2021, 2020 and 2019.

(1) Incorporated by reference to Amendment No. 1 to the Registrant's registration statement on form 20-F filed with the Commission on April 6, 2018.

(2) Incorporated by reference to Amendment No. 2 to the Registrant's registration statement on form 20-F filed with the Commission on April 30, 2018.

(3) Incorporated by reference to Amendment No. 3 to the Registrant's registration statement on form 20-F filed with the Commission on June 5, 2018.

(4) Incorporated by reference to the Registrant's 2018 annual report on form 20-F filed with the Commission on April 16, 2019.

(5) Incorporated by reference to the Registrant's 2019 annual report on form 20-F files with the Commission on June 5, 2020.

(6) Incorporated by reference to the Registrant's 2020 annual report on form 20-F files with the Commission on March 31, 2021.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GRINDROD SHIPPING HOLDINGS LTD.

/s/ Stephen Griffiths

Name	Stephen Griffiths
Title:	Chief Financial Officer
Date:	March 25, 2022

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF
GRINDROD SHIPPING HOLDINGS LTD.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Grindrod Shipping Holdings Ltd. and its subsidiaries (the "Group") as of 31 December 2021 and 2020, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the three years in the period ended 31 December 2021 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of the Group as of 31 December 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's financial statements 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 Group 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that 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. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP
Singapore

25 March 2022

We have served as the Group's auditor since 2017.

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December

	Notes	2021 US$'000	2020 US$'000
ASSETS			
Current assets			
Cash and bank balances	6	107,118	41,261
Trade receivables	7	8,973	7,928
Contract assets	8	3,686	900
Other receivables and prepayments	9	22,424	18,741
Loans to joint ventures	10	10	798
Derivative financial instruments	11	5,370	458
Inventories	12	13,909	8,700
		161,490	78,786
Assets classified as held for sale	38	-	3,825
Total current assets		161,490	82,611
Non-current assets			
Restricted cash	6	6,649	9,304
Ships, property, plant and equipment	13	437,479	475,303
Right-of-use assets	14	32,467	49,062
Interest in joint ventures	16	13	166
Derivative financial instruments	11	611	-
Intangible assets	17	227	405
Goodwill	18	-	960
Other receivables and prepayments	9	380	-
Other investments	19	3,730	3,150
Deferred tax assets	20	2,123	1,138
Total non-current assets		483,679	539,488
Total assets		645,169	622,099
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	21	33,874	27,355
Contract liabilities	22	8,441	5,094
Lease liabilities	24	27,375	28,120
Bank loans and other borrowings	25	28,020	53,394
Retirement benefit obligations	27	124	-
Derivative financial instruments	11	704	-
Provisions	26	1,019	80
Income tax payable		786	3,350
		100,343	117,393
Liabilities directly associated with assets classified as held for sale	38	-	508
Total current liabilities		100,343	117,901
Non-current liabilities			
Trade and other payables	21	160	198
Lease liabilities	24	5,896	23,124
Bank loans and other borrowings	25	217,646	225,038
Retirement benefit obligation	27	1,489	1,819
Total non-current liabilities		225,191	250,179
Capital and reserves			
Share capital	28	320,683	320,683
Other equity and reserves	29	(24,068)	(23,078)
Accumulated profit (losses)		23,020	(85,368)
Equity attributable to owners of the Company		319,635	212,237
Non-controlling interests	42	-	41,782
Total equity		319,635	254,019
Total equity and liabilities		645,169	622,099

See accompanying notes to consolidated financial statements.

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
Year ended 31 December

	Notes	2021 US$'000	2020 US$'000	2019 US$'000
Continuing operations				
Revenue	30	455,839	210,682	272,292
Cost of sales				
Voyage expenses		(96,964)	(81,840)	(141,445)
Vessel operating costs		(43,958)	(37,968)	(19,518)
Charter hire costs		(75,381)	(34,369)	(56,087)
Depreciation of ships, drydocking and plant and equipment– owned assets	35	(25,866)	(22,003)	(10,735)
Depreciation of ships and ship equipment – right-of-use assets	35	(34,898)	(24,674)	(25,004)
Other expenses		(1,875)	(398)	(239)
Cost of ship sale		-	(5,375)	(8,280)
Gross profit		176,897	4,055	10,984
Other operating income (expense)	32	3,849	(293)	(6,524)
Administrative expense		(36,089)	(21,435)	(23,902)
Share of losses of joint ventures	16	(31)	(2,476)	(1,873)
Interest income	33	201	467	1,882
Interest expense	34	(12,298)	(15,106)	(8,052)
Profit (loss) before taxation	35	**132,529**	**(34,788)**	**(27,485)**
Income tax benefit (expense)	36	118	(189)	400
Profit (loss) for the year from continuing operations		**132,647**	**(34,977)**	**(27,085)**
Discontinued operation				
Loss for the year from discontinued operation	37	**(3,165)**	**(6,123)**	**(16,402)**
Profit (loss) for the year		**129,482**	**(41,100)**	**(43,487)**
Profit (loss) for the year attributable to:				
Owners of the Company		118,925	(38,795)	(43,487)
Continuing operations		122,090	(32,672)	(27,085)
Discontinued operation		(3,165)	(6,123)	(16,402)
Non-controlling interests – continuing operations		10,557	(2,305)	-
		129,482	**(41,100)**	**(43,487)**
		US$	US$	US$
Profit (loss) per share attributable to the owners of the Company:				
From continuing and discontinued operation				
Basic	40	**6.21**	**(2.05)**	**(2.29)**
Diluted	40	**5.94**	**(2.05)**	**(2.29)**
From continuing operations				
Basic	40	**6.38**	**(1.72)**	**(1.42)**
Diluted	40	**6.10**	**(1.72)**	**(1.42)**

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Year ended 31 December

	Notes	2021 US$'000	2020 US$'000	2019 US$'000
Profit (loss) for the year		**129,482**	**(41,100)**	**(43,487)**
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit obligation	27	60	39	(42)
Remeasurement of other investment	19	835	-	-
		895	39	(42)
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations		(1,034)	(6,227)	761
Net fair value gain on hedging instruments entered into for cash flow hedges	29	4,999	285	1,040
		3,965	(5,942)	1,801
Other comprehensive income (loss) for the year, net of income tax		**4,860**	**(5,903)**	**1,759**
Total comprehensive income (loss) for the year		**134,342**	**(47,003)**	**(41,728)**
Total comprehensive income (loss) for the year attributable to:				
Owners of the Company		123,785	(44,698)	(41,728)
Continuing operations		127,068	(38,063)	(25,528)
Discontinued operation		(3,283)	(6,635)	(16,200)
Non-controlling interests – continuing operations		10,557	(2,305)	-
		134,342	**(47,003)**	**(41,728)**

See accompanying notes to consolidated financial statements.

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December

	Equity attributable to equity holders of the Company									
		Other equity and reserves								
	Share capital	Treasury shares	Share compensation reserve	Hedging reserve	Translation reserve	Merger reserve	Accumulated losses	Attributable to owners of the company	Non-controlling interest	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2019	**320,683**	**-**	**1,364**	**(867)**	**(3,283)**	**(18,354)**	**(7,040)**	**292,503**	**-**	**292,503**
Loss for the year	-	-	-	-	-	-	(43,487)	(43,487)	-	(43,487)
Other comprehensive income for the year, net of income tax	-	-	-	1,040	761	-	(42)	1,759	-	1,759
Total comprehensive loss for the year	-	-	-	**1,040**	**761**	-	**(43,529)**	**(41,728)**	-	**(41,728)**
Equity-settled share-based payments (Note 29)	-	-	3,156	-	-	-	-	3,156	-	3,156
Acquisition of treasury shares (Note 29)	-	(1,993)	-	-	-	-	-	(1,993)	-	(1,993)
Transaction with owners, recognised directly in equity	-	(1,993)	3,156	-	-	-	-	1,163	-	1,163
Balance at 31 December 2019	**320,683**	**(1,993)**	**4,520**	**173**	**(2,522)**	**(18,354)**	**(50,569)**	**251,938**	**-**	**251,938**

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the year ended 31 December

	Equity attributable to equity holders of the Company									
		Other equity and reserves								
	Share capital	Treasury shares	Share compensation reserve	Hedging reserve	Translation reserve	Merger reserve	Accumulated losses	Attributable to owners of the company	Non-controlling interest	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2020	**320,683**	**(1,993)**	**4,520**	**173**	**(2,522)**	**(18,354)**	**(50,569)**	**251,938**	**-**	**251,938**
Loss for the year	-	-	-	-	-	-	(38,795)	(38,795)	(2,305)	(41,100)
Other comprehensive income for the year, net of income tax	-	-	-	285	(6,227)	-	39	(5,903)	-	(5,903)
Total comprehensive loss for the year	**-**	**-**	**-**	**285**	**(6,227)**	**-**	**(38,756)**	**(44,698)**	**(2,305)**	**(47,003)**
Equity-settled share-based payments (Note 29)	-	-	1,847	-	-	-	-	1,847	-	1,847
Treasury shares reissued to employees under the Forfeitable Share Plan (Note 29)	-	1,606	(2,413)	-	-	-	807	-	-	-
Transfer of pension fund surplus (Note 19)	-	-	-	-	-	-	3,150	3,150	-	3,150
Non-controlling interest on acquisition of a subsidiary (Note 39.1)	-	-	-	-	-	-	-	-	44,087	44,087
Transaction with owners, recognised directly in equity	-	1,606	(566)	-	-	-	3,957	4,997	44,087	49,084
Balance at 31 December 2020	**320,683**	**(387)**	**3,954**	**458**	**(8,749)**	**(18,354)**	**(85,368)**	**212,237**	**41,782**	**254,019**

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the year ended 31 December

	Equity attributable to equity holders of the Company									
		Other equity and reserves								
	Share capital	Treasury shares	Share compensation reserve	Hedging reserve	Translation reserve	Merger reserve	Accumulated profit (losses)	Attributable to owners of the company	Non-controlling interest	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2021	**320,683**	**(387)**	**3,954**	**458**	**(8,749)**	**(18,354)**	**(85,368)**	**212,237**	**41,782**	**254,019**
Profit for the year	-	-	-	-	-	-	118,925	118,925	10,557	129,482
Other comprehensive income for the year, net of income tax	-	-	-	4,999	(1,034)	-	895	4,860	-	4,860
Total comprehensive income for the year	**-**	**-**	**-**	**4,999**	**(1,034)**	**-**	**119,820**	**123,785**	**10,557**	**134,342**
Dividends (Note 41)	-	-	-	-	-	-	(13,546)	(13,546)	-	(13,546)
Equity-settled share-based payments (Note 29)	-	-	3,330	-	-	-	-	3,330	-	3,330
Treasury shares reissued to employees under the Forfeitable Share Plan (Note 29)	-	393	(2,507)	-	-	-	2,114	-	-	-
Acquisition of treasury shares (Note 29)	-	(11,876)	-	-	-	-	-	(11,876)	-	(11,876)
Acquisition of non-controlling interest (Note 39.1)	-	-	-	-	-	5,705	-	5,705	(52,339)	(46,634)
Transaction with owners, recognised directly in equity	-	(11,483)	823	-	-	5,705	(11,432)	(16,387)	(52,339)	(68,726)
Balance at 31 December 2021	**320,683**	**(11,870)**	**4,777**	**5,457**	**(9,783)**	**(12,649)**	**23,020**	**319,635**	**-**	**319,635**

* Amount is less than US$1,000.

See accompanying notes to consolidated financial statements.

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Year ended 31 December

	2021	2020	2019
Operating activities	US$'000	US$'000	US$'000
Profit (loss) for the year	129,482	(41,100)	(43,487)
Adjustments for:			
Share of losses of joint ventures	31	945	1,420
Loss on disposal of ships	1,115	788	298
Loss on disposal of business	26	-	-
Gain on disposal of plant and equipment	(14)	-	(4)
Gain on disposal of right-of-use assets	(104)	-	-
Depreciation and amortisation	61,953	51,549	48,763
(Reversal of) impairment loss recognised on ships	(3,557)	16,282	16,995
(Reversal of) impairment loss recognised on right-of-use assets	(1,046)	-	2,250
Impairment loss recognised on goodwill and intangibles	965	-	3,179
Impairment loss recognised on financial assets	681	1,823	-
Impairment loss recognised on net disposal group	2,551	576	-
Impairment loss recognised on plant and equipment	1	138	-
Provision (reversal of provision) for onerous contracts	939	(325)	(408)
Recognition of share-based payments expenses	3,330	1,847	3,156
Net foreign exchange (gain) loss	(744)	(5,157)	709
Interest expense	12,947	16,938	11,916
Interest income	(236)	(565)	(1,979)
Income tax (benefit) expense	(2,831)	723	685
Components of defined benefit costs recognised in profit or loss	177	152	183
Operating cash flows before movements in working capital and ships	205,666	44,614	43,676
Inventories	(5,089)	4,019	(1,644)
Trade receivables, other receivables and prepayments	(5,361)	5,594	(1,506)
Contract assets	(2,786)	2,943	(2,063)
Trade and other payables	6,729	(4,085)	5,796
Contract liabilities	3,347	1,014	28
Due to related parties	233	-	638
Due from related parties	-	(398)	-
Operating cash flows before movements in ships	202,739	53,701	44,925
Capital expenditure on ships	(33,455)	(9,021)	(106,107)
Proceeds from disposal of ships	47,819	40,366	15,634
Net cash generated from (used in) from operations	217,103	85,046	(45,548)
Interest paid	(11,623)	(14,950)	(11,307)
Interest received	236	725	1,825
Income tax paid	(864)	(437)	(557)
Net cash flows generated from (used in) operating activities	**204,852**	**70,384**	**(55,587)**
Investing activities			
Repayment to related parties	-	(2,060)	-
Repayment from related parties	-	-	7,648
Repayment of loans and amount due from joint venture	788	5,127	20,268
Purchase of plant and equipment	(49)	(67)	(94)
Purchase of intangible assets	(6)	(352)	(161)
Proceeds from disposal of plant and equipment	21	-	5
Proceeds from disposal of businesses	68	-	-
Dividends and distributions received from a joint venture	184	3,106	7,500
Cash transferred in from disposal group (Note 38)	60	-	-
Payment for acquisition of subsidiary, net of cash acquired (Note 39.1)	-	(28,313)	-
Net cash generated from (used in) investing activities	**1,066**	**(22,559)**	**35,166**

CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
Year ended 31 December

	2021	2020	2019
	US$'000	US$'000	US$'000
Financing activities (Note A)			
Long-term interest bearing debt raised	48,031	60,718	95,824
Payment of capital portion of long-term interest-bearing debt	(82,110)	(74,908)	(45,540)
Principal repayments on lease liabilities	(36,040)	(27,948)	(29,905)
Acquisition of non-controlling interest (Note 39.1)	(46,634)	-	-
Acquisition of treasury shares	(11,876)	-	(1,993)
Dividends paid	(13,546)	-	-
Restricted cash	3,099	155	987
Net cash flows (used in) generated from financing activities	**(139,076)**	**(41,983)**	**19,373**
Net increase (decrease) in cash and cash equivalents	66,842	5,842	(1,048)
Cash and cash equivalents at the beginning of the year (Note 6)	37,942	32,527	33,498
Effect of exchange rate changes on the balance of cash held in foreign currencies	(541)	(427)	77
Cash and cash equivalents at the end of the year	**104,243**	**37,942**	**32,527**

Note A:
Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans and other borrowings (Note 25)	Due (from) to joint venture and related parties – (Note 10)	Lease liabilities (Note 24)
	US$'000	US$'000	US$'000
Balance at 1 January 2020	165,244	941	57,946
Financing cash flows [(i)]	(14,190)	-	(27,948)
Investing cash flows	-	(2,060)	-
Operating cash flows	-	220	-
Other changes [(ii)]	127,378	900	21,246
Balance at 31 December 2020	278,432	1	51,244
Financing cash flows [(i)]	(34,079)	-	(36,040)
Other changes [(ii)]	1,313	(1)	18,067
Balance at 31 December 2021	245,666	-	33,271

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes for bank loans relates to interest accruals and net foreign exchange differences. In 2020, this balance included bank loans of US$114.1 million and US$13.1 million arising from bank loans assumed on the acquisition of IVS Bulk. Other changes for due (from) to joint venture and related parties relates to interest accruals and payments and net foreign exchange differences. Other changes for lease liabilities relates to new lease arrangements entered and existing lease contracts terminated.

See accompanying notes to consolidated financial statements.

1 GENERAL

General information

The company was incorporated as a private company on 2 November 2017 and with effect from 25 April 2018, it was converted from a private company to a public company whereby it changed its name to Grindrod Shipping Holdings Ltd. The company is incorporated in Singapore with its principal place of business and registered office at #03-01 Southpoint, 200 Cantonment Road, Singapore 089763. On 18 June 2018, the company became a publicly traded company with its shares primarily listed on the NASDAQ Global Select Market and from the 19 June 2018 secondarily on the Main Board of the Johannesburg Stock Exchange (JSE).

The principal activities of the Group are ship chartering, operating and sales of vessels. Information of the entities within the Group is contained in Note 15.

The Group completed the plan to discontinue the tanker business during December 2021 and has presented the tanker business as a discontinued operation. The Group is now focused on the drybulk business which is presented as the continuing operations. Prior period figures have been reclassified for the presentation of the tanker business as a discontinued operation which is explained in more detail in Note 37.

On 11 March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak a pandemic. In response to the pandemic, many countries, ports and organisations, 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 of charter rates, which affected the Group's revenue and cash flows from operations for the year ended 31 December 2020. The Group also experienced some delays in cargo operations due to port restrictions and additional protocols. As a result of the spread of the pandemic, the Group has incurred some additional crewing expenses arising from crew travel, COVID-19 testing and procurement of personal protection equipment which is included in our vessel operating costs in our Consolidated statements of profit or loss for the years ended 31 December 2021 and 2020. Additionally, the Group experienced some delays in drydocking and installations of ballast water treatment systems, operations and crew changes due to quarantine regulations and COVID-19 testing and the 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.

The consolidated financial statements of the Group for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 25 March 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

2.2 Basis of preparation of historical consolidated financial information

The financial statements are prepared in accordance with the historical cost basis except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

2.3 Application of new and revised International Financial Reporting Standards (IFRSs)

From 1 January 2021, the Group has applied a number of new IFRS and amendments to IFRSs issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2021. The adoption of these new and revised IFRSs has not resulted in significant changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods except as follows:

Impact of the initial application of Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
In the prior year, the Group adopted the Phase 1 amendments *Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7*. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments *Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The amendments have no material impact on the amounts reported for the current or prior periods.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impact of initial application of Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
In the prior year, the Group early adopted *Covid-19-Related Rent Concessions (Amendment to IFRS 16)* that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the IASB issued *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)* that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
- There is no substantive change to other terms and conditions of the lease

Impact on accounting for changes in lease payments applying the exemption
The Group did not experience any lease modifications as a result of COVID-19 and have therefore not applied the practical expedients allowed in the amendment to IFRS 16 (as issued by the IASB in May 2021).

2.4 New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that are relevant to the Group that were issued but are not yet effective:

IFRS 17 (amendments including the June 2020 amendments)	*Insurance Contracts*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IAS 1	*Classification of liabilities as Current or Non-current*
Amendments to IFRS 3	*Reference to Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before intended use*
Amendments to IAS 37	*Onerous Contracts – Cost of fulfilling a Contract*
Annual improvements to IFRS Standards 2018-2020	*Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to assets and liabilities arising from a Single Transaction*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to 31 December each year. Control is achieved when the Group has the power over the investee, is exposed; or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affects its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including; the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Group, other vote holders or other parties; rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustment depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39 *Financial Instruments*, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

IFRS 3 *Business Combinations* has an optional, simplified approach for assessing whether the Group has acquired a business or assets. Under this optional concentration test, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the Group can conclude that the acquisition is not a business combination. The acquisition would instead be accounted for as an asset acquisition.

If the Group chooses not to perform the optional concentration test, or performs the optional concentration test and determines that substantially all of the fair value of the gross assets acquired is not concentrated in a single identifiable asset or group of similar identifiable assets, it must assess if the acquired set of activities and assets comprises all of the required elements of a business.

If the fair value of gross assets acquired in an asset acquisition is in excess of consideration, the excess will be allocated to the single identifiable asset as identified in the concentration test.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Classification of financial assets

Debt instruments mainly comprise cash and bank balances, trade and other receivables, loans to joint ventures and amounts due from joint ventures that meet the following conditions are subsequently measured at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Debt instruments relating to derivative financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECL), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Group recognises a loss allowance for ECL on trade and other receivables, amounts due from joint ventures and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the lifetime financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified forecast economic information that relate to international shipping operations in which it operates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; or
- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the company presumes that the credit risk on a financial asset has increased since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

i) the financial instrument has a low risk of default,

ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and

iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue cost.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Bank loans

Interest-bearing bank loans are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowing in accordance with the company's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative financial instruments

The Group enters into freight forward agreements and bunker swaps to manage its exposure to freight rate and bunker prices respectively. Further details of derivative financial instruments are disclosed in Note 11.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Group designates the derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instruments is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates hedges of freight rate risk and bunker prices as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Note 11 contains details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in the statements of comprehensive income ("OCI").

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI and accumulated under the heading of Hedging Reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other operating expense or other operating income.

Amounts previously recognised in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of profit or loss and OCI as the recognised hedged item. However, when the forecast transaction that is hedged, results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. This transfer does not affect OCI. Furthermore, if the Group expects that some or all of the loss accumulated in OCI will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.8 Offsetting Arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.9 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories which include bunkers on board ships and other consumable stores are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined on a first-in first-out basis. Spares on board ships are charged against income when issued to the ships.

When inventories are sold, the carrying amount is recognised as part of cost of sales. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write-downs or losses are recognised in cost of sales in the period the write-down, loss or reversal occurs.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Ships, Property, Plant and Equipment

Ships, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets other than freehold land and buildings and ships under construction over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment and furniture and fittings	-	3 years
Plant and equipment	-	3 to 5 years
Motor vehicles	-	5 years
Ships	-	15 years
Drydocking	-	2.5 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Ships and properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same bases as other assets, commences when the assets are available for use.

Ships are measured at cost less accumulated depreciation and adjusted for any accumulated impairment losses and reversals of such losses. Cost comprises acquisition cost and costs directly related to the acquisition up until the time when the asset is ready for use, including interest expense incurred to finance the vessel during the period. The market average useful life of a ship is estimated to range from 25 to 30 years at which point it would usually be scrapped. The Group policy is to maintain a young fleet compared to the market average and estimates useful life as 15 years from date of delivery for new ships. Ships are depreciated on a straight-line basis to an estimated residual value over their useful life.

From time to time, the Group's ships are required to be drydocked for inspection and re-licensing at which time major repairs and maintenance that cannot be performed while the ships are in operation are generally performed. The Group capitalises the costs associated with drydocking as they occur and depreciates these costs on a straight-line basis over 2.5 to 5 years, which is generally the period until the next scheduled drydocking. A portion of the cost of acquiring a new ship is estimated and allocated to the components expected to be replaced or refurbished at the next scheduled drydocking. If the ship is disposed before the next drydocking, the carrying amount of drydocking expenses is included in determining the gain or loss on disposal of the ship and taken to the profit or loss. If the period to the next drydocking is shorter than expected, the undepreciated balance of the deferred drydocking cost is charged immediately as an expense before the next drydocking.

Fully depreciated ships, plant and equipment still in use are retained in the financial statements.

Assets that are held for rental are initially classified as ships, property, plant and equipment. When these assets cease to be rented and a decision is made to sell these assets, the carrying amount is transferred to inventories. Upon sale of these assets, the sales value is recorded in gross revenue and the related carrying value of these assets (held as inventories) is recorded in cost of sales. In relation to these assets that are held for rental, the cash payments to acquire such assets and subsequently cash proceeds from the sale of such assets are classified as cash flows from operating activities.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Intangible Assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such tangible assets is their fair value at the acquisition date. Subsequent to initial recognition, they are stated on the same basis as intangible assets acquired separately.

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset, such events are tested for impairment in accordance with the policy below.

2.12 Impairment of Tangible and Intangible Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is indication that the asset may be impaired.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.14 Other Investments

Other investments relates to pension fund surplus from a defined benefit pension plan where the accounting policy is included in Note 2.21. Other investments are measured at fair value.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Ships, property, plant and equipment' policy.

The Group has identified that the contracts between the pools and vessels owners described in Note 2.18 below, meet the definition of leases under IFRS 16 and the share of third party vessel owners' net earnings of the pool represents variable lease payments. Variable payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Voyage expenses' for expenses relating to ships and 'Administrative expense' for all other expenses in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its vessels and these are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Charter hire revenue (rental income from operating leases) is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Interest in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operation*. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and OCI of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 *Impairment of Assets* applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9 *Financial Instruments.* The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in OCI in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in OCI by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group continues to use the equity method when the investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss, the proportion of the gain or loss that had previously been recognised in OCI relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

2.17 Non-current assets and disposal groups held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group that has been disposed of or is classified as held-for-sale and that represents a separate major line of business and is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operation are presented separately in the income statement.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Revenue recognition and voyage expenses

Vessel revenue

The primary source of revenue for the Group is vessel revenue; comprising of charter hire of ships and freight revenue.

Charter hire - The Group earns hire revenue by placing its vessels on time charter, bareboat charter and in pool arrangements. The performance obligations within pool and time-charter contracts include the bareboat charter and the operation of the vessel. Hire revenue is recognised over time as the Group satisfies its obligation based on time elapsed between the delivery of a vessel to a charterer and the redelivery of a vessel from the charterer.

For time and bareboat charter contracts, hire is typically invoiced bi-monthly or monthly in advance and hire revenue is accrued based on the daily hire rates. Other variable hire components of the contract, such as off-hire and speed claims, are recognised only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is subsequently resolved. In a small number of charters, the Group may earn profit share consideration, which occurs when actual spot tanker rates earned by the vessel exceed certain thresholds for a period of time.

For pool arrangements, the Group has two types of such arrangements: 1) pool arrangements that are controlled and managed by the Group namely, IVS Handysize Pool and IVS Supramax Pool; and 2) Pool arrangements operated by third parties in which the Group's owned vessels are placed. An assessment is performed to determine who is the principal and agent in such arrangements. Indicators that the Group as the pool manager is a principal in a pool arrangement are:

- The contract with the end charterer specifically names the pool, rather than the shipowner;
- The pool manager is responsible for managing issues that may arise during the end charterer's use of the vessel;
- The pool manager has the power to decide which vessel in the pool it will use to fulfill the contract with the end charterer; and
- The pool manager sets the prices that the end charterer will pay to use the vessel.

The Group has evaluated that it has the exclusive rights as the pool manager and hence it is a principal in the IVS Handysize and IVS Supramax Pool arrangements. In such arrangements, the Group recognizes total amount of the gross revenue earned by the pools as the revenue which it expects to be entitled for the satisfaction of the performance obligation and correspondingly, it also recognizes the share of third party vessel owners' net earnings of the pool in the voyage expenses in the period incurred. The Group has identified that the contracts between the pools and vessels owners to contain a lease in accordance with IFRS 16. Refer to Note 2.15 Leases for further discussion.

On the other hand, for third party pool arrangements that the Group's vessels participate in, the Group recognises revenue from these pool arrangements based on its portion of the net distributions reported by the relevant pool, which represents the net voyage revenue of the pool after voyage expenses and pool manager fees. The net distribution is computed based on pool index and the participation days of the Group's vessels in these third party pool arrangements. The pool index is variable and dependent on the participating vessels within the pool.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Freight revenue – The Group recognises freight revenue for each specific voyage which is usually priced on a current or "spot" market rate and then adjusted for predetermined criteria. The performance obligations for freight revenue commence from the time the ship is ready at the load port until the cargo has been delivered at the discharge port. The revenue will be recognised over the duration of the voyage between the two points, as measured using the time that has elapsed from commencement of performance at the load port. Management assesses the stage of completion as determined by the proportion of the total time expected for the voyage that has elapsed at the end of the reporting period as an appropriate measure of progress towards complete satisfaction of these performance obligations and the revenue is recognised in accordance with the calculated stage of completion. The duration of a single voyage will typically be less than three months. Demurrage and despatch are considered at contract inception and estimates are updated throughout the contract period. The consideration for demurrage and despatch will be recognised in the period within which such consideration was incurred. A contract asset is recognised over the period in which the freight services are performed representing the entity's right to consideration for the services performed as at the end of the reporting period.

Sale of ships, bunkers and other consumables

The Group generates revenue from the sale of ships, bunkers and other consumables. Revenue is recognised when control of the ships, bunkers and other consumables have been delivered to the buyer. The Group only has the right to the consideration at the point of transfer of the asset.

Management fees

The Group also generates revenue from the management and operation of vessels owned by third parties and by equity-accounted investees as well as providing corporate management services to such entities. The performance obligations within these contracts will typically consist of crewing, technical management, insurance and potentially commercial management. The performance obligations are satisfied concurrently and consecutively rendered over the duration of the management contract, as measured using the time that has elapsed from commencement of performance. Consideration for such contracts will generally consist of a fixed monthly management fee, plus the reimbursement of crewing and other costs for vessels being managed. Management fees are typically invoiced monthly.

Voyage expenses

Voyage expenses that relate directly to a contract include charter hire expenses, fuel expenses and port expenses. Contract costs are deferred and amortised over the course of the voyage on a percentage completion basis that is consistent with the revenue recognition. This percentage of completion is derived from time elapsed between the tender of readiness to load a cargo or delivery of a vessel to a charterer, and the completion of discharging a cargo or redelivery of a vessel from a charterer. Contract costs are recognised as an asset if they represent incremental costs of obtaining a contract or fulfilment costs that (i) relate directly a contract or to an anticipated contract, (ii) generate or enhance resources to be used in meeting obligations under the contract and (iii) are expected to be recovered.

2.19 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Share-Based Payments

Equity-settled share options – Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 29.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

2.21 Retirement Benefit Costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, and South African defined contribution provident funds, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Current contributions to the defined contribution funds are charged against income when incurred. The cost of providing benefits to the defined benefit plan are determined and expensed using the projected unit credit actuarial valuation method. Contribution rates to the defined benefit plan are adjusted for any unfavourable experience adjustments. Favourable experience adjustments are retained within the fund.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Actuarial surpluses are brought to account in the annual financial statements only when it is clear that economic benefits will be available to the Group. These surpluses are recognised immediately in the statement of financial position with a charge or credit to the statement of comprehensive income in the period in which they occur.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in OCI in the period in which they occur. Remeasurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Administrative expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.22 Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.24 Income Tax

Income tax (benefit) expense in profit or loss represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on management judgement supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in OCI or directly in equity), in which case the tax is also recognised outside profit or loss (either in OCI or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.25 Foreign Currency Transactions and Translation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency which is either United States dollars or South African Rands). The consolidated financial statements of the Group are presented in United States Dollars and are rounded to the nearest thousands.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in OCI. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in OCI.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in a separate component of equity under the header of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in OCI.

2.26 Cash and Cash Equivalents in the statement of Cash Flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.27 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in terms of IFRS 4 *Insurance Contracts* and are measured initially at cost and thereafter, in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Management have considered the impact of COVID-19 on Group's critical and significant accounting estimates. There have been no significant changes in the basis upon which judgements and accounting estimates have been determined.

(i) Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Ships classified as inventories

The Group regularly engages in trading of ships. When a ship ceases to be rented and a decision is made for the ship to be sold, the ship would be classified as inventories (Note 12). The proceeds from the sale of such assets shall be recognised as revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*. The corresponding cost shall be accounted for as cost of sales.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Percentage of completion of voyages recognised as revenue

The stage of completion of a voyage is determined by calculating the total number of actual days from the loading of the cargo at the commencement of a voyage to the period end, divided by the total estimated number of days from loading to discharging the cargo.

The duration of a voyage depends on the size of the ship being loaded, cargo type and quantity, ship speed as well as delays occasioned by weather or due congestion at load or discharge ports.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Ship life, residual value and impairment

In the shipping industry, the use of the 25 to 30 year ship life has become the prevailing standard for the type of ship owned by the Group. However, management depreciates the ships on a straight-line basis after deduction for residual values over the ship's estimated useful life of 15 years, from the date the ship was originally delivered from the shipyard as the Group maintains a young fleet compared to the market average and generally aims to replace ships that are 15 years or older. As a result, ships are depreciated over 15 years to the expected residual market value of a ship of a similar age and specification. Management reassesses the depreciation period of ships that surpass this limit with special consideration of the ships and the purpose for which the ship was retained in the fleet.

Residual values of the ships are reassessed by management at the end of each reporting period based on the current shipping markets, the movement of the markets over the previous five years and the age, specification and condition of the respective ships.

Considerations for useful life of the ships also include maintenance and repair cost, technical or commercial obsolescence and legal or similar limits to the use of ships.

Management also reviews the ships (owned and right-of-use) for impairment whenever there is an indication that the carrying amount of the ships may not be recoverable. Management measures the recoverability of an asset by comparing its carrying amount against its recoverable amount. Recoverable amount is the higher of the fair value less cost to sell and value in use. Management identifies an appropriate valuation technique to estimate the fair value that is in accordance with IFRS 13 Fair Value Measurement. The selection of technique requires judgment and takes into account the reliability of the valuation technique and the reliability of the inputs used. If the ship is considered to be impaired, an impairment loss is recognised to an amount to the excess of the carrying value of the asset over its recoverable amount. Where an impairment loss subsequently reverses, the reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Value in use is the future cash flows that the ships are expected to generate from charter hire of the ships and the expected running costs thereof over their remaining useful lives, with a cash inflow in the final year equal to the residual value of the ships. Management determined the value-in-use based on past performance of the ships and their expectations of the market development. The future cash flows are determined based on the combination of the following assumptions:

1) Forecast earnings are based on internal estimates having considered: fixed future earnings from existing contracts of affreightment and charter contracts, allowing for dry dock and commercial off hire days, internal forecasts, as well as third party information and historical earnings averages.

2) Pre-tax discount rate of 7.5% (2020: 6.86%) rate is used to discount future cash flows from deployment of the ships to their net present values.

3) Vessel operating expenses and drydock costs are based on management's best estimates.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Accordingly, based on the carrying amounts of the owned ships and right-of-use ships as at end of each reporting periods, the Group has not recognised an impairment loss for the year ended 31 December 2021 (2020: US$16,282,000 and 2019: US$19,245,000) in profit or loss in the line item 'Other operating (expense) income'. The Group has recognised a reversal of impairment of US$4,603,000 for the year ended 31 December 2021 (2020: US$Nil and 2019: US$Nil) recorded in profit or loss in the line item 'Other operating (expense) income' following the improved spot market earnings of chartered-in drybulk vessels and a decision to retain one of the older handysize vessels that had been forecast for sale.

As at 31 December 2021 and 2020, a possible change to the following estimate used in management's assessment will result in the recoverable amount to be below the total carrying amount of the owned and right-of-use ships (on the basis that each of the other key assumptions remain unchanged):

Drybulk Carriers

- 0.0% to 20.83% decrease to the charter rate (2020: 0.0% to 21.91% decrease to the charter rate); or
- 0.0% to 66.57% increase to the discount rate (2020: 0.0% to 72.25%% increase to the discount rate).

Based on the key assumptions and taking into account the sensitivity analysis above, management has determined that the estimated recoverable amount of the ships are appropriate.

The recoverable amounts of ships classified as inventories were determined based on estimated selling price less cost to sell, which were determined based on the market comparable approach that reflects recent transaction prices for similar ships, with similar age and specifications. The carrying amounts of the ships are disclosed in Notes 12, 13 and 14.

Estimation of lease term of charters with extension options

When estimating the lease term of the respective lease arrangement, management considers all facts and circumstances that create an economic incentive to exercise an extension option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. This is assessed on an ongoing basis and the extension options are only included in the lease term if the lease is reasonably certain to be exercised.

$64,533,000 (2020:$90,644,000) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

If a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee, the above assessment will be reviewed further. During the financial year 2021 and 2020, the Group did not exercise any extension and termination options.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(i) Categories of financial instruments

	2021	2020
	US$'000	US$'000
Financial assets		
Financial assets at amortised cost	143,058	74,598
Less: Transferred to asset of disposal group classified as held for sale (Note 38)	-	(76)
	143,058	74,522
Derivative instruments designated in hedge accounting relationships	5,981	458
	149,039	74,980
Financial liabilities		
Financial liabilities at amortised cost	312,696	356,736
Less: Transferred to asset of disposal group classified as held for sale (Note 38)	-	(360)
	312,696	356,376
Derivative instruments designated in hedge accounting relationships	704	-
	313,400	356,376

(ii) Financial risk management policies and objectives

The management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign currency risk, interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purpose.

Other than liquidity risk, there has been no change to the Group's exposure to these financial risks. There have been no significant changes to the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2021 and 31 December 2020, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

In order to minimise credit risk, the Group has categorised exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors and the Group's exposure and the credit ratings of its counterparties are continuously monitored. The aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising ECL**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$'000	US$'000	US$'000
31 December 2021						
Trade receivables	7	(i)	Lifetime ECL (Simplified approach)	9,657	(684)	8,973
Contract assets	8	(i)	Lifetime ECL (Simplified approach)	3,686	-	3,686
Other receivables	9	Performing	12-month ECL	20,308	-	20,308
Loans to joint ventures	10	Doubtful	Lifetime ECL	10	-	10
				33,661	(684)	32,977

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$'000	US$'000	US$'000
31 December 2020						
Trade receivables	7	(i)	Lifetime ECL (Simplified approach)	7,928	-	7,928
Contract assets	8	(i)	Lifetime ECL (Simplified approach)	900	-	900
Other receivables	9	Performing	12-month ECL	15,270	-	15,270
Loans to joint ventures	10	Doubtful	Lifetime ECL	798	-	798
				24,896	-	24,896

(i) For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Further details on the loss allowance are disclosed in the respective notes. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. In addition, in response to the COVID-19 pandemic, the Group has increased reviews of counterparties and potential customers to ensure that contractual obligations will be met.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. There are ongoing reviews on the limits attributed to customers.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

At the end of the reporting period, the Group does not have significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are third parties and banks with high internal and external credit ratings. In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on.

(b) Interest rate risk management

The Group is exposed to interest rate risk through the impact of bank loans and other borrowings and loans granted from/to joint ventures at variable interest rates. The Group monitors its exposure to fluctuating interest rates and generally enters into contracts that are linked to market rates relative to the currency of the asset or liability.

The Group's bank loans and other borrowings were originally advanced at a floating rate based on US LIBOR which has been subject to international and regulatory proposals for reform. US LIBOR will continue to be quoted until 30 June 2023and thereafter, the Secured Overnight Financing Rate, or SOFR, has been recommended as an alternative to LIBOR. Certain of the Group's bank loans will mature before US LIBOR is due to be discontinued and do not require amendment. Management is discussing the transition for the longer term bank loans and other borrowings with the lenders and do not anticipate material adjustments to effective interest rates. The Group does not currently have any interest rate hedging instruments.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Following the decline in market interest rates in 2020, the rates have remained stable during 2021 with an opening rate of 0.2% in January 2021 to a closing rate of 0.2% in December 2021.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit (loss) for the year ended 31 December 2021 would decrease/increase by US$536,000 (2020: Loss would increase/decrease by US$1,103,000 and 2019: Loss would increase/decrease by US$691,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank loans.

(c) Foreign currency exchange risk management

The Group's main operational activities are carried out in United States dollars and South African rands, which is the functional currency of the respective financial statements of each Group entity. The risk arising from movements in foreign exchange rates is limited as the Group has minimal transactions in foreign currencies which mainly relates to administrative expenses in Singapore dollars, amounts due to related companies in South African rands as well as bank balances in South African rands.

The Group has access to a foreign exchange facility which enables it to enter into forward foreign exchange contracts. Management reviews and monitors currency risk exposure and determines whether any hedging is considered necessary. Overall market declines and market volatility due to the COVID-19 pandemic resulting in fluctuations in the foreign currencies are not expected to have a material effect on the Group's financial position and results of the operations.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The objective of the foreign exchange exposure management policy is to ensure that all foreign exchange exposures are identified as early as possible and that the identified exposures are actively managed to reduce risk. All exposures are to reflect the underlying foreign currency commitments arising from trade and/or foreign currency finance. Under no circumstances are speculative positions, not supported by normal trade flows, permitted.

At the end of the reporting period, the significant carrying amounts of monetary liabilities and monetary assets denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
United States dollars	(564)	(576)	1,099	2,176
South African rands	(4,877)	(6,171)	-	5,767

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of the entity, profit or loss will increase/(decrease) or, vice versa by:

	Impact on profit or loss	
	2021	2020
	US$'000	US$'000
United States dollars	54	160
South African rands	(488)	(40)

(d) Liquidity risk management

Liquidity risk refers to the risk that the Group is unable to pay its creditors due to insufficient funds. The Group maintains and monitors a level of cash deemed adequate by management at all times to finance its obligations as and when they fall due.

The shipping environment has been challenging and volatile over the last several years due to an oversupply of vessels allied to a lower growth rate of the world economy. The outbreak of COVID-19 has resulted in Governments of many countries implementing measures to mitigate the spread of the virus. These measures have resulted in a significant reduction in global economic activity and deterioration in the charter rates in 2020, which has a significant impact on operations and cash flows and the Group's ability to comply with covenants and other conditions in the loan agreements. Although there have been a recent rebound in charter rates, the COVID-19 situation is still fluid and any deterioration could lead to unfavourable market conditions and impact the Group's operations and cash flows.

The Group manages liquidity risk by monitoring forecast and actual cash flows and ensuring that adequate borrowing facilities are maintained. The management may, from time to time, at their discretion raise or borrow monies for the purposes of the Group as they deem fit. There are measures in place to preserve cash, maintain adequate financing to meet Group's obligations and protect existing loan covenants imposed by the banks. The covenant levels are monitored continuously to identify any potential covenant issues so that solutions such as waivers or modifications to the loan covenants to obtain more favourable terms can be implemented in advance.

Based on the 12 months cash flow forecast prepared by management from the date of the authorisation of financial statements, the Board of Directors has no reason to believe that the Group will not continue as a going concern and has assessed that there is no material uncertainty related to these conditions and there is no substantial doubt about the Group's ability to continue as a going concern. The improvement in the dry bulk spot market has provided sufficient liquidity to repay the maturing obligations and provide adequate comfort in covenant levels at the next reporting dates.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the consolidated statements of financial position.

Group	Weighted average effective interest rate % p.a.	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
2021						
Non-interest bearing	-	33,759	-	-	-	33,759
Lease liabilities	4.17	28,156	5,992	-	(877)	33,271
Variable interest rate instruments	3.82	35,040	188,521	54,565	(32,460)	245,666
		96,954	194,513	54,565	(33,337)	312,696
2020						
Non-interest bearing	-	26,714	-	-	-	26,714
Fixed interest rate instruments	7.50	27,411	-	-	(1,879)	25,532
Lease liabilities	4.63	29,862	24,146	-	(2,418)	51,590
Variable interest rate instruments	3.71	35,002	192,229	58,435	(32,766)	252,900
		118,989	216,375	58,435	(37,063)	356,736
Included in assets of a disposal group held for sale (Note 38)		(83)	(277)	-	-	(360)
		118,906	216,098	58,435	(37,063)	356,376

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of reporting period.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	US$'000	US$'000	US$'000	US$'000
Group				
2021				
Gross settled:				
Forward freight agreements				
Gross inflow	5,109	611	-	5,720
Gross outflow	(611)	-	-	(611)
	4,498	611	-	5,109
Bunker swaps				
Gross inflow	261	-	-	261
Gross outflow	(93)	-	-	(93)
	168	-	-	168
	4,666	611	-	5,277
2020				
Gross settled:				
Bunker swaps				
Gross inflow	458	-	-	458

(e) Shipping market price risk management

The Group is exposed to the fluctuations in market conditions in the shipping industry which in turn affects the Group's profitability. Management continually assess shipping markets using their experience and detailed research. Risks are managed by fixing tonnage on longer term time charters, contracts of affreightment and entering into forward freight agreements. The carrying amount of the derivative financial instruments is disclosed in Note 11.

Shipping market price sensitivity

The sensitivity analyses below have been determined based on the exposure to shipping market price risk at the end of the reporting period. In respect of derivative financial instruments, if the shipping market prices had been 10% higher/lower while other variables were held constant:

- profit (loss) for the year ended 31 December 2021 would decrease/increase by US$Nil (2020: decrease/increase by US$Nil and 2019: decrease/increase by US$Nil); and
- hedging reserve for the year ended 31 December 2021 would decrease/increase by US$3,671,000 (2020: decrease/increase by US$Nil and 2019: decrease/increase by US$Nil).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(f) Commodity price risk management

The Group uses bunker swaps to manage exposure to commodity price risk where the positions are not naturally economically hedged through the combination of holding inventory, forward sales contracts and forward purchase contracts. Management continually assess commodity price through their experience and detailed research. The carrying amount of the derivative financial instruments is disclosed in Note 11.

Commodity price sensitivity

The sensitivity analyses below have been determined based on the exposure to commodity price risk at the end of the reporting period. In respect of derivative financial instruments, if the commodity prices had been 10% higher/lower while other variables were held constant:

- profit (loss) for the year ended 31 December 2021 would decrease/increase by US$Nil (2020: decrease/increase by US$Nil and 2019: decrease/increase by US$Nil).
- hedging reserve for the year ended 31 December 2021 would decrease/increase by US$778,000 (2020: decrease/increase by US$206,000 and 2019: decrease/increase by US$209,000).

(g) Fair value measurement of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

Financial instruments measured at fair value on a recurring basis

	2021	2020
	US$'000	US$'000
Financial Assets		
Forward freight agreements	5,720	-
Bunker swaps	261	458
Financial Liabilities		
Forward freight agreements	(611)	-
Bunker swaps	(93)	-

All the financial instruments relate to the forward freight agreements and bunker swap agreements and have been classified as Level 2 financial instruments, which indicates that the fair value of the instruments were determined based on discounted cash flow with reference to observable inputs for equivalent instruments, discounted at a rate that reflects the credit risk of various counterparties. Further details are disclosed in Note 11.

Fair Value of Financial Instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Level 2 and 3 fair values were determined by applying either a combination of, or one of the following valuation techniques:

- market related interest rate yield curves to discount expected future cash flows; and/or
- projected unit method; and/or
- market value, and/or
- the net asset value of the underlying investments; and/or
- a price earnings multiple or a discounted projected income/present value approach

The fair value measurement for income approach valuation is based on significant inputs that are not observable in the market. Key inputs used in the valuation include discount rates and future profit assumptions based on historical performance but adjusted for expected growth. Management reassess the earnings or yield multiples at least annually based on their assessment of the macro- and micro-economic environment.

	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
2021				
Financial Assets				
Derivative financial instruments	-	5,981	-	5,981
Financial Liabilities				
Derivative financial instruments	-	(704)	-	(704)
2020				
Financial Assets				
Derivative financial instruments	-	458	-	458

There were no transfers between Level 1 and 2 in the period.

(iii) Capital management policies and objectives

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt and equity, which comprises of share capital and reserves.

The Group also reviews the capital structure on a semi-annual basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. The management also ensures that the Group maintains gearing ratios within a set range to comply with the loan covenant imposed by a bank.

The Group's overall strategy remains unchanged from prior year.

5 RELATED PARTIES TRANSACTIONS

Many of the Group's transactions and arrangements were with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, Group entities entered into the following transactions with related parties:

(i) Joint ventures

	2021 US$'000	2020 US$'000	2019 US$'000
Interest income	-	157	983
Technical management fee income	-	354	1,625
Agency fees from joint ventures	3	83	573
Charter hire and other related revenue	-	679	5,345
Charter hire and other related expenses	-	(6,025)	(44,206)
Payments on behalf of a joint venture	-	(7,987)	(2,199)
Repayment of preference shares by a joint venture	-	2,569	-
Settlement of interest bearing loan	-	5,382	-
Purchase of ships from a joint venture	-	-	54,000
Dividend income	-	536	5,000
Management fee income	-	-	86

(ii) Compensation of directors and key management personnel

The remuneration of the directors and other members of key management is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2021 US$'000	2020 US$'000	2019 US$'000
Short-term benefits	9,200	4,073	4,166
Share-based payments [(1)]	1,479	769	-
	10,679	4,842	4,166

[(1)] Represents vesting of ordinary shares in terms of the Forfeitable Share Plan.

The remuneration of directors and key management is determined by the remuneration committee of Grindrod Shipping Holdings Limited having regard to the performance of individuals and market trends.

6 CASH AND BANK BALANCES INCLUDING RESTRICTED CASH

	2021 US$'000	2020 US$'000
Restricted cash, current portion	2,875	3,319
Cash on hand	518	566
Cash at bank	103,725	37,376
Cash and bank balances	107,118	41,261
Less: Restricted cash, current portion	(2,875)	(3,319)
Cash and cash equivalents in the statements of cash flows	104,243	37,942
Restricted cash		
Classified as:		
Current	2,875	3,319
Non-current	6,649	9,304
	9,524	12,623

The current portion of the restricted cash represents amounts placed in retention accounts can only be used to fund loan repayments or interest payments. The non-current portion of restricted cash represents debt reserves security deposit required due to the conditions of certain banking facilities and these deposits are not available to finance the Group's day to day operations.

7 TRADE RECEIVABLES

	2021 US$'000	2020 US$'000
Trade receivables	9,507	6,617
Less: Loss allowance	(684)	-
	8,823	6,617
Trade receivables due from the pools	150	1,380
	8,973	7,997
Included in assets of a disposal group held for sale (Note 38)	-	(69)
	8,973	7,928

The credit period is 1 to 30 days (2020: 1 to 30 days). No interest is charged on the outstanding invoice.

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for the amounts due from customers.

7 TRADE RECEIVABLES (cont'd)

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables based on the Group's provision matrix. The expected credit loss rate is considered immaterial for trade receivables outstanding for less than 120 days. For trade receivables past due for more than 120 days, the Group would recognise a loss allowance of 100% except for the adjustment to factors that are specific to the debtors, because historical experience has indicated that these receivables are generally not recoverable. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables past due – collectively assessed						
2021	Not past due	< 30	31-60	61-90	91-120	>120	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default, representing net carrying amount of default	7,202	1,013	132	4	11	611	8,973

	Trade receivables past due – collectively assessed						
2020	Not past due	< 30	31-60	61-90	91-120	>120	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default, representing net carrying amount of default	5,544	249	139	551	859	655	7,997
Less: assets of a disposal group held for sale	(26)	(15)	(3)	(3)	(22)	-	(69)
	5,518	234	136	548	837	655	7,928

As at 31 December 2021, management has identified a group of debtors to be credit impaired, which include a debtor that disputed an invoiced amount arising from the redelivery of a vessel out of the agreed position and sundry small debtors within the discontinued operation. Hence, management has assessed the recoverability of the outstanding balances separately from the table above.

	2021	2020
	US$'000	US$'000
Gross carrying amount	684	-
Less: loss allowance	(684)	-
Carrying amount net of allowance	-	-

Movement in the loss allowance:

	2021	2020
Individually assessed:	US$'000	US$'000
Net remeasurement of loss allowance	(681)	-
Effect of foreign exchange differences	(3)	-
Balance at 31 December	(684)	-

8 CONTRACT ASSETS

This relates to unbilled revenue, recognised over the period in which the freight services are performed representing the entity's right to consideration for the services performed as at the end of the reporting period which shall be recognised as revenue in the subsequent year.

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. No provision for loss allowance was made during 2021 and 2020 as the contract assets is aged less than 30 days and the expected credit loss rate is considered immaterial for trade receivables outstanding for less than 120 days.

9 OTHER RECEIVABLES AND PREPAYMENTS

	2021	2020
	US$'000	US$'000
Current:		
Deposits	809	291
Prepayments	2,051	3,471
Voyages in progress	15,076	9,126
Loan receivables	613	1,229
Due from joint ventures	6	1
Other receivables	3,869	4,630
	22,424	18,748
Included in assets of a disposal group held for sale (Note 38)	-	(7)
	22,424	18,741
Non-current:		
Prepayments	380	-
	22,804	18,741

On 26 May 2020, the Group entered into a loan agreement with third party with respect to the sale of vessel Inyala. The loan receivable of US$1,229,000 as at 31 December 2020 accrues interest at LIBOR plus 3.5% per annum. The principal amount of US$600,000 and accrued interest was received on the 7 June 2021. The maturity date for the balance of the receivable of $613,000 as at 31 December 2021 was extended for a further 6 months to 4 June 2022. Any principal amount not received by 31 December 2021, shall attract an additional 2% per annum over and above the rate of interest.

For purpose of impairment assessment, other receivables and loan receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate. No provision for loss allowance was made during 2021 and 2020.

10 LOANS TO JOINT VENTURES

	2021 US$'000	2020 US$'000
Current assets:		
Loans to joint ventures	10	798

US$10,000 (2020: US$798,000) of loans to a joint venture is unsecured and did not bear interest in 2021 and 2020. The loan is expected to be repaid within 12 months from the end of the reporting period. The carrying value of the loans at year end approximates the fair value.

For the purpose of impairment assessment for these receivables, the loss allowance is measured at lifetime ECL. In determining the ECL, management has taken into account the provision of losses that arose from the Group's share of losses in joint venture that were in excess of the Group's cost of investment in joint ventures (Note 16) and any additional loss allowance required based on the expected recovery from the loan.

The following table shows the movement in lifetime ECL – credit impaired lifetime ECL that has been recognised for loans to joint venture:

	2021 US$'000	2020 US$'000
Balance as at 1 January	-	1,552
Loss allowance recognised in profit or loss on changes in credit risk	-	271
Amount written off	-	(1,823)
Balance as at 31 December	-	-

The last remaining joint venture is in the process of being liquidated following the sale of the assets in 2019. The loan was reduced to US$10,000 in 2021 and no further losses were recorded against the outstanding amount.

11 DERIVATIVE FINANCIAL INSTRUMENTS

Forward freight agreements and bunker swaps - analysed between:

	2021 US$'000	2020 US$'000
Assets		
Current assets	5,370	458
Non-current assets	611	-
Liabilities		
Current liabilities	(704)	-

The Group has entered into a number of forward freight agreements in the normal course of business in order to hedge against open positions in the fleet from contracts of affreightment and exposure to earnings on the spot market. At 31 December 2021, there are 23 (2020: 0) outstanding forward freight agreements, maturing as follows:

2021

Current assets

Derivative instruments in designated hedge accounting relationships:

Settlement period		Strike price US$	Duration	Notional value US$'000	Fair value gain (loss) US$'000
April 2022 to December 2022	BSI-58 ave 10TC	13,300	45 days	599	406
April 2022 to December 2022	BSI-58 ave 10TC	13,300	45 days	599	406
April 2022 to December 2022	BSI-58 ave 10TC	13,300	180 days	2,394	1,624
January 2022 to December 2022	BSI-58 ave 10TC	17,350	180 days	3,123	1,016
January 2022 to December 2022	BSI-58 ave 10TC	17,250	60 days	1,035	345
January 2022 to December 2022	BSI-58 ave 10TC	17,250	60 days	1,035	345
January 2022 to December 2022	BSI-58 ave 10TC	17,250	60 days	1,035	345
January 2022 to June 2022	BSI-58 ave 10TC	23,100	90 days	2,079	157
June2022	BSI-58 ave 10TC	25,000	15 days	375	6
July 2022 to September 2022	BSI-58 ave 10TC	21,000	45 days	945	52
October 2022 to December 2022	BSI-58 ave 10TC	19,000	45 days	855	52
January 2022 to June2022	BSI-58 ave 10TC	22,650	90 days	2,039	197
January 2022 to June2022	BSI-58 ave 10TC	23,000	30 days	690	55
January 2022 to June2022	BSI-58 ave 10TC	23,100	60 days	1,386	103
				18,189	5,109

Non-current assets

Derivative instruments in designated hedge accounting relationships:

Settlement period		Strike price US$	Duration	Notional value US$'000	Fair value gain (loss) US$'000
January 2023 to December 2023	BSI-58 ave 10TC	14,350	60 days	861	117
January 2023 to December 2023	BSI-58 ave 10TC	14,350	60 days	861	117
January 2023 to December 2023	BSI-58 ave 10TC	14,350	60 days	861	117
January 2023 to December 2023	BSI-58 ave 10TC	14,750	60 days	885	93
January 2023 to December 2023	BSI-58 ave 10TC	14,800	60 days	888	90
January 2023 to December 2023	BSI-58 ave 10TC	15,000	60 days	900	77
				5,256	611

11 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

Current liabilities
Derivative instruments in designated hedge accounting relationships:

Settlement period		Strike price	Duration	Notional value	Fair value gain (loss)
		US$		US$'000	US$'000
July 2022 to December 2022	BSI-58 ave 10TC	23,100	90 days	2,079	(176)
January 2022 to March 2022	BSI-58 ave 10TC	27,400	15 days	411	(36)
January 2022 to March 2022	BSI-58 ave 10TC	27,400	15 days	411	(36)
January 2022 to March 2022	BSI-58 ave 10TC	27,400	15 days	411	(36)
April 2022 to May 2022	BSI-58 ave 10TC	25,000	30 days	750	(20)
July 2022 to December 2022	BSI-58 ave 10TC	22,650	90 days	2,039	(135)
July 2022 to December 2022	BSI-58 ave 10TC	23,000	30 days	690	(55)
July 2022 to December 2022	BSI-58 ave 10TC	23,100	60 days	1,386	(117)
				8,177	(611)

The Group has entered into a number of bunker swaps, as follows:

2021
Current assets
Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
January 2022	0.5% FOB Rotterdam	407.00	500	204	74
January 2022 to May 2022	0.5% FOB Singapore	505.25	1,900	960	115
January 2022 to June 2022	0.5% FOB Rotterdam	518.00	1,200	622	22
January 2022 to February 2022	0.5% FOB Singapore	564.75	700	395	17
January 2022 to March 2022	0.5% FOB Rotterdam	533.00	2,700	1,439	33
				3,620	261

Current liabilities
Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
April 2022 to October 2022	0.5% FOB Rotterdam	533.00	6,500	3,465	(74)
November 2022	0.5% FOB Rotterdam	528.50	500	264	(10)
December 2022	0.5% FOB Rotterdam	527.50	500	264	(9)
				3,993	(93)

2020
Current assets
Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
January 2021 to February 2021	0.5% FOB Singapore	276.0	1,400	386	160
January 2021 to May 2021	0.5% FOB Singapore	311.3	1,500	467	118
January 2021 to May 2021	0.5% FOB Rotterdam	298.5	2,500	746	180
				1,599	458

12 INVENTORIES

	2021 US$'000	2020 US$'000
Bunkers and other consumables at cost	13,909	8,700
	-	-
Ships reclassified from ships, property, plant and equipment as inventories (Note 13) [(a)]	48,935	42,353
Sale of ships in discontinued operation, recognised as inventories [(a)]	(48,935)	(42,353)
	13,909	8,700

[(a)] Ships reclassified from ships, property, plant and equipment as inventories is reconciled as follows:

	2021 US$'000	2020 US$'000
Cost	70,204	109,501
Accumulated depreciation	(8,982)	(45,026)
Impairment	(12,287)	(22,122)
Carrying amount	48,935	42,353

On 11 March 2021, the Group entered into memoranda of agreement with third parties for the sale of three ships at purchase consideration of US$21,400,000, US$21,400,000 and US$6,800,000 respectively. The ships were delivered to third parties on 12 April 2021, 14 April 2021 and 20 April 2021.

On 29 January 2020, 8 April 2020, 4 May 2020 and 16 July 2020, the Group entered into memoranda of agreement with third parties for the sale of a ship at purchase consideration of US$9,150,000, US$14,100,000, US$15,300,000 and US$5,090,000 respectively. The ships were delivered to third parties on 28 February 2020, 4 June 2020, 25 June 2020 and 2 September 2020.

13 SHIPS, PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings and motor vehicles	Plant and equipment	Ships	Drydocking	Construction in progress	Freehold land and buildings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost:							
Balance at 1 January 2020	**4,994**	**4,802**	**497,569**	**11,432**	**774**	**268**	**519,839**
Additions	67	-	1,716	7,307	-	-	9,090
Disposals	(118)	(738)	(24)	(3,602)	-	-	(4,482)
Acquisition of subsidiary (Note 39.1 and Note 39.2)[(i)]	-	287	239,773	3,823	-	-	243,883
Reclassification to inventories (Note 12)	-	-	(105,966)	(3,535)	-	-	(109,501)
Reclassification to disposal group held for sale (Note 38)	(659)	-	-	-	-	-	(659)
Effect of foreign currency exchange differences	55	6	-	-	-	(9)	52
Balance at 31 December 2020	**4,339**	**4,357**	**633,068**	**15,425**	**774**	**259**	**658,222**
Additions	49	-	25,626	7,829	-	-	33,504
Disposals	(30)	(25)	-	(4,532)	-	-	(4,587)
Reclassification to inventories (Note 12)	-	-	(69,599)	(605)	-	-	(70,204)
Effect of foreign currency exchange differences	(169)	(1)	-	-	-	(21)	(191)
Balance at 31 December 2021	**4,189**	**4,331**	**589,095**	**18,117**	**774**	**238**	**616,744**
Accumulated depreciation:							
Balance at 1 January 2020	**4,607**	**4,307**	**114,018**	**4,607**	**-**	**-**	**127,539**
Depreciation from continuing operations	39	378	16,478	5,147	-	-	22,042
Depreciation from discontinued operation	83	-	1,785	61			1,929
Disposals	(117)	(738)	-	(1,600)	-	-	(2,455)
Reclassification	-	-	1,013	(1,013)			-
Reclassification to inventories (Note 12)	-	-	(43,921)	(1,105)	-	-	(45,026)
Reclassification to disposal group held for sale (Note 38)	(451)	-	-	-	-	-	(451)
Effect of foreign currency exchange differences	76	3	-	-	-	-	79
Balance at 31 December 2020	**4,237**	**3,950**	**89,373**	**6,097**	**-**	**-**	**103,657**
Depreciation from continuing operations	51	145	18,668	7,053	-	-	25,917
Depreciation from discontinued operation	1	-	-	-	-	-	1
Disposals	(30)	(18)	-	(4,532)	-	-	(4,580)
Reclassification to inventories (Note 12)	-	-	(8,811)	(171)	-	-	(8,982)
Effect of foreign currency exchange differences	(167)	-	-	-	-	-	(167)
Balance at 31 December 2021	**4,092**	**4,077**	**99,230**	**8,447**	**-**	**-**	**115,846**
Impairment:							
Balance at 1 January 2020	**-**	**-**	**83,479**	**3,314**	**310**	**-**	**87,103**
Impairment losses recognised in profit and loss from continuing operations	-	-	5,148	-	-	-	5,148
Impairment losses recognised in profit and loss from discontinued operation	138	-	9,951	1,183	-	-	11,272
Disposal	-	-	(1,109)	(892)	-	-	(2,001)
Reclassification to disposal group held for sale (Note 38)	(138)	-	-	-	-	-	(138)
Reclassification to inventories (Note 12)	-	-	(19,700)	(2,422)	-	-	(22,122)
Balance at 31 December 2020	**-**	**-**	**77,769**	**1,183**	**310**	**-**	**79,262**
Impairment losses recognised in profit and loss from discontinued operation	1	-	-	-	-	-	1
Reversal of impairment recognised in profit and loss from continuing operations	-	-	(2,808)	(749)	-	-	(3,557)
Reclassification to inventories (Note 12)	-	-	(11,853)	(434)	-	-	(12,287)
Balance at 31 December 2021	**1**	**-**	**63,108**	**-**	**310**	**-**	**63,419**
Carrying Amount:							
At 31 December 2021	96	254	426,757	9,670	464	238	437,479
At 31 December 2020	102	407	465,926	8,145	464	259	475,303

[(i)]Ships of US$239,773,000 and drydocking of US$3,823,000 were assets acquired as part of the IVS Bulk transaction in 2020 (Note 39.1) and plant andequipment of US$287,000 was acquired as part of the IBC transaction in 2020 (Note 39.2).

Certain ships are pledged to secure bank borrowings as disclosed in Note 25.

14 RIGHT-OF-USE ASSETS

The Group leases several assets including office and residential property, ships and ship equipment which are disclosed as right-of-use assets.

	Office and residential property	Ships	Ship equipment	Total
Cost:	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2020	**2,733**	**85,534**	**271**	**88,538**
Additions	539	20,833	83	21,455
Derecognition of right-of-use asset	(80)	(18,449)	(167)	(18,696)
Acquisitions of subsidiary (Note 39.1)	-	-	87	87
Adjustment[(1)]	(80)	-	-	(80)
Reclassification to disposal group held for sale (Note 38)	(399)	-	-	(399)
Effect of foreign currency exchange differences	34	-	-	34
Balance at 31 December 2020	**2,747**	**87,918**	**274**	**90,939**
Additions	371	20,254	243	20,868
Derecognition of right-of use-asset	(310)	(12,285)	(41)	(12,636)
Effect of foreign currency exchange differences	88	-	-	88
Balance at 31 December 2021	**2,896**	**95,887**	**476**	**99,259**
Accumulated depreciation:				
Balance at 1 January 2020	**601**	**30,307**	**142**	**31,050**
Depreciation from continuing operations	946	24,507	167	25,620
Depreciation from discontinued operation	73	1,739	-	1,812
Derecognition of right-of-use asset	(80)	(18,449)	(167)	(18,696)
Adjustment[(1)]	(80)	-	-	(80)
Reclassification to disposal group held for sale (Note 38)	(82)	-	-	(82)
Effect of foreign currency exchange differences	3	-	-	3
Balance at 31 December 2020	**1,381**	**38,104**	**142**	**39,627**
Depreciation from continuing operations	938	34,781	117	35,836
Depreciation from discontinued operation	34	-	-	34
Derecognition of right-of-use asset	(310)	(9,252)	(41)	(9,603)
Effect of foreign currency exchange differences	54	-	-	54
Balance at 31 December 2021	**2,097**	**63,633**	**218**	**65,948**
Impairment:				
Balance at 1 January 2020, 31 December 2020	**-**	**2,250**	**-**	**2,250**
Derecognition of right-of-use asset	-	(360)	-	(360)
Reversal of impairment from continuing operations	-	(1,046)	-	(1,046)
Balance at 31 December 2021	**-**	**844**	**-**	**844**
Carrying amount:				
As at 31 December 2021	799	31,410	258	32,467
As at 31 December 2020	1,366	47,564	132	49,062

[(1)] Refers to lease modification during the period.

Right-of-use assets are depreciated over the remaining period of the lease. The average lease term is between 1 and 4 years for property, between 1 and 5 years for ships, and between 2 and 4 years for ship equipment.

Depreciation expense of US$34,898,000 (2020: US$26,413,000 and 2019: US$30,449,000) for ships and ship equipment are recognised in cost of sales and the depreciation expense of US$938,000 (2020: US$1,019,000 and 2019: US$601,000) for office and residential property is recognised separately in administrative expense.

The Group has options to purchase certain ships at set prices at certain dates within the contracts. The exercise price is not included in the right-of-use assets for these ships because it is not reasonably certain that the options will be exercised.

For the year ended 31 December 2021, the Group recognised expense of US$90,763,000 (2020: US$42,946,000 and 2019: US$63,113,000) for short-term leases (i.e. a lease period of 12 months or less), US$58,000 (2020: US$84,000 and 2019: US$73,000) for leases of low value assets and US$90,763,000 (2020: US$42,946,000 and 2019: $55,952,000) for variable lease payments in connection with pool arrangements not included in the measurement of the lease liability.

Corresponding lease liabilities are disclosed in Note 24.

15 SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2021 %	2020 %
Grindrod Shipping Pte. Ltd.	Ship operating and management	Singapore	100%	100%
Grindrod Shipping (South Africa) Pty Ltd	Ship operating and management	South Africa	100%	100%
Held by Grindrod Shipping Pte. Ltd				
IVS Bulk Owning Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk Carriers Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 430 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 462 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 475 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 511 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 512 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 603 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 609 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 611 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 612 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 707 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 3708 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 3720 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IM Shipping Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
Island Bulk Carriers Pte. Ltd. [(ii)]	Ship Owning and Operating	Singapore	100%	100%
Grindrod Shipping Services UK Limited	To provide shipping and shipping related services	United Kingdom	100%	100%
Grindrod Shipping Services Hong Kong Limited [(iv)]	To provide shipping and shipping related services	Hong Kong	100%	-
Unicorn Atlantic Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Baltic Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Ionia Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Tanker Operations (434) Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Ross Pte. Ltd.	Dormant	Singapore	100%	100%
Nyathi Limited[(iii)]	Dormant	Isle of Man	-	100%
Unicorn Caspian Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Marmara Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Scotia Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Malacca Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Bulk Carriers Ltd	Dormant	British Virgin Islands	100%	100%
Unicorn Tankers International Ltd	Dormant	British Virgin Islands	100%	100%
Grindrod Maritime LLC	Ship Owning and Operating	Marshall Islands	100%	100%
Unicorn Sun Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Moon Pte. Ltd.	Dormant	Singapore	100%	100%
Held by Grindrod Shipping (South Africa) Pty Ltd				
Comshipco Schiffahrts Agentur GmbH	Ship agents and operators	Germany	100%	100%
Kuhle Shipping (Pty) Ltd	Dormant	South Africa	100%	100%

15 SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2021 %	2020 %
Held by IVS Bulk Pte. Ltd.				
IVS Bulk 541 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 543 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 545 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 554 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 5855 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 5858 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 709 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 712 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 7297 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 1345 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 3693 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%
IVS Bulk 10824 Pte. Ltd.[(i)]	Ship Owning and Operating	Singapore	100%	68.86%

[(i)] On 14 February 2020, the Group acquired additional equity interest in IVS Bulk Pte. Ltd. ("IVS Bulk") from its joint venture partner which increased its ownership interest from 33.5% to 66.75%. Subsequent to the purchase of these shares, IVS Bulk became a subsidiary of the Group (Note 39.1). On 1 December 2020, a loan of US$4,000,000 million provided by the Group to IVS Bulk was converted to equity in the form of "A Class" shares in line with the shareholders agreement dated 14 February 2020. The loan was initially provided on 30 September 2020 with interest calculated at LIBOR plus 3.1%. The transaction increased Group's shareholding by 2.11% in IVS Bulk from 66.75% to 68.86%. On 1 September 2021, the Group acquired the remaining shares in IVS Bulk which increased the shareholding from 68.86% to 100%.

[(ii)] On 3 July 2020, the Group acquired the remaining 35% issued shares in the joint venture, Island Bulk Carriers Pte. Ltd. ("IBC"). Subsequent to the purchase of these shares, IBC became a wholly-owned subsidiary of the Group (Note 39.2).

[(iii)] This company was deregistered in 2021.

[(iv)] This company was registered in 2021.

16 INTEREST IN JOINT VENTURES

	2021 US$'000	2020 US$'000
Cost of investment in joint ventures	9	11,534
Share of post-acquisition profit (loss), net of dividends received	4	(11,305)
Reclassification to assets classified as held for sale[(b)]	-	(63)
Carrying amount	13	166

Details of the joint ventures are as follows:

Name of joint venture	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Group		Cost of investment in joint ventures	
			2021	2020	2021	2020
Tri-View Shipping Pte. Ltd. [(a)]	Dormant	Singapore	51%	51%	9	132
Petrochemical Shipping Limited [(c)]	Deregistered	Isle of Man	-	50%	-	11,402
Leopard Tankers Pte. Ltd. [(b)]	Dormant	Singapore	50%	50%	*	*
					9	11,534

* Amount is less than US$1,000.

(a) The Group has joint control over these entities by virtue of the contractual arrangement with its joint venture partner(s) requiring resolutions on the relevant activities to be passed based on unanimous approval.

(b) These joint venture companies are expected to be dissolved in 2022. Accordingly, the carrying amount of the interest in joint ventures has been reclassified to assets classified as held for sale (Note 38).

(c) Petrochemical Shipping Limited was dissolved on 19 March 2021.

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

In 2021, the total share of joint venture companies' loss after taxation amounts to US$31,000 (2020: US$2,476,000; 2019: US$1,873,000).

17 INTANGIBLE ASSETS

	2021	2020
	US$'000	US$'000
Cost:		
Balance at 1 January	7,669	7,057
Additions	6	352
Reclassification to disposal group held for sale (Note 38)	-	(10)
Disposal	(2)	-
Derecognition of intangible asset	(5,412)	-
Effect of foreign currency exchange differences	(232)	270
Balance at 31 December	2,029	7,669
Accumulated amortisation:		
Balance at 1 January	3,942	3,244
Amortisation from continuing operations	165	146
Reclassification to disposal group held for sale (Note 38)	-	(10)
Derecognition of intangible asset	(2,127)	-
Effect of foreign currency exchange differences	(178)	562
Balance at 31 December	1,802	3,942
Impairment:		
Balance at 1 January	3,322	3,636
Derecognition of intangible asset	(3,284)	-
Effect of foreign currency exchange differences	(38)	(314)
Balance at 31 December	-	3,322
Carrying Amount:		
At 31 December	227	405

Intangible assets include club memberships, software and licences. Club memberships are lifetime memberships and are not amortised. Software and licenses arose from the installation of major information systems (including packaged software) and are amortised over 3 years, the period over which the benefit is expected to accrue.

18 GOODWILL

	2021 US$'000	2020 US$'000
Cost:		
Balance at 1 January	3,928	3,912
Acquired on acquisition of subsidiary	-	25
Derecognition of goodwill	(604)	-
Effect of foreign currency exchange differences	(19)	(9)
At 31 December	3,305	3,928
Accumulated impairment losses:		
Balance at 1 January	2,968	2,968
Impairment	965	-
Derecognition of goodwill	(604)	-
Effect of foreign currency exchange differences	(24)	-
Balance at 31 December	3,305	2,968
Carrying amount:		
At 31 December	-	960

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. Before recognition of impairment losses, the cost of goodwill had been allocated as follows:

	2021 US$'000	2020 US$'000
Cost:		
Island Trading and Shipping	3,089	3,089
Parcel Service	216	235
Unicorn Tankers International	-	604
	3,305	3,928

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

A sustained decrease in the profitability of the Parcel Service and Island Trading and Shipping CGUs indicated that an impairment of goodwill was required. The remaining goodwill of $965,000 was fully impaired in 2021 and is recorded in profit or loss in the line item 'Other operating income (expense)'.

19 OTHER INVESTMENTS

In connection with the Spin-off of GSPL and GSSA from Grindrod Limited, Grindrod Limited (former Parent), GSSA and the trustees to the Grindrod Pension Fund (Fund), a defined benefit pension plan operated by Grindrod Limited, resolved that GSSA should be included as a second participating employer of this fund and GSSA will be allocated 40% of the pension surplus which was subject to regulatory approval before this could be enacted.

On 7 October 2020, the relevant regulatory approval was obtained and accordingly effective on the 31 December 2020, GSSA was included in the Fund as the second employer. US$3,150,000 (Rands 46,054,000) was transferred from Grindrod Limited's employer surplus account to the GSSA employer surplus account established within the Fund. GSSA will not contribute to the fund in respect of the fund employees and the employer surplus account is only available for use in accordance with the Rules of the Fund.

The employer surplus was initially valued at US$3,150,000 based on the quoted market prices in the active markets. Subsequent fair value change in respect of the allocated fund assets are recorded as a component of other comprehensive income.

The amounts recognised in the annual financial statements in this respect are as follows:

	2021 US$'000	2020 US$'000
Recognised asset at 1 January	3,150	-
Allocation of 40% of the Pension fund surplus	-	3,150
Recognised in other comprehensive income in the current year	835	-
Translation	(255)	-
Present value of other investment at 31 December	3,730	3,150
The principal actuarial assumptions applied in the determination of fair values include:		
Discount rate (p.a.)	13.7%	13.7%

20 DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon, during the current and prior reporting periods:

	2021 US$'000	2020 US$'000
Deferred taxation analysed by major category:		
Other timing differences	2,123	1,138
	2,123	1,138
Reconciliation of deferred taxation:		
Opening balance	1,138	1,299
Credit to profit or loss for the year – continuing operations (Note 36)	547	2
Debit (credit) to profit or loss for the year – discontinued operation	637	(92)
Deferred tax on the actuarial gain	(25)	(13)
Exchange differences	(174)	(58)
Closing balance	2,123	1,138

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is US$2,387,000 (2020: US$1,797,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has no unabsorbed tax losses (2020: US$580,000) available for offset against future non-exempt profits.

21 TRADE AND OTHER PAYABLES

	2021 US$'000	2020 US$'000
Trade payables	7,675	9,049
Accrued expenses	25,671	17,124
Others	688	1,397
Less: included in liabilities of a disposal group held for sale (Note 38)	-	(17)
	34,034	27,553
Non-current trade and other payables	(160)	(198)
Current trade and other payables	33,874	27,355

Trade and other payables are recognised at amortised cost and their carrying value approximates fair value. Charter hire is paid in advance in terms of the charter contracts. The remaining payment terms are predominately 30 days.

The Group's trade and other payables are predominantly non-interest bearing and unsecured.

22 CONTRACT LIABILITIES

Advances received are classified as contract liabilities in accordance with IFRS 15 *Revenue from Contracts with Customers*. These arise when the customers' make payments in advance and the amounts received exceeds the revenue recognised at the end of the reporting period and it shall be recognised as revenue in the subsequent year.

There were no significant changes in the contract liabilities balances during the reporting period.

23 LEASES AND SHIP CHARTERS

a) As Lessor

Operating leases, in which the Group is the lessor, relate to a ship owned by the Group chartered out under bareboat charter party agreement with a lease term of 4 years, with 2 years extension option. The lease does not have an option to purchase the ship at the expiry of the lease period.

Maturity analysis of operating lease payments:

	2021 US$'000	2020 US$'000
Year 1	2,081	5,256
Year 2	-	2,081
Total	2,081	7,337

b) As Lessee

At 31 December 2021, the Group is committed to US$3,249,000 (2020: US$3,927,000) for short-term leases of ships and US$Nil (2020: US$16,000) for office and residential property respectively.

24 LEASE LIABILITIES

	Office and residential property	Ships	Ship equipment	Total
	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2020	2,175	55,636	135	57,946
Additions	539	20,833	85	21,457
Disposal	-	-	(3)	(3)
Interest expense	125	2,387	5	2,517
Lease payments	(1,104)	(29,183)	(178)	(30,465)
- Principal from continuing operations	(925)	(25,013)	(173)	(26,111)
- Principal from discontinued operation	(54)	(1,783)	-	(1,837)
- Interest on continuing operation	(100)	(2,375)	(5)	(2,480)
- Interest on discontinued operation	(25)	(12)	-	(37)
Transferred to liabilities of a disposal group held for sale (Note 38)	(346)	-	-	(346)
Acquired on acquisition of subsidiary	-	-	90	90
Effect of foreign currency exchange differences	48	-	-	48
Lease liabilities as at 31 December 2020	1,437	49,673	134	51,244
Additions	371	20,254	243	20,868
Disposal	-	(2,777)	-	(2,777)
Interest expense	63	1,835	3	1,901
Lease payments	(1,029)	(36,791)	(121)	(37,941)
- Principal	(966)	(34,956)	(118)	(36,040)
- Interest from continuing operations	(63)	(1,835)	(3)	(1,901)
Effect of foreign currency exchange differences	(24)	-	-	(24)
Lease liabilities as at 31 December 2021	818	32,194	259	33,271

	2021	2020
	US$'000	US$'000
Analysed between:		
Current portion	27,375	28,120
Non-current portion	5,896	23,124
	33,271	51,244

Maturity analysis of lease liabilities is disclosed in Note 4. The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

During the financial year 2021 and 2020, one of the charter contracts requiring the recognition of a right-of-use assets and a lease liability contains variable payment terms that is linked to an index and such variable lease payments are recognised in charter hire cost in the profit or loss in the period in which the condition that triggers those payments occurs. A 5% increase in the index will result in such variable lease contracts to increase its total lease payments by approximately US$Nil (2020: US$24,000).

25 BANK LOANS AND OTHER BORROWINGS

	2021	2020
	US$'000	US$'000
Secured – at amortised cost:		
Bank loans	168,880	195,886
Other borrowings	76,786	57,014
Non-bank loans	-	25,532
	245,666	278,432
Analysed between:		
Current portion	28,020	53,394
Non-current portion	217,646	225,038
	245,666	278,432
Interest payable (included in bank loans)	743	920
Non-current bank loans and other borrowings are estimated to be payable as follows:		
Within 2 to 5 years	170,666	172,150
After 5 years	46,980	52,888
	217,646	225,038

Bank loans

i. $100.0 million senior secured credit facility

The facility bears interest at London Interbank Offered Rate ("LIBOR") plus 2.95% per annum and is made up of two tranches. Tranche A and B are repayable quarterly commencing 16 August 2018 and mature on 15 May 2022 and 15 May 2023 respectively, with the option to extend for a further two years. Tranche A has been fully repaid. Facility fees of US$1,750,000 were payable to the lender upon signing the new loan agreement. Additional fees of US$164,000 were paid on 2 June 2021 for the lender swap. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. As at 31 December 2021, the outstanding balance in relation to this facility is US$13,768,000, net of US$594,000 facility fees (2020: US$21,821,000, net of US$829,000 facility fees).

ii. $6.3 million senior secured credit facility

The facility bears interest at LIBOR plus 2% per annum and is repayable quarterly, commencing on 6 September 2018 and matures on 6 June 2023. Facility fees of US$32,000 were payable to the lender upon signing the new loan agreement. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. As at 31 December 2021, the outstanding balance in relation to this facility is US$1,893,000, net of US$9,000 facility fees (2020: US$3,154,000, net of US$15,000 facility fees).

25 BANK LOANS AND OTHER BORROWINGS (cont'd)

iii. $29.9 million senior secured credit facility

The facility bears interest at LIBOR plus 3.2% per annum and is repayable quarterly, commencing on 24 April 2019 and matures on 21 December 2023. Facility fees of US$373,000 were payable to the lender upon drawdown of the loan agreement. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. As at 31 December 2020, the outstanding balance in relation to this facility was US$25,223,000, net of US$227,000 facility fees. The loan was fully settled in 2021.

iv. Combined US$31.4 million senior secured credit facility

On 29 July 2019, the Group entered into two term facilities, each for an amount up to US$15,720,000 to finance the acquisition of two supramax newbuildings. The facilities bear interest at LIBOR plus 2% per annum and is repayable quarterly, commencing on 5 November 2019 and 20 December 2019 and matures on 5 August 2026 and 24 September 2026. Facility fees of US$78,600 were payable to the lender upon drawdown of each loan agreement. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. As at 31 December 2021, the outstanding balances in relation to these facilities are US$26,672,000, net of US$105,000 facility fees (2020: US$28,752,000, net of US$127,000 facility fees).

v. Combined US$114.1 million senior secured credit facility

On 10 February 2020, the Group entered into a senior secured term loan facility for 11 drybulk vessels for the purpose of refinancing the existing indebtedness. The facility bears interest at LIBOR plus 3.10% per annum and is repayable quarterly, commencing on 13 May 2020 and matures on 13 February 2025. Facility fees of US$1,634,137 were payable to the lender upon drawdown of the loan agreement. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. On 15 September 2021, the finance agreement was amended to drawdown an additional US$23,031,000 and additional fees of US$691,000 were paid to the lender on the second drawdown. As at 31 December 2021, the outstanding balances in relation to these facilities are US$115,375,000, net of US$1,651,000 facility fees (2020: US$104,687,000, net of US$1,346,000 facility fees).

vi. Combined US$13.1 million senior secured credit facility

On 31 January 2020, the Group entered into a senior secured term loan facility for 1 drybulk vessel for the purpose of refinancing the existing indebtedness. The facility bears interest at LIBOR plus 2.75% per annum and is repayable quarterly, commencing on 13 May 2020 and matures on 13 February 2025. Facility fees of US$131,300 were payable to the lender upon drawdown of the loan agreement. This was recorded as a transaction cost to the loan account to the extent the loan was drawn down. As at 31 December 2021, the outstanding balance in relation to this facility is US$11,172,000, net of US$82,000 facility fees (2020: US$12,249,000, net of US$108,000 facility fees).

The bank loans are secured on cash and certain ships owned by the Group. The cash pledged and the carrying value of the ships under security charge as at 31 December 2021 is US$9,524,000 (2020: US$12,623,000) and US$346,602,000 (2020: US$406,805,000) respectively. In addition, there are charges over the relevant subsidiaries' earnings, insurances, charter and charter guarantees and any requisition compensation. Certain of the bank loans are guaranteed by Grindrod Shipping Pte. Ltd. and/or Grindrod Shipping Holdings Ltd.

The bank loans are arranged at LIBOR plus the respective margins. These bear a weighted average effective interest rate of 3.82% (2020: 3.71%) per annum.

25 BANK LOANS AND OTHER BORROWINGS (cont'd)

These bank loan facilities contain financial covenants where the most stringent of which require the Group to maintain the following:

- book value net worth of the lower of (a) the aggregate of US$200 million (31 December 2020: US$225 million) plus 25% of the amount of positive retained earnings plus 50% of each capital raise and (b) US$275 million;
- cash and cash equivalent (including restricted cash held in the debt service reserve account) of US$30 million (31 December 2020: US$30 million);
- a ratio of debt to market adjusted tangible fixed assets of not more than not be more than 75% (2020: 80%) and
- positive working capital, such that consolidated current assets must exceed the consolidated current liabilities excluding any adjustments made for IFRS as of 31 December, excluding any liabilities owed to Sankaty European Investments III S.à.r.l, or Sankaty and disclosed as non-bank loan below, as at 31 December 2020.

The Group was in compliance with its financial covenants as of 31 December 2021 and 31 December 2020.

Other borrowings

Other borrowings relate to US$87,550,000 (2020: US$62,550,000) in financing arrangements entered into with third parties with respect to five (2020: four) of the vessels in the Group we regard as owned. The arrangements commenced on 26 June 2019, 20 September 2019, 20 November 2019, 22 December 2020 and 16 September 2021, respectively, are payable monthly in advance and bear interest at 3 month LIBOR plus 1.7% per annum and 3 month LIBOR plus 1.75% per annum. The loans mature on 26 May 2030, 20 August 2031, 20 October 2031, 30 November 2035 and 16 August 2036. As at 31 December 2021, the outstanding balances in relation to these borrowings is US$76,786,000 (2020: US$57,014,000). The carrying value of the ships under security charge as at 31 December 2021 is US$89,827,000 (2020: US$67,265,000).

Non-bank loan

On 13 February 2020, the Group entered into a US$35,833,000 senior secured term loan facility with Sankaty to partly finance the acquisition of the subsidiary; IVS Bulk Pte. Ltd. (Note 39.1). The facility bears interest at a fixed rate of 7.5% per annum, payable or compounded quarterly and matures on 13 June 2021. All prepayments are subject to a premium calculated at 4.00%. The facility is secured by among other things a first fixed charge over all the shares held by Grindrod Shipping Pte. Ltd. in IVS Bulk. The value of the security (tested on a quarterly basis) must be at least 1.30 times the amount of the outstanding principal of the loan. As at 31 December 2020, the outstanding balance in relation to this facility is US$25,532,000, net of US$339,000 facility fees. The loan was fully settled in May 2021.

26 PROVISIONS

	2021 US$'000	2020 US$'000
Provision for onerous contracts [(i)]	1,019	80
	1,019	80

(i) Provision for onerous contracts represents the present value of the future charter payments of short-term leases that the Group is presently obligated to make under non-cancellable onerous operating charter agreements and contracts of affreightment, less charter revenue expected to be earned on the charter. The estimate may vary as a result of changes to ship running costs and charter and freight revenue

Analysis of provision for onerous contracts:		
Balance at 1 January	80	405
Provision raised	1,019	-
Released to profit or loss	(80)	(325)
Balance at 31 December	1,019	80

27 RETIREMENT BENEFIT OBLIGATION

The Group subsidises the medical aid contributions of certain retired employees and has an obligation to subsidise contributions of certain current employees when they reach retirement. In prior periods, the Group undertook to offer pensioners a voluntary benefit in lieu of their current medical subsidy in order to close out the liability on the statement of financial position. The proposed offer had three options, namely an annuity offer, a cash offer or to remain in the scheme. A number of employees chose the annuity and cash offer. The provision has been calculated on the remaining individuals in the scheme.

The risks typically faced by the Group as a result of the post-retirement medical aid are risks relating to inflation, longevity, future changes in legislation, future changes in tax environment, perceived inequality by non-eligible employees, administration of fund and enforcement of eligibility criteria and rules.

During November 2021, a valuation was performed by Alexander Forbes. Apart from paying costs of entitlement, the Group is not liable to pay additional contributions in the case the fund does not hold sufficient assets. In that case, the fund would take other measures to restore solvency.

27 RETIREMENT BENEFIT OBLIGATION (cont'd)

The amounts recognised in the annual financial statements in this respect are as follows:

	2021 US$'000	2020 US$'000
Recognised liability at beginning of the year	1,819	1,922
Recognised in profit or loss in the current year	177	152
Interest on obligation	177	152
Recognised in other comprehensive income in the current year		
Actuarial losses	(85)	(48)
Translation	(147)	(70)
Employer payments	(151)	(137)
Present value of unfunded obligation recognised as a liability at end of year	1,613	1,819
Analysed between:		
Current portion	124	-
Non-current portion	1,489	1,819
	1,613	1,819
The principal actuarial assumptions applied in the determination of fair values include:		
Health care cost inflation rate (p.a.)	7.8%	7.1%
Discount rate (p.a.)	10.4%	10.3%
CPI inflation	5.8%	5.1%
Continuation at retirement	75.0%	75.0%

The effect of an increase or decrease of 1% in the assumed medical cost trend rates are as follows:

	2021 Increase (Decrease)	2020 Increase (Decrease)
Aggregate of the current service cost and interest cost	9.5% (8.3%)	9.0% (7.9%)
Accrued liability at year-end	9.1% (7.9%)	8.5% (7.5%)

The sensitivity analysis presented above may not be representative of the actual change in the obligation as it is unlikely that the above change in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from the prior year. The average duration of the benefit obligation as at 31 December 2021 is 9 years (2020: 10 years and 2019: 11 years).

	2021 US$'000	2020 US$'000
Present value of unfunded obligations	1,613	1,819
Present value of obligations in excess of plan assets	1,613	1,819

28 SHARE CAPITAL

	Number of shares	Share capital
		US$'000
Issued and paid up:		
At 1 January 2020 and 31 December 2020	19,063,833	320,683
Issued during the year	246,191	-
At 31 December 2021	19,310,024	320,683

On 1 March 2021, the Company issued 246,191 additional shares of no par value to certain employees to partially settle the 2018 FSP awards that vested on 1 March 2021.

Except for treasury shares, fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

29 OTHER EQUITY AND RESERVES

	2021	2020
	US$'000	US$'000
Treasury shares	(11,870)	(387)
Share compensation reserve	4,777	3,954
Hedging reserve	5,457	458
Translation reserve	(9,783)	(8,749)
Merger reserve	(12,649)	(18,354)
	(24,068)	(23,078)

Treasury shares

	Number of shares	Treasury Share
		US$'000
Balance at 1 January 2020	299,641	1,993
Reissued to employees under the Forfeitable Share Plan	(242,666)	(1,606)
Balance at 31 December 2020	56,975	387
Acquisition of shares	825,163	11,876
Reissued to employees under the Forfeitable Share Plan	(56,975)	(393)
Balance at 31 December 2021	825,163	11,870

On 29 May 2020 and 27 May 2021, shareholders granted the board of directors' with the authority to repurchase shares of the company. The repurchase authority expires at the next Annual General Meeting, unless renewed, and may be suspended or terminated by the company at any time without prior notice. The authority allows the company to acquire ordinary shares in the open market on NASDAQ and the JSE. A portion of these shares are re-issued, under the Group's forfeitable share plan in the first fiscal quarter of each year and the balance continue to be held by the Group. See share compensation reserve for further information. Shares issued out of treasury shares are accounted for on a first-in first-out basis.

29 OTHER EQUITY AND RESERVES (cont'd)

Share compensation reserve

	2021	2020
	US$'000	US$'000
Balance at 1 January	3,954	4,520
Share-based payments expenses	3,330	1,847
Treasury shares issued to employees under the Forfeitable Share Plan	(2,507)	(2,413)
Balance at 31 December	4,777	3,954

The Group operates the 2018 FSP, in which certain employees of the company and its subsidiaries participate. On 31 July 2018, the Group granted the participating employee's entitlements to be settled with a specified number of ordinary shares in the company ('Awards") which shares will be allotted and issued in 3 equal tranches over a period of 3 years commencing on 1 March 2020. On 9 June 2020, 2 July 2021 and the 23 August 2021, the Group granted additional Awards which shares will be allotted and issued in 3 equal tranches over a period of 3 years commencing on 1 March 2021 for the awards granted in 2020 and 1 March 2022 for the Awards granted in 2021. This is subject to the condition that the participating employee remains employed during the vesting period relevant to each tranche.

A participant has no ownership rights (such as rights to dividends and voting) in the ordinary shares subject to the Award until such right has vested and the ordinary shares have been registered in the participant's name. The Award is subject to the risk of forfeiture until the vesting date should the participating employee no longer be employed for the period ending on the vesting date. However, the participating employee may be settled with all or a portion of the Award as determined by the rules of the 2018 FSP depending on the reasons for termination of his employment prior to the vesting date, and, in the case of retirement or termination for a reason not specifically set out in the 2018 FSP prior to the vesting date, subject to the discretion of the Compensation and Nomination Committee. The vesting of the ordinary shares is not subject to any performance-related conditions. The Group may utilise treasury shares or issue new ordinary shares when settling shares upon a participating employee. The employee is not required to make any payment for the ordinary shares settled upon him or her but is liable for taxation thereon.

At any time, the aggregate number of ordinary shares of the company may be granted under Awards that have not vested shall not exceed 5% of the ordinary shares in issue (excluding treasury shares) on the day preceding the Award. The 2018 FSP was adopted on 4 May 2018. On the date of adoption of the 2018 FSP, the company's issued share capital comprised 1 ordinary share and accordingly no Awards could be granted thereunder. On 18 June 2018 the company's share capital increased from 1 ordinary share to 19,063,833 ordinary shares, and from the following day the maximum number of ordinary shares that could have been granted was 953,191. Since the increase in the company share capital in 2021 the maximum number of ordinary shares that could have been granted was 965,501. As at 31 December 2021, 862,502 (2020:650,333) ordinary shares were subject to Awards that had not been forfeited or vested and the maximum number of ordinary shares in respect of which further Awards could have been granted under the 2018 FSP was 102,999 (2020: 302,858).

29 OTHER EQUITY AND RESERVES (cont'd)

Details of the share awards outstanding during the year are as follows:

Number of share awards:	2018 Award	2020 Award	2021 Award	Total
Outstanding at 1 January 2020	728,000	-	-	728,000
Issued during the year	-	225,000	-	225,000
Forfeited during the year	(40,000)	(20,000)	-	(60,000)
Awards vested to employees under the Forfeitable Share Plan	(242,667)	-	-	(242,667)
Outstanding at 31 December 2020	445,333	205,000	-	650,333
Issued during the year	-	-	516,000	516,000
Forfeited during the year	(1,333)	-	-	(1,333)
Awards vested to employees under the Forfeitable Share Plan	(223,332)	(80,500)	-	(303,832)
Outstanding at 31 December 2021	220,668	124,500	516,000	861,168
	US$	US$	US$	
Fair value at grant date	10.18	2.90	11.85	

The fair value at grant date is determined based on the share price on the date of the grant. The Group recognised total expenses during the year of US$3,330,000 relating to the 2018 FSP (2020: US$1,847,000).

Hedging reserve

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in OCI and accumulated in hedging reserve is reclassified to profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into United States dollars are brought to account by recognising those exchange differences in OCI and accumulating them in a separate component of equity under the header of translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are also recognised in OCI and accumulated in a separate component of equity under the header of translation reserve.

Merger reserve

This represents the residual differences between the 'Parent invested capital' and the Company's 'share capital' as a result of the Spin-off of GSPL and GSSA from Grindrod Limited and the residual difference between the non-controlling interest and the purchase consideration for the remaining equity interest in IVS Bulk (Note 39.1).

30 REVENUE

A disaggregation of the Group's revenue for the year based on timing of revenue recognition is as follows:

	2021	2020	2019
	US$'000	US$'000	US$'000
Over time:			
Charter hire	210,079	81,212	94,924
Freight revenue	245,179	122,766	164,280
Vessel revenue	455,258	203,978	259,204
Management fees	581	1,526	5,019
Miscellaneous	-	-	2
Other	581	1,526	5,021
At a point in time:			
Sale of ships	-	4,937	7,645
Sale of bunkers and other consumables	-	241	422
Ship sales	-	5,178	8,067
	455,839	210,682	272,292

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 December 2021 will be recognised as revenue during the next reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

31 SEGMENT INFORMATION

The information reported to the Group's chief operating decision maker, who are directors of the Group, for the purpose of resource allocation and assessment of segment performance is provided based on the 3 operating segments within the Group, which are also reportable segments of the Group:

The Group operates a diversified fleet of owned and long-term chartered vessels across the world. The Group operates the drybulk business with a focus on the categories of vessels – namely Handysize and Supramax/Ultramax, with all others businesses categorized as Others. Accordingly, the reportable segments are: Handysize; Supramax/Ultramax and Others.

The tanker business, with the reportable segments of MR Tankers and Small Tankers, was discontinued in the current year. The segment information reported on the next pages does not include any amounts for these discontinued operation, which are described in more detail in Note 37.

The reportable segments of the Group have been identified on a primary basis by the business segment which is representative of the internal reporting used for management purposes, including the chief operating decision maker, as well as the source and nature of business risks and returns.

Joint-ventures financial information are included within the segment information on a proportionate consolidation basis as the Group's chief operating decision maker reviews them together with the entities of the Group. Accordingly, joint-ventures' proportionate financial information are adjusted out to reconcile to the consolidated financial statements in the 'Adjustments' column.

Segment profit (i.e. Gross profit (loss)) represents the profit earned by each segment without allocation of central administration costs and directors' salaries. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Group activities that do not relate to the above segments are accumulated in the 'Unallocated' segment financial information. Revenue reported in the segments represents revenue generated from external customers. There were no inter-segment sales in 2021, 2020 and 2019.

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets at the consolidated Group level.

It is not practical to report revenue or non-current assets on a geographical basis due to the international nature of the shipping market.

For the years ended 31 December 2021, 2020 and 2019, no customers accounted for 10% or more of the Group's drybulk business revenue within the Handysize and Supramax/Ultramax segments.

The accounting policies of the segments are the same as the Group's accounting policies as described in Note 2.

The following is an analysis of the Group's revenue, results and additions and impairments to non-current assets by segment:

31 SEGMENT INFORMATION (cont'd)

2021	Drybulk carrier business		Other	**Total**	Unallocated	Total	**Adjustments**	**Total**
	Handysize	Supramax						
	US$'000	US$'000	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Vessel revenue	157,707	292,179	5,372	**455,258**	**-**	455,258	**-**	**455,258**
Ship sale revenue	-	-	-	**-**	**-**	-	**-**	**-**
Other	503	78	-	**581**	**-**	581	**-**	**581**
Total revenue	**158,210**	**292,257**	**5,372**	**455,839**	**-**	**455,839**	**-**	**455,839**
Voyage expenses	(27,235)	(69,600)	(129)	**(96,964)**	**-**	(96,964)	**-**	**(96,964)**
Vessel operating costs	(31,043)	(15,811)	2,896	**(43,958)**	**-**	(43,958)	**-**	**(43,958)**
Charter hire costs	(11,755)	(63,626)	-	**(73,381)**	**-**	(73,381)	**-**	**(75,381)**
Depreciation of ships, drydocking and plant and equipment– owned assets	(13,724)	(10,474)	(1,668)	**(25,866)**	**-**	(25,866)	**-**	**(25,866)**
Depreciation of ships and ship equipment – right-of-use assets	(17)	(34,881)	-	**(34,898)**	**-**	(34,898)	**-**	**(34,898)**
Cost of ship sale	-	-	-	**-**	**-**	-	**-**	**-**
Other	(457)	(1,419)	1	**(1,875)**	**-**	(1,875)	**-**	**(1,875)**
Costs of sales	**(84,231)**	**(195,811)**	**1,100**	**(278,942)**	**-**	**(278,942)**	**-**	**(278,942)**
Gross profit	**73,979**	**96,446**	**6,472**	**176,897**	**-**	**176,897**	**-**	**176,897**
Operating (loss) profit	65,612	78,777	3,616	**148,005**	(3,379)	144,626	31	**144,657**
Interest income	7	11	163	**181**	20	201	-	**201**
Interest expense	(4,873)	(6,376)	(1,049)	**(12,298)**	-	(12,298)	-	**(12,298)**
Share of losses of joint ventures	-	-	-	**-**	-	-	(31)	**(31)**
Taxation	3	11	104	**118**	-	118	-	**118**
Profit (loss) for the year from continuing operations	**60,749**	**72,423**	**2,834**	**136,006**	**(3,359)**	**132,647**	**-**	**132,647**
(Reversal of) impairment loss on owned ships	(3,557)	-	**-**	**(3,557)**	-	(3,557)	-	**(3,557)**
(Reversal of) impairment loss on right-of-use assets	-	(1,046)	-	**(1,046)**	-	(1,046)	-	**(1,046)**
Impairment loss on disposal group	-	-	-	**2,551**	-	2,551	-	**2,551**
Impairment of goodwill and intangibles	94	871	-	**965**	-	965	-	**965**
Capital expenditure	5,947	26,423	1,134	**33,504**	-	33,504	-	**33,504**

31 SEGMENT INFORMATION (cont'd)

2020	Drybulk carrier business		Others	**Total**	Unallocated	Total	Adjustments	**Total**
	Handysize	Supramax						
	US$'000	US$'000	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Vessel revenue	74,641	124,352	5,463	**204,456**	**-**	204,456	(478)	**203,978**
Ship sale revenue	9,181	-	-	**9,181**	**-**	9,181	(4,003)	**5,178**
Other	697	320	217	**1,234**	**-**	1,234	292	**1,526**
Total revenue	**84,519**	**124,672**	**5,680**	**214,871**	**-**	**214,871**	**(4,189)**	**210,682**
Voyage expenses	(30,995)	(48,547)	(208)	**(79,750)**	**-**	(79,750)	(2,090)	**(81,840)**
Vessel operating costs	(28,417)	(13,640)	2,255	**(39,802)**	**-**	(39,802)	1,834	**(37,968)**
Charter hire costs	(8,827)	(25,542)	-	**(34,369)**	**-**	(34,369)	-	**(34,369)**
Depreciation of ships, drydocking and plant and equipment–owned assets	(12,235)	(9,087)	(1,889)	**(23,211)**	**-**	(23,211)	1,208	**(22,003)**
Depreciation of ships and ship equipment – right-of-use assets	(89)	(24,597)	-	**(24,686)**	**-**	(24,686)	12	**(24,674)**
Cost of ship sale	(9,351)	-	-	**(9,351)**	**-**	(9,351)	3,976	**(5,375)**
Other	(539)	129	(2)	**(412)**	**-**	(412)	14	**(398)**
Costs of sales	**(90,453)**	**(121,284)**	**156**	**(211,581)**	**-**	**(211,581)**	**4,954**	**(206,627)**
Gross (loss) profit	**(5,934)**	**3,388**	**5,836**	**3,290**	**-**	**3,290**	**765**	**4,055**
Operating (loss) profit	(16,346)	(3,181)	2,125	**(17,402)**	**(2,109)**	(19,511)	1,838	**(17,673)**
Interest income	90	96	222	**408**	**-**	408	59	**467**
Interest expense	(6,414)	(8,542)	(679)	**(15,635)**	**(50)**	(15,685)	579	**(15,106)**
Share of losses of joint ventures	-	-	-	-	**-**	-	(2,476)	**(2,476)**
Taxation	(244)	(278)	333	**(189)**	**-**	(189)	-	**(189)**
(Loss) profit for the year from continuing operations	**(22,914)**	**(11,905)**	**2,001**	**(32,818)**	**(2,159)**	**(34,977)**	**-**	**(34,977)**
Impairment loss on owned ships	6,160	-	-	**17,294**	-	17,294	(1,012)	**16,282**
Impairment loss on disposal group	-	-	-	**576**	-	576	-	**576**
Acquisition of subsidiary (Note 39.1)	33,078	54,096	-	**87,174**	-	87,174	156,709	**243,883**
Capital expenditure	6,874	1,671	66	**8,611**	-	8,611	479	**9,090**

31 SEGMENT INFORMATION (cont'd)

2019	Drybulk carrier business		Others	**Total**	Unallocated	Total	Adjustments	**Total**
	Handysize	Supramax						
	US$'000	US$'000	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Vessel revenue	102,805	153,937	5,182	**261,924**	**-**	261,924	(2,720)	**259,204**
Ship sale revenue	8,067	-	-	**8,067**	**-**	8,067	-	**8,067**
Other	1,360	1,218	1,058	**3,636**	**-**	3,636	1,385	**5,021**
Total revenue	**112,232**	**155,155**	**6,240**	**273,627**	**-**	**273,627**	**(1,335)**	**272,292**
Voyage expenses	(53,449)	(74,286)	(22)	**(127,757)**	**-**	(127,757)	(13,688)	**(141,445)**
Vessel operating costs	(23,632)	(4,436)	1,471	**(26,597)**	**-**	(26,597)	7,079	**(19,518)**
Charter hire costs	(15,162)	(41,393)	-	**(56,555)**	**-**	(56,555)	468	**(56,087)**
Depreciation of ships, drydocking and plant and equipment–owned assets	(10,585)	(3,596)	(2,269)	**(16,450)**	**-**	(16,450)	5,715	**(10,735)**
Depreciation of ships and ship equipment – right-of-use assets	(114)	(24,945)	-	**(25,059)**	**-**	(25,059)	55	**(25,004)**
Cost of ship sale	(8,280)	-	-	**(8,280)**	**-**	(8,280)	-	**(8,280)**
Other	(232)	(15)	(2)	**(249)**	**-**	(249)	10	**(239)**
Costs of sales	**(111,454)**	**(148,671)**	**(822)**	**(260,947)**	**-**	**(260,947)**	**(361)**	**(261,308)**
Gross profit	**778**	**6,484**	**5,418**	**12,680**	**-**	**12,680**	**(1,696)**	**10,984**
Operating (loss) profit	(11,354)	(4,910)	375	**(15,889)**	**(2,255)**	(18,144)	(1,298)	**(19,442)**
Interest income	659	666	458	**1,783**	**-**	1,783	99	**1,882**
Interest expense	(4,850)	(5,257)	(1,017)	**(11,124)**	**-**	(11,124)	3,072	**(8,052)**
Share of losses of joint ventures	-	-	-	**-**	**-**	-	(1,873)	**(1,873)**
Taxation	(95)	(99)	594	**400**	**-**	400	-	**400**
(Loss) profit for the year from continuing operations	**(15,640)**	**(9,600)**	**410**	**(24,830)**	**(2,255)**	**(27,085)**	**-**	**(27,085)**
Impairment loss on owned ships	2,905	-	-	16,995	-	16,995	-	**16,995**
Impairment loss on goodwill and intangibles	-	-	-	3,179	-	3,179	-	**3,179**
Impairment loss on right-of-use assets	-	2,250	-	2,250	-	2,250	-	**2,250**
Capital expenditure	3,065	50,008	88	**107,766**	**-**	107,766	(1,565)	**106,201**

32 OTHER OPERATING INCOME (EXPENSE)

	2021 US$'000	2020 US$'000	2019 US$'000
Reversal of (impairment loss) on ships (Note 13)	3,557	(5,148)	(2,904)
Reversal of (impairment loss) on right-of-use ships (Note 14)	1,046	-	(2,250)
Impairment loss on goodwill (Note 18)	(965)	-	-
Impairment loss on financial assets	(2)	(1)	-
Foreign exchange gain (loss)	95	4,868	(484)
Gain on disposal of office equipment, furniture and fittings and motor vehicles	14	-	-
Gain on disposal of right-of-use asset	104	-	-
Other operating expense	-	(12)	(886)
	3,849	(293)	(6,524)

33 INTEREST INCOME

	2021 US$'000	2020 US$'000	2019 US$'000
Interest on loans to joint ventures (Note 5)	-	112	983
Bank interests	201	355	899
	201	467	1,882

34 INTEREST EXPENSE

	2021 US$'000	2020 US$'000	2019 US$'000
Interest on bank loans	6,231	7,128	4,436
Interest on non-bank loan	1,808	2,797	-
Amortisation of upfront fees on bank loans	1,263	1,831	379
Other finance cost	1,095	870	47
Interest on lease liabilities	1,901	2,480	3,190
	12,298	15,106	8,052

35 PROFIT (LOSS) BEFORE TAXATION

Profit (loss) before taxation has been arrived at after charging:

	2021 US$'000	2020 US$'000	2019 US$'000
Depreciation of ships, drydocking and plant and equipment (Note 13)	25,866	22,003	10,735
Depreciation of other property, plant and equipment *	51	39	43
Amortisation of intangible assets *	165	146	25
Total depreciation and amortisation – owned assets	26,082	22,188	10,803
Depreciation of ships and ship equipment – right-of-use assets	34,898	24,674	25,004
Depreciation of property – right-of-use assets *	938	946	450
Total depreciation and amortisation – right-of-use assets	35,836	25,620	25,454
Total depreciation and amortisation	61,918	47,808	36,257
Cost of inventories recognised as expense (included in voyage expenses)	57,633	47,135	51,191
Expense recognised in respect of equity-settled share-based payments	3,336	1,831	3,129
Employee benefits expenses (including directors' remuneration and share based payments)	27,206	14,534	17,162
Cost of defined benefit plan and defined contribution plans included in employee benefits expenses	1,096	1,019	1,089

* Included in administrative expense

36 INCOME TAX

In December 2004, Grindrod Shipping Pte. Ltd. was granted incentives under the Approved International Shipping Enterprise Incentive ("AIS") Scheme, with effect from 10 June 2004. The incentives to the company were extended in October 2014, with effect from 10 June 2014. As such, the shipping profits of Grindrod Shipping Pte. Ltd. are exempted from income tax under Section 13F of the Singapore Income Tax Act. The shipping profits of the subsidiaries incorporated in Singapore are exempted from income tax under Section 13A of the Singapore Income Tax Act.

The tax rate used for the 2021, 2020 and 2019 reconciliations below is the corporate tax rate of 17% payable by corporate entities in Singapore on taxable profits under tax law in that jurisdiction. The corporate taxation rates payable by the South African entities in terms of the tax law in South Africa is 28% (2020 and 2019: 28%).

	2021	2020	2019
	US$'000	US$'000	US$'000
Current tax			
In respect of the current year	513	181	(413)
Withholdings tax	48	10	-
In respect of prior years	(132)	-	8
	429	191	(405)
Deferred tax			
In respect of the current year	(547)	(2)	3
In respect of prior years	-	-	2
	(547)	(2)	5
Income tax (benefit) expense	(118)	189	(400)

The total charge for the year can be reconciled to the accounting loss as follows:

	2021	2020	2019
	US$'000	US$'000	US$'000
Profit (loss) before tax	132,529	(34,788)	(27,485)
Income tax benefit calculated at corporate rate	22,530	(5,914)	(4,672)
Adjusted for:			
Effect of income that is exempted from tax	(27,890)	(2,967)	(2,225)
Effect of expenses that are not deductible in determining taxable profit	6,204	9,905	7,623
Effect of different tax rates of subsidiaries operating in other jurisdictions	(878)	(849)	(1,134)
Effect of tax losses disallowed to be brought forward	-	4	-
(Over)under provision of tax in prior year	(132)	-	8
Withholding tax	48	10	-
	(118)	189	(400)

37 DISCONTINUED OPERATION

The Group completed the sale of the remaining MR tankers and Small Tankers in April 2021 as part of a plan to exit the tanker business and focus on the drybulk business. The divestments of the vessels was followed by a restructure of the staff and administration which was completed in December 2021. The MR Tanker segment and the Small tanker segment were effectively discontinued as at 31 December 2021.

The results of the discontinued operation, which were included in the profit (loss) for the year, were as follows:

	2021 US$'000	2020 US$'000	2019 US$'000
Revenue	52,980	68,535	58,754
Cost of Sales			
Voyage expenses	(421)	(1,601)	(7,999)
Vessel operating costs	(1,942)	(9,509)	(14,371)
Charter hire costs	-	(3,851)	(5,581)
Depreciation of ships, drydocking and plant and equipment– owned assets	-	(1,846)	(6,794)
Depreciation of ships and ship equipment – right-of-use assets	-	(1,739)	(5,445)
Other expenses	(61)	(582)	(458)
Cost of ship sale	(50,580)	(38,356)	(8,564)
Gross (loss) profit	(24)	11,051	9,542
Other operating expense	(2,986)	(13,264)	(17,035)
Administrative expense	(2,253)	(3,173)	(4,510)
Share of (losses) profit of joint ventures	(1)	1,531	453
Interest income	35	98	97
Interest expense	(649)	(1,832)	(3,864)
Loss before taxation	(5,878)	(5,589)	(15,317)
Income tax benefit (expense)	2,713	(534)	(1,085)
Net loss attributable to discontinued operation (attributable to the owners of the Company)	(3,165)	(6,123)	(16,402)

Cash flows relating to the discontinued operation of the tanker business were as follows:

Net cash flows from discontinued operation			
Cash generated from (used in) from operating activities	21,909	29,845	(32,792)
Cash generated from (used in) investing activities	962	(1,492)	27,548
Cash used in financing activities	(25,949)	(25,723)	(8,011)

Included in the income tax benefit for 2021 is the reversal of a tax provision of US$2,400,000. On the 7 May 2021, the United Kingdom Upper Tribunal found in the Group's favour with respect to the tax dispute with Her Majesty's Revenue & Customs service of the United Kingdom ("HMRC"). HMRC decided not to appeal the decision and a reversal of the tax provision was recorded in profit or loss in the line item 'Income tax benefit (expense)'.

38 ASSETS CLASSIFIED AS HELD FOR SALE

	2021 US$'000	2020 US$'000
Investment in joint ventures [(i)] [(ii)]	-	63
Assets of disposal group [(iii)]	-	3,762
	-	3,825
Liabilities of disposal group [(iii)]	-	(508)
	-	3,317

(i) In 2018, the Group agreed to sell the vessel in Petrochemical Shipping Limited, a joint venture of the Group, and to wind up the joint venture arrangement. The joint venture arrangement was dissolved on 19 March 2021.

(ii) In 2018, the Group agreed to wind up Leopard Tankers Pte. Ltd., a joint venture of the Group, in such a manner that the Group purchased two vessels, the Leopard Sun and Leopard Moon in January 2019 and February 2019 respectively. At 31 December 2021, the carrying amount of the investment is US$Nil (2020: US$Nil) and hence no further impairment loss was recognised on the classification to assets classified as held for sale.

(iii) In 2019, the Group agreed to dispose of one of GSSA's businesses (Unicorn Tanker division) to a third party and in 2020, the Group agreed to dispose of a second GSSA business (Training school) to a third party.

Management assessed the fair value less cost to sell of the assets and liabilities of the first disposal group on the date that they were classified as held for sale and recorded an impairment loss of US$3,179,000 in 2019. The assets of the disposal group were further impaired by US$576,000 in 2020 and US$2,551,000 in 2021. The conclusion of the sale process was hampered by the global pandemic in 2020. In November 2021 the agreement was cancelled and management agreed to cease the Unicorn Tanker division operations with immediate effect. The Unicorn Tanker division has been included in the discontinued operation (Note 37).

Management assessed the fair value less cost to sell of the assets and liabilities of the second disposal group on the date that they were classified as held for sale and recorded an impairment loss on office equipment, furniture and fittings and motor vehicles of US$138,000 in 2020. The transaction was completed in May 2021.

	2021 US$'000	2020 US$'000
Net assets of disposal group held for sale as at 1 January	3,254	4,056
Business classified as held for sale during the year	-	100
Sale of business during the year	(100)	-
Movements during the year on assets held for sale	(60)	(76)
Impairment of disposal group held for sale	(2,551)	(576)
Effect of foreign currency exchange differences	(543)	(250)
Net assets of disposal group held for sale as at 31 December	-	3,254

38 ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

The classes of assets and liabilities comprising the disposal groups classified as held for sale are as follows:

	2020		
	Training School	Unicorn Tanker division	Total
	US$'000	US$'000	US$'000
Assets			
Cash and bank balances	-	60	60
Trade receivables	69	336	405
Other receivables and prepayments	7	188	195
Inventories	-	125	125
Ships, property, plant and equipment	70	2	72
Goodwill	-	2,554	2,554
Right-of-use assets	317	34	351
Assets classified as held for sale	463	3,299	3,762
Liabilities			
Trade and other payables	17	145	162
Lease liabilities	346	-	346
Liabilities directly associated with assets classified as held for sale	363	145	508
Net assets of disposal group	100	3,154	3,254

39 ACQUISITION OF ASSETS AND DISPOSAL OF BUSINESSES

39.1 IVS Bulk Pte. Ltd.

On 14 February 2020, the Group acquired additional equity interest in IVS Bulk Pte. Ltd. from its joint venture partner which increased its ownership interest from 33.5% to 66.75%. The Group elected to apply the optional concentration test in accordance with IFRS 3 *Business Combinations* and concluded that the ships are considered as a group of identifiable assets. Consequently, the Group determined that substantially all of the fair value of the gross assets (excluding cash and cash equivalents) acquired is concentrated in the ships and concluded that the acquired set of activities and assets is not a business.

The fair value and book value of the net assets acquired amounted to US$134,818,000 and US$147,683,000 respectively. The difference between fair value and book value is allocated on a pro rata basis of relative fair values to reduce certain of the assets acquired (i.e. ships). The ships acquired and cash and cash equivalents assumed as part of the transaction amounted to US$243,596,000 and US$15,774,000 respectively.
In connection with the acquisition of the additional 33.25%, the company entered into a new shareholders' agreement with Sankaty, the remaining partner, which grants the company control of key aspects of the corporate governance of the joint venture. As such, the Group consolidates the financial statements of IVS Bulk Pte. Ltd. with effect from the date of acquisition, resulting in the decrease in the amount due from joint ventures and amount due to related parties.

Assets and liabilities recognised at the date of acquisition	2020 US$'000
Cash and bank balances including restricted cash	15,774
Other receivables and prepayments	694
Due from related parties	2,512
Inventories	485
Ships, property, plant and equipment (Note 13)	243,883
Right-of-use assets (Note 14)	87
Bank loans (Note 25)	(125,517)
Other payables	(2,690)
Due to related parties	(33)
Lease liabilities (Note 24)	(90)
Fair value of net identifiable assets acquired	135,105

Net cash outflows arising on acquisition of IVS Bulk Pte. Ltd.	2020 US$'000
Total purchase consideration	(44,087)
Less: cash and bank balances including restricted cash	15,774
Payment for acquisition of subsidiary, net of cash acquired	(28,313)

Non-controlling interest of 33.25% in IVS Bulk recognised at the acquisition date was measured based on the fair value of purchase consideration of IVS Bulk and amounts to US$44.1 million.

On 1 December 2020, additional funding from GSPL to IVS Bulk Pte. Ltd. of US$4,000,000 was converted to share capital in terms of the shareholders agreement. The conversion increased the shareholding of GSPL from 66.75% to 68.86%. This has been accounted as an equity transaction between the shareholders.

On 1 September 2021, the Group acquired the remaining 31.14% equity stake in IVS Bulk Pte. Ltd. for US$46,634,000, comprising of US$37,219,000 for the purchase of the ordinary shares, interest on the purchase price of US$275,000, related expenses of US$53,000 and US$9,087,000 for the preference shares. The purchase consideration was used to settle the non-controlling interest of US$52,339,000 and the difference of US$5,705,000 was recognised in equity as in Merger Reserves (Note 29).

39 ACQUISITION OF ASSETS AND DISPOSAL OF BUSINESSES (cont'd)

39.2 Island Bulk Carriers Pte. Ltd.

During the year ended 31 December 2020, the Group acquired additional equity interest in Island Bulk Carriers Pte. Ltd. ("IBC") from its joint venture partner which increased its ownership interest from 65% to 100% and subsequently recognised IBC as a subsidiary of the Group (Note 15) resulting in consolidation of IBC as at 31 December 2020. Prior to this, the Group had recognised IBC as a joint venture (Note 16) and it was accounted under the equity method. IBC is a vessel operating entity with a process and workforce. The transaction was determined by management to be in substance a business combination as defined in IFRS 3 *Business Combinations* not an asset acquisition. The deemed disposal of its previously held joint venture interest had no impact on the profit or loss or the Group and no cash and cash equivalents were assumed as part of the transaction.

40 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

From continuing operations and discontinued operation

Earnings

	2021	2020	2019
	US$'000	US$'000	US$'000
Profit (loss) for the purpose of basic profit (loss) per share			
Net profit (loss) attributable to the shareholders of the Group	118,925	(38,795)	(43,487)
Effect of dilutive potential ordinary share	-	-	-
Profit (loss) for the purposes of diluted profit (loss) per share	118,925	(38,795)	(43,487)

Number of shares for the purpose of calculating basic and diluted profit/(loss) per share

	2021	2020	2019
Weighted average number of ordinary shares for the purpose of basic profit/(loss) per share	19,150,787	18,966,414	19,022,665
Effect of dilutive potential ordinary shares due to FSP share awards	861,168	-	-
Weighted average number of ordinary shares for the purpose of diluted profit/(loss) per share	20,011,955	18,966,414	19,022,665
	US$	US$	US$
Basic profit (loss) per share	6.21	(2.05)	(2.29)
Diluted profit (loss) per share	5.94	(2.05)	(2.29)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted profit (loss) per share:

Number of shares	-	650,333	728,000

These shares granted under the 2018 FSP became dilutive to basic profit (loss) per share in 2021.

40 EARNINGS PER SHARE (cont'd)

From continuing operations

Earnings

	2021	2020	2019
	US$'000	US$'000	US$'000
Profit (loss) for the purpose of basic profit (loss) per share			
Net profit (loss) attributable to the shareholders of the Group	118,925	(38,795)	(43,487)
Adjustments to exclude loss for the year from discontinued operation	3,165	6,123	16,402
Profit (loss) from continuing operations for the purpose of basic Profit (loss) per share from continuing operations	122,090	(32,672)	(27,085)
Effect of dilutive potential ordinary share	-	-	-
Profit (loss) for the purposes of diluted profit (loss) per share from continuing operations	122,090	(32,672)	(27,085)
	US$	US$	US$
Basic profit (loss) per share	6.38	(1.72)	(1.42)
Diluted profit (loss) per share	6.10	(1.72)	(1.42)

The weighted average number of shares are the same as detailed above for basic and diluted earnings per share from continuing and discontinued operation.

From discontinued operation

	2021	2020	2019
	US$	US$	US$
Basic profit (loss) per share	(0.17)	(0.33)	(0.87)
Diluted profit (loss) per share	(0.16)	(0.33)	(0.87)

41 DIVIDENDS

	2021	2020	2019
	US$'000	US$'000	US$'000
Amounts recognised as distributions to equity holders in the year			
Interim dividend for the year ended 31 December	13,546	-	-
	US$	US$	US$
Interim dividend per share	0.72	-	-

42 NON-CONTROLLING INTEREST

Summarised financial information in respect of the Group's subsidiary that had a material non-controlling interests is set out below. The non-controlling interest was acquired by the Group on 1 September 2021 and the equity balance was settled as part of the purchase price.

The summarised financial information below represents amounts for the period ended 31 December 2020 before intragroup eliminations.

	2020 US$'000
IVS Bulk	
Current assets	11,000
Non-current assets	252,447
Current liabilities	(15,428)
Non-current liabilities	(104,264)
Equity attributable to owners of the Company	98,990
Non-controlling interests	44,765
	143,755
Revenue	27,620
Cost of sales	(30,050)
Gross loss	(2,430)
Administration expenses	(968)
Interest received	28
Interest paid	(4,568)
Tax expense	(11)
Loss for the year, representing total comprehensive loss for the year	(7,949)
Loss attributable to the owners of the Company, representing total comprehensive loss for the year	(5,312)
Loss attributable to the non-controlling interests, representing total comprehensive loss for the year	(2,637)
Loss for the year, representing total comprehensive loss for the year	(7,949)
Net cash inflow from operating activities	424
Net cash outflow from financing activities	(6,830)
	(6,406)

	2021 US$'000	2020 US$'000
Balance at 1 January	41,782	-
Non-controlling interest arising on the acquisition of IVS Bulk Pte. Ltd. (Note 39.1)	-	44,087
Acquisition of the non-controlling interest of IVS Bulk Pte. Ltd. (Note 39.1)	(52,339)	-
Share of profit (loss) for the year	10,557	(2,637)
Adjustments	-	332
Balance at 31 December	-	41,782

43 COMMITMENTS

The Group has entered into drydock and ballast water treatment contracts for some of its ships during the year. In terms of the agreements, the Group has committed to payments for these ships. The following has been authorised:

	2021 US$'000	2020 US$'000
Due within 1 year	887	1,057

The expenditure will be financed out of cash resources from operations and bank loans.

44 GOING CONCERN

The historical consolidated financial information presented has been prepared on the assumption that the Group as a whole will continue to operate as going concerns. The Board of Directors has no reason to believe that the Group will not continue to operate as a going concern as disclosed in Note 4 to the financial statements.

45 EVENTS AFTER THE REPORTING PERIOD

a) On 16 February 2022, the Company's Board of Directors declared an interim quarterly cash dividend of US$0.72 per ordinary share, payable on or about 22 March 2022, to all shareholders of record as of 11 March 2022 (the "Record Date"). As of 16 February, 2022, there were 18,484,861 common shares of the Company outstanding (excluding treasury shares).

b) At the end of February 2022, following the Russian invasion of the Ukraine, Russia has been subjected to numerous economic sanctions. Such measures have and will likely continue to cause severe trade disruptions. Management considers the conflict and subsequent sanctions to be a non-adjusting event for the financial year ended 31 December 2021. The extent to which the sanctions will impact the Group's subsequent results of operations and financial condition, will depend on future developments, which are highly uncertain and cannot be predicted.

SUPPLEMENTAL LETTER

AMENDMENT OF FINANCIAL COVENANTS AND DEFINITION OF BUSINESS DAY

To:

GRINDROD SHIPPING PTE LTD.
200 Cantonment Road, #03-01 Southpoint, Singapore 089763
as Borrower

IVS BULK 475 PTE. LTD.
IVS BULK 603 PTE. LTD.
IVS BULK 609 PTE. LTD.
IVS BULK 611 PTE. LTD.
IVS BULK 612 PTE. LTD.
200 Cantonment Road, #03-01 Southpoint, Singapore 089763
as Owner Guarantors

GRINDROD SHIPPING HOLDINGS LTD.
200 Cantonment Road, #03-01 Southpoint, Singapore 089763
as Corporate Guarantor

Date: 7 June 2021

Dear Sirs

By a facility agreement dated 8 May 2018 (as amended and supplemented from time to time) (the "Facility Agreement") originally made between amongst others (i) the Borrower, (ii) the Owner Guarantors, (iii) the banks and financial institutions named therein as lenders, (iv) Credit Agricole Corporate and Investment Bank, DVB Bank SE Singapore Branch and Standard Chartered Bank, Singapore Branch as mandated lead arrangers, (v) the banks and financial institutions named therein as hedge counterparties and DVB Bank SE Singapore Branch as facility agent and security agent the lenders agreed to lend to the Borrower a facility of up to US$100,000,000.

By a resignation and appointment deed dated 28 May 2021 DVB Bank SE Singapore Branch resigned as facility agent and security agent and Credit Agricole Corporate and Investment Bank succeeded as facility agent (the "Facility Agent") and security agent (the "Security Agent").

By a transfer certificate dated 1 June 2021 DVB Bank SE Singapore Branch transferred its Commitment under the Facility Agreement to NIBC Bank N.V.

By a transfer certificate dated 1 June 2021 Standard Chartered Bank, Singapore Branch transferred its Commitment under the Facility Agreement to NIBC Bank N.V.

1 DEFINITIONS

1.1 We refer to the Facility Agreement. Words and expressions defined in the Facility Agreement shall have the same meanings when used herein.

1.2 In this letter, unless the contrary intention appears:

"**Effective Date**" means the date on which the conditions in paragraph 3.1 are satisfied.

2 OBLIGORS' REQUEST

The Obligors have requested the consent of the Lenders to amend the Facility Agreement as detailed in paragraph 4 of this letter.

3 CONSENT AND CONDITIONS PRECEDENT

3.1 The Facility Agent and the Lenders confirm the agreement of the Finance Parties to the Obligors' request in paragraph 2 subject to the receipt by the Facility Agent of the following in form and substance satisfactory to the Facility Agent by no later than 7 June 2021 or such later date as the Obligors and the Facility Agent agree:

(a) confirmation that each of the documents required by an Obligor pursuant to Schedule 2 Part A paragraphs 1.1 to 1.3 (inclusive) of the Facility Agreement have not been amended or modified in any way since the last date of their delivery to the Facility Agent, save for the address change to the Corporate Guarantor; and

(b) a duly executed original of this letter.

4 AMENDMENTS TO FINANCE DOCUMENTS

4.1 Amendments to the Facility Agreement

With effect from the Effective Date, the Facility Agreement shall be amended as follows:

(a) by deleting the definition of Business Day in clause 1.1 *(Definitions)* of the Facility Agreement and replacing it with the following new definition of Business Day in clause 1.1 *(Definitions)*:

""**Business Day**" means a day (other than a Saturday or Sunday) (i) on which banks are open for general business in London, Paris, Singapore and Amsterdam and (ii) in relation to payments in dollars, New York."

(b) by deleting clause 20.1 *(Financial covenants)* of the Facility Agreement and replacing it with the following new clause 20.1 *(Financial covenants)*:

"**20.1 Financial covenants**

(a) The Borrower shall ensure that the consolidated financial position of the Group shall at all times from the Utilisation Date and thereafter during the Security Period be such that:

(i) Book Value Net Worth is not less than the lower of (other than in respect of paragraph (A)(1) below):

(A) any of the following (as applicable):

(1) $250,000,000 in 2017 and 2018 and not less than $265,000,000 in 2019;

(2) During the period from 1 January 2020 to 31 December 2020 (inclusive), the aggregate of $225,000,000, 25 per cent. of Positive Retained Earnings (accruing from 30 June 2019) and 50 per cent. of each Capital Raise;

(3) From 1 January 2021 and thereafter, the aggregate of $200,000,000 plus 25 per cent. of Positive Retained Earnings (accruing from 30 June 2019) and 50 per cent. of each Capital Raise; and

(B) $275,000,000;

(ii) Cash and Cash Equivalents of not less than, during the period from 1 January 2020 to 30 September 2020 (inclusive), $20,000,000 and, at all other times, $30,000,000 unencumbered cash, including the minimum cash balance in the Debt Service Reserve Account required pursuant to Clause 20.3 (Minimum Cash);

(iii) During the period from 1 January 2020 to 31 December 2020 (both dates inclusive) the ratio of Debt to Market Adjusted Tangible Fixed Assets shall be not more than 80 per cent. and from 1 January 2021 thereafter shall not be more than 75 per cent.; and

(iv) Working Capital is positive.";

(c) by construing all references in the Facility Agreement to **"this Agreement"** and all references in the other Finance Documents to **"the Facility Agreement"** as references to the Facility Agreement as amended and supplemented by this letter.

4.2 Amendments to the Corporate Guarantor Guarantee

With effect from the Effective Date, the Parties agree that clause 10.1 *(Financial Covenants)* of the Corporate Guarantor Guarantee Facility Agreement shall be deleted and replaced with the following new paragraph:

"10.1 Financial covenants

(a) The Guarantor shall ensure that the consolidated financial position of the Group shall at all times during the Security Period be such that:

(i) Book Value Net Worth is not less than the lower of (other than in respect of paragraph (A)(1) below):

(A) any of the following (as applicable):

(1) $250,000,000 in 2017 and 2018 and not less than $265,000,000 in 2019;

(2) During the period from 1 January 2020 to 31 December 2020 (inclusive), the aggregate of $225,000,000, 25 per cent. of Positive Retained Earnings (accruing from 30 June 2019) and 50 per cent. of each Capital Raise;

(3) From 1 January 2021 and thereafter, the aggregate of $200,000,000 plus 25 per cent. of Positive Retained Earnings (accruing from 30 June 2019) and 50 per cent. of each Capital Raise; and

(B) $275,000,000;

(ii) Cash and Cash Equivalents of not less than, during the period from 1 January 2020 to 30 September 2020 (inclusive), $20,000, 000 and, at all other times, $30,000,000 unencumbered cash, including the minimum cash balance in the Debt Service Reserve Account required pursuant to Clause 20.3 (Minimum Cash);

(iii) During the period from 1 January 2020 to 31 December 2020 (both dates inclusive) the ratio of Debt to Market Adjusted Tangible Fixed Assets shall be not more than 80 per cent. and from 1 January 2021 thereafter shall not be more than 75 per cent.; and

(iv) Working Capital is positive.";

5 MISCELLANEOUS

5.1 All other terms and conditions of the Facility Agreement and the other Finance Documents are to remain in full force and effect.

5.2 This letter may be executed in any number of counterparts.

5.3 A person, other than a Finance Party, who is not a party to this letter has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this letter.

6 LAW AND JURISDICTION

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English Law. The provisions of clauses 47 *(Enforcement)* of the Facility Agreement shall be incorporated into this letter as if set out in full herein with references to any Finance Document construed as references to this letter.

Please confirm your agreement to this letter by signing below.

LENDERS

SIGNED by
duly authorised
for and on behalf of
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, SINGAPORE BRANCH

/s/ Emeline Yew
Emeline Yew
Attorney-in-Fact

SIGNED by
duly authorised
for and on behalf of
NIBC BANK N.V.

/s/ Michael de Visser
Michael de Visser

/s/ Saskia Hovers
Saskia Hovers

FACILITY AGENT

SIGNED by)
duly authorised)
for and on behalf of)
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK)

/s/ Emeline Yew
Emeline Yew
Attorney-in-Fact

We hereby acknowledge receipt of the above letter and confirm our agreement to the terms thereof and confirm that the Finance Documents to which we are a party (and as amended in accordance with the terms of this letter) shall remain in full force and effect (as amended by this letter) and shall continue to stand as security for our obligations under the Facility Agreement and the other Finance Documents to which we are a party.

BORROWER

SIGNED by	)	
duly authorised	)	/s/ Stephen William Griffiths
for and on behalf of	)	Stephen William Griffiths
GRINDROD SHIPPING PTE. LTD.	)	

OWNER GUARANTORS

SIGNED by	)	
duly authorised	)	/s/ Stephen William Griffiths
for and on behalf of	)	Stephen William Griffiths
IVS BULK 475 PTE. LTD.	)	
SIGNED by	)	
duly authorised	)	/s/ Stephen William Griffiths
for and on behalf of	)	Stephen William Griffiths
IVS BULK 603 PTE. LTD.	)	
SIGNED by	)	
duly authorised	)	/s/ Stephen William Griffiths
for and on behalf of	)	Stephen William Griffiths
IVS BULK 609 PTE. LTD.	)	
SIGNED by	)	
duly authorised	)	/s/ Stephen William Griffiths
for and on behalf of	)	Stephen William Griffiths
IVS BULK 611 PTE. LTD.	)	

SIGNED by	)	
duly authorised	)	/s/ Stephen William Griffiths
for and on behalf of	)	Stephen William Griffiths
IVS BULK 612 PTE. LTD.	)	

CORPORATE GUARANTOR

SIGNED by	)	/s/ Stephen William Griffiths
duly authorised	)	Stephen William Griffiths
for and on behalf of	)	
GRINDROD SHIPPING HOLDINGS LTD.	)	

Exhibit 4.25(d)

Execution version

Dated 10 September 2021

IVS BULK PTE. LTD.
GRINDROD SHIPPING HOLDINGS LTD
as joint and several Borrowers

and

IVS BULK 709 PTE. LTD.
IVS BULK 5858 PTE. LTD.
IVS BULK 543 PTE. LTD.
IVS BULK 5855 PTE. LTD.
IVS BULK 541 PTE. LTD.
IVS BULK 545 PTE. LTD.
IVS BULK 712 PTE. LTD.
IVS BULK 1345 PTE. LTD.
IVS BULK 554 PTE. LTD.
IVS BULK 7297 PTE. LTD.
IVS BULK 3693 PTE. LTD.
as Owners Guarantors

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
HAMBURG COMMERCIAL BANK AG
as Mandated Lead Arrangers

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Account Bank

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Facility Agent

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Security Agent

AMENDMENT AND RESTATEMENT AGREEMENT

relating to
a facility agreement dated 10 February 2020
in respect of the refinancing of
11 ships owned by the Owner Guarantors

WATSON FARLEY
&
WILLIAMS

Index

THIS AGREEMENT is made on 10 September 2021

PARTIES

(1) **IVS BULK PTE. LTD.**, a company incorporated in Singapore with company registration number 201114306Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a borrower (the "**Borrower A**")

(2) **GRINDROD SHIPPING HOLDINGS LTD.**, a company incorporated in Singapore with company registration number 201731497H whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a borrower (the "**Borrower B**" and, together with Borrower A, the "**Borrowers**")

(3) **IVS BULK 709 PTE. LTD.**, a company incorporated in Singapore with company registration number 201328075E whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor A**")

(4) **IVS BULK 5858 PTE. LTD.**, a company incorporated in Singapore with company registration number 201328882C whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor B**")

(5) **IVS BULK 543 PTE. LTD.**, a company incorporated in Singapore with company registration number 201322656Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor C**")

(6) **IVS BULK 5855 PTE. LTD.**, a company incorporated in Singapore with company registration number 201325921Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor D**")

(7) **IVS BULK 541 PTE. LTD.**, a company incorporated in Singapore with company registration number 201322639G whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor E**")

(8) **IVS BULK 545 PTE. LTD.**, a company incorporated in Singapore with company registration number 201322704H whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor F**")

(9) **IVS BULK 712 PTE. LTD.**, a company incorporated in Singapore with company registration number 201333600E whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor G**")

(10) **IVS BULK 1345 PTE. LTD.**, a company incorporated in Singapore with company registration number 201333777E whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor H**")

(11) **IVS BULK 554 PTE. LTD.**, a company incorporated in Singapore with company registration number 201327439Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor I**")

(12) **IVS BULK 7297 PTE. LTD.**, a company incorporated in Singapore with company registration number 201333601R whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor J**")

(13) **IVS BULK 3693 PTE. LTD.**, a company incorporated in Singapore with company registration number 201405131D whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor ("**Guarantor K**" and, together with Guarantor A, Guarantor B, Guarantor C, Guarantor D, Guarantor E, Guarantor F, Guarantor G, Guarantor H, Guarantor I and Guarantor J, the "**Guarantors**")

(14) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** and **HAMBURG COMMERCIAL BANK AG** as mandated lead arrangers (the "**Mandated Lead Arrangers**")

(15) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as account bank (the "**Account Bank**")

(16) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The Lenders*) as lenders (the "**Lenders**")

(17) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as agent of the other Finance Parties (the "**Facility Agent**")

(18) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as security agent for the Secured Parties (the "**Security Agent**")

BACKGROUND

(A) By the Facility Agreement, the Lenders agreed to make available to the Borrowers a facility of (originally) up to $114,125,000 of which $97,006,250 is outstanding as at the date of this Agreement.

(B) The Parties have agreed to amend and restate the Facility Agreement as set out in this Agreement in order to (amongst other things) increase the amount of the facility by $23,031,250 to $120,037,500.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Amended and Restated Facility Agreement**" means the Facility Agreement as amended and restated by this Agreement in the form set out in the Appendix.

"**Facility Agreement**" means the facility agreement dated 10 February 2020 (as amended by a supplemental letter dated 30 June 2020 and a supplemental letter dated 29 December 2020) and made between, amongst others, (i) the Borrowers as joint and several borrowers, (ii) the Owner Guarantors, (iii) the Lenders, (iv) the Mandated Lead Arrangers, (v) the Facility Agent and (vi) the Security Agent.

"**Fee Letter**" means any letter or letters dated on or about the date of this Agreement between the Facility Agent and any Obligor setting out any of the fees referred to in Clause 6 (*Fees*).

"**Party**" means a party to this Agreement.

"**Restatement Date**" means the date on which the Facility Agent notifies the Borrowers and the other Finance Parties as to the satisfaction of the conditions precedent as provided in paragraph 2.2 of Clause 2 (*Conditions Precedent*).

"**Shares Security Confirmation Deed**" means, in respect of each Owner Guarantor, a shares security confirmation deed supplemental to the Shares Security in respect of that Owner Guarantor in the agreed form.

"**Supplemental Account Security**" means, in respect of the Accounts, an account security supplemental to the Account Security in the agreed form.

"**Supplemental Deed of Covenants**" means, in respect of each Ship, a deed of covenants supplemental to the Deed of Covenant and collateral to the Supplemental Mortgage in respect of that Ship in the agreed form.

"**Supplemental General Assignment**" means, in respect of each Ship, a general assignment supplemental to the General Assignment in respect of that Ship in the agreed form.

"**Supplemental Mortgage**" means, in respect of each Ship, the second priority Singapore ship mortgage on that Ship in the agreed form.

"**Supplemental Security Documents**" means:

(a) the Shares Security Confirmation Deed;

(b) the Supplemental Mortgages;

(c) the Supplemental Deed of Covenants;

(d) the Supplemental General Assignments; and

(e) the Supplemental Account Security.

1.2 Defined expressions

Defined expressions in the Facility Agreement shall have the same meanings when used in this Agreement unless the context otherwise requires or unless otherwise defined in this Agreement.

1.3 Application of construction and interpretation provisions of Facility Agreement

Clause 1.2 (*construction*) of the Facility Agreement applies to this Agreement as if it were expressly incorporated in it with any necessary modifications.

1.4 Agreed forms of new, and supplements to, Finance Documents

References in Clause 1.1 (*Definitions*) to any document being in "agreed form" are to that document:

(a) in a form attached to a certificate dated the same date as this Agreement (and signed by the Borrowers and the Facility Agent); or

(b) in any other form agreed in writing between the Borrowers and the Facility Agent acting with the authorisation of the Majority Lenders or, where clause 43.2 (*all lender matters*) of the Facility Agreement applies, all the Lenders.

1.5 Designation as a Finance Document

The Borrowers and the Facility Agent designate this Agreement as a Finance Document.

1.6 Third party rights

(a) Unless provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Agreement.

(b) Subject to clause 43.3 (*other exceptions*) of the Facility Agreement but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

2 CONDITIONS PRECEDENT

2.1 The Restatement Date cannot occur unless the Facility Agent has received (or on the instructions of all the Majority Lenders, waived receipt of) all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent on or before 25 October 2021 or such later date as the Facility Agent may agree with the Borrowers.

2.2 The Facility Agent shall notify the Borrowers and the other Finance Parties promptly upon being satisfied as to the satisfaction of the conditions precedent referred to in Clause 2.1 above.

2.3 Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in Clause 2.2 above, the Finance Parties authorise (but do not require) the Facility Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

3 REPRESENTATIONS

3.1 Facility Agreement representations

Each Obligor that is a party to the Facility Agreement makes the representations and warranties set out in clause 19 (*representations*) of the Facility Agreement, as amended and restated by this Agreement and updated with appropriate modifications to refer to this Agreement and, where appropriate, the Supplemental Security Documents, by reference to the circumstances then existing on the date of this Agreement and on the Restatement Date.

3.2 Finance Document representations

Each Obligor makes the representations and warranties set out in the Finance Documents (other than the Facility Agreement) to which it is a party, as amended and restated and/or supplemented by this Agreement and updated with appropriate modifications to refer to this Agreement and, where appropriate, the Supplemental Security Documents, by reference to the circumstances then existing on the date of this Agreement [and on the Restatement Date.

4 AMENDMENT AND RESTATEMENT OF FACILITY AGREEMENT AND OTHER FINANCE DOCUMENTS

4.1 Specific amendments to the Facility Agreement

With effect on and from the Restatement Date, the Facility Agreement shall be amended and restated in the form of the Amended and Restated Facility Agreement and, as so amended and restated, the Facility Agreement shall continue to be binding on each of the parties to it in accordance with its terms as so amended and restated.

4.2 Obligor Confirmation

On the Restatement Date, each Obligor:

(a) confirms its acceptance of the Amended and Restated Facility Agreement;

(b) agrees that it is bound as an Obligor (as defined in the Amended and Restated Facility Agreement);

(c) confirms that the definition of, and references throughout each of the Finance Documents to, the Facility Agreement and any of the other Finance Documents shall be construed as if the same referred to the Facility Agreement and those Finance Documents as amended and restated by this Agreement;

(d) (if it is an Owner Guarantor) confirms that its guarantee and indemnity:

(i) continues to have full force and effect on the terms of the Amended and Restated Facility Agreement; and

(ii) extends to the obligations of the relevant Obligors under the Finance Documents as amended or amended and restated by this Agreement.

4.3 Security confirmation

On the Restatement Date, each Obligor confirms that:

(a) any Security created by it under the Finance Documents extends to the obligations of the relevant Obligors under the Finance Documents as amended and restated by this Agreement;

(b) the obligations of the relevant Obligors under the Amended and Restated Facility Agreement are included in the Secured Liabilities (as defined in the Security Documents to which it is a party);

(c) the Security created under the Finance Documents continues in full force and effect on the terms of the respective Finance Documents.

4.4 Finance Documents to remain in full force and effect

The Finance Documents shall remain in full force and effect and, from the Restatement Date:

(a) in the case of the Facility Agreement as amended and restated pursuant to Clause 4.1 (*Specific amendments to the Facility Agreement*);

(b) the Facility Agreement and the applicable provisions of this Agreement will be read and construed as one document; and

(c) except to the extent expressly waived by the amendments effected by this Agreement, no waiver is given by this Agreement and the Lenders expressly reserve all their rights and remedies in respect of any breach of or other Default under the Finance Documents.

5 FURTHER ASSURANCE

Clause 22.27 (*further assurance*) of the Facility Agreement, as amended and restated by this Agreement, applies to this Agreement as if it were expressly incorporated in it with any necessary modifications.

6 FEES

The Borrowers shall pay to the Facility Agent (for the account of each Lender) an upfront fee in the amount and at the times specified in the Fee Letter.

7 COSTS AND EXPENSES

Clause 16.2 *(amendment costs*) of the Facility Agreement, as amended and restated by this Agreement, applies to this Agreement as if it were expressly incorporated in it with any necessary modifications.

8 NOTICES

Clause 37 (*notices*) of the Facility Agreement, as amended and restated by this Agreement, applies to this Agreement as if it were expressly incorporated in it with any necessary modifications.

9 COUNTERPARTS

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

10 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

11 ENFORCEMENT

11.1 Jurisdiction

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

(b) The Obligors accept that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Obligor will argue to the contrary.

(c) To the extent allowed by law, this Clause 11.1 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

11.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints Grindrod Shipping Services UK Ltd as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrowers (on behalf of all the Obligors) must immediately (and in any event within three days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

THE LENDERS

Lender	**Lending Office**
Crédit Agricole Corporate and Investment Bank, Singapore Branch	Crédit Agricole Corporate and Investment Bank 168 Robinson Road #23-00 Capital Tower Singapore 068912
Hamburg Commercial Bank AG	Hamburg Commercial Bank AG Gerhart-Hauptmann-Platz 50 20095 Hamburg Germany

SCHEDULE 2

CONDITIONS PRECEDENT

1 Obligors

Documents of the kind specified in schedule 2 part A paragraph 1 of the Facility Agreement.

2 Finance Documents and Security

2.1 A duly executed original of each Supplemental Mortgage together with documentary evidence that each Supplemental Mortgage has been duly registered as a valid second priority ship mortgage in accordance with the laws of the jurisdiction of the Approved Flag.

2.2 A duly executed original of each of the other Supplemental Security Documents (and of each document to be delivered under any of them).

2.3 A duly executed original of any Fee Letter.

3 Legal opinions

3.1 A legal opinion of Watson Farley & Williams LLP, legal advisers to the Facility Agent and the Security Agent in England, substantially in the form distributed to the Lenders before signing this Agreement.

3.2 Legal opinions of the legal advisers to the Facility Agent and the Security Agent in Singapore and such other relevant jurisdictions as the Facility Agent may require.

4 Other documents and evidence

4.1 A certificate signed by a director of each Borrower confirming that as at the proposed Restatement Date and the date of this Agreement:

(a) no Default has occurred and is continuing or is reasonably likely to result from the occurrence of the Restatement Date;

(b) no event described in paragraph (a) of clause 7.5 (*mandatory prepayment on change of control of Borrower A or GSPL)* of the Facility Agreement has occurred;

(c) no event described in paragraph (a) of clause 7.4 (*mandatory prepayment on sale, arrest or total loss*) of the Facility Agreement has occurred.

4.2 Evidence that any process agent referred to in Clause 11.2 (*Service of process*), if not a Party, has accepted its appointment.

4.3 A copy of any other Authorisation or other document, opinion or assurance which the Facility Agent considers to be necessary or desirable (if it has notified the Borrowers accordingly) in connection with the entry into and performance of the transactions contemplated by this Agreement, the Supplemental Security Documents or for the validity and enforceability of any Finance Document as amended, restated and/or supplemented by this Agreement or by the Supplemental Security Documents.

4.4 Evidence that the fees, costs and expenses then due from the Borrowers pursuant to clause 16.2 (*amendment costs*) of the Facility Agreement have been paid or will be paid on the Restatement Date.

4.5 Such evidence as the Facility Agent may require for the Finance Parties to be able to satisfy each of their "know your customer" or similar identification procedures in relation to the transactions contemplated by this Agreement and the Supplemental Security Documents.

4.6 A letter of authorisation, addressed to Allen & Gledhill LLP, legal advisers to the Facility Agent and the Security Agent in Singapore, from each Obligor incorporated in Singapore authorising Allen & Gledhill LLP to file the statement containing the particulars of the Security created by that Obligor under the relevant Supplemental Security Documents to which it is a party with the Accounting and Corporate Regulatory Authority of Singapore.

EXECUTION PAGES

BORROWERS

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS 200
Witness' address:	)	Cantonment Road, #03-01 Southpoint
		Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
GRINDROD SHIPPING HOLDINGS LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint
		Singapore 089763

OWNER GUARANTORS

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	/s/ Stephen William Griffiths
as attorney in fact for and on behalf of	)	Stephen William Griffiths
IVS BULK 709 PTE. LTD.	)	
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint
		Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	
IVS BULK 5858 PTE. LTD.	)	/s/ Stephen William Griffiths
in the presence of:	)	Stephen William Griffiths
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint
		Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 543 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	
IVS BULK 5855 PTE. LTD.	)	/s/ Stephen William Griffiths
in the presence of:	)	Stephen William Griffiths
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 541 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 545 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 712 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, **SEALED** and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 1345 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 554 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 7297 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by	)	
as attorney in fact for and on behalf of	)	/s/ Stephen William Griffiths
IVS BULK 3693 PTE. LTD.	)	Stephen William Griffiths
in the presence of:	)	
Witness' signature:	)	/s/ Yvette Renee KINGSLEY-WILKINS
Witness' name:	)	Yvette Renee KINGSLEY-WILKINS
Witness' address:	)	200 Cantonment Road, #03-01 Southpoint Singapore 089763

ORIGINAL LENDERS

SIGNED by	)	
duly authorised	)	
for and on behalf of	)	/s/ S Sadhika
CRÉDIT AGRICOLE CORPORATE	)	S Sadhika
AND INVESTMENT BANK,	)	Attorney-in-Fact
SINGAPORE BRANCH	)	
in the presence of:	)	
Witness' signature:	)	/s/ Iyanuloluwa Toluwaju Ilupeju
Witness' name:	)	Iyanuloluwa Toluwaju Ilupeju
Witness' address:	)	Attorney-in-Fact
		Watson Farley & Williams LLP 15 Appold Street
		London EC2A 2HB

SIGNED by	)	
duly authorised	)	
for and on behalf of	)	/s/ Matthias Evers
HAMBURG COMMERCIAL BANK	)	Matthias Evers
in the presence of:	)	
Witness' signature:	)	/s/ Iyanuloluwa Toluwaju Ilupeju
Witness' name:	)	Iyanuloluwa Toluwaju Ilupeju
Witness' address:	)	Attorney-in-Fact
		Watson Farley & Williams LLP 15 Appold Street
		London EC2A 2HB

MANDATED LEAD ARRANGERS

SIGNED by	)	
duly authorised	)	/s/ S Sadhika
for and on behalf of	)	S Sadhika
CRÉDIT AGRICOLE CORPORATE	)	Attorney-in-Fact
AND INVESTMENT BANK	)	
in the presence of:	)	
Witness' signature:	)	/s/ Iyanuloluwa Toluwaju Ilupeju
Witness' name:	)	Iyanuloluwa Toluwaju Ilupeju
Witness' address:	)	Attorney-in-Fact
		Watson Farley & Williams LLP 15 Appold Street
		London EC2A 2HB

SIGNED by	)	
duly authorised	)	/s/ Matthias Evers
for and on behalf of	)	Matthias Evers
HAMBURG COMMERCIAL BANK AG	)	
in the presence of:	)	
Witness' signature:	)	/s/ Iyanuloluwa Toluwaju Ilupeju
Witness' name:	)	Iyanuloluwa Toluwaju Ilupeju
Witness' address:	)	Attorney-in-Fact
		Watson Farley & Williams LLP 15 Appold Street
		London EC2A 2HB

ACCOUNT BANK

SIGNED by	)	
duly authorised	)	/s/ S Sadhika
for and on behalf of	)	S Sadhika
CRÉDIT AGRICOLE CORPORATE	)	Attorney-in-Fact
AND INVESTMENT BANK	)	
in the presence of:	)	
Witness' signature:	)	/s/ Iyanuloluwa Toluwaju Ilupeju
Witness' name:	)	Iyanuloluwa Toluwaju Ilupeju
Witness' address:	)	Attorney-in-Fact
		Watson Farley & Williams LLP 15 Appold Street
		London EC2A 2HB

FACILITY AGENT

SIGNED by	)	
duly authorised	)	/s/ S Sadhika
for and on behalf of	)	S Sadhika
CRÉDIT AGRICOLE CORPORATE AND	)	Attorney-in-Fact
INVESTMENT BANK	)	
in the presence of:	)	
Witness' signature:	)	/s/ Iyanuloluwa Toluwaju Ilupeju
Witness' name:	)	Iyanuloluwa Toluwaju Ilupeju
Witness' address:	)	Attorney-in-Fact
		Watson Farley & Williams LLP 15 Appold Street
		London EC2A 2HB

SECURITY AGENT

SIGNED by	)	
duly authorised	)	
for and on behalf of	)	/s/ S Sadhika
CRÉDIT AGRICOLE CORPORATE AND	)	S Sadhika
INVESTMENT BANK	)	Attorney-in-Fact
in the presence of:	)	
Witness' signature:	)	/s/ Iyanuloluwa Toluwaju Ilupeju
Witness' name:	)	Iyanuloluwa Toluwaju Ilupeju
Witness' address:	)	Attorney-in-Fact
		Watson Farley & Williams LLP 15 Appold Street
		London EC2A 2HB

APPENDIX

FORM OF AMENDED AND RESTATED FACILITY AGREEMENT (MARKED TO INDICATE AMENDMENTS)

Amendments are indicated as follows:

1 additions are indicated by underlined text in blue; and

2 deletions are shown by strike-through text in red.

Execution version

Dated 10 February 2020

~~**$114,125,000**~~
$120,037,500
TERM LOAN FACILITY

IVS BULK PTE. LTD.
GRINDROD SHIPPING HOLDINGS LTD.
as joint and several Borrowers

and

IVS BULK 709 PTE. LTD.
IVS BULK 5858 PTE. LTD.
IVS BULK 543 PTE. LTD.
IVS BULK 5855 PTE. LTD.
IVS BULK 541 PTE. LTD.
IVS BULK 545 PTE. LTD
IVS BULK 712 PTE. LTD.
IVS BULK 1345 PTE. LTD.
IVS BULK 554 PTE. LTD.
IVS BULK 7297 PTE. LTD.
IVS BULK 3693 PTE. LTD.
as Owner Guarantors

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
HAMBURG COMMERCIAL BANK AG
as Mandated Lead Arrangers

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Account Bank

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Facility Agent

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Security Agent

FACILITY AGREEMENT
as amended and restated by an
Amending and Restating Agreement
dated September 2021

relating to the refinancing of 11 ships owned by the Owner Guarantors

WATSON FARLEY & WILLIAMS WATSON FARLEY & WILLIAMS

Clause **Page**

THIS AGREEMENT is made on 10 February 2020 as amended and restated by the Amending and Restating Agreement dated ____ September 2021

PARTIES

(1) **IVS BULK PTE. LTD.**, a company incorporated in Singapore with company registration number 201114306Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a borrower (the "**Borrower A**")

(2) **GRINDROD SHIPPING HOLDINGS LTD.**, a company incorporated in Singapore with company registration number 201731497H whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a borrower (the "**Borrower B**")

(3) **IVS BULK 709 PTE. LTD.**, a company incorporated in Singapore with company registration number 201328075E whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor A"**)

(4) **IVS BULK 5858 PTE. LTD.**, a company incorporated in Singapore with company registration number 201328882C whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor B"**)

(5) **IVS BULK 543 PTE. LTD.**, a company incorporated in Singapore with company registration number 201322656Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor C"**)

(6) **IVS BULK 5855 PTE. LTD.**, a company incorporated in Singapore with company registration number 201325921Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor D"**)

(7) **IVS BULK 541 PTE. LTD.**, a company incorporated in Singapore with company registration number 201322639G whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor E"**)

(8) **IVS BULK 545 PTE. LTD.**, a company incorporated in Singapore with company registration number 201322704H whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor F"**)

(9) **IVS BULK 712 PTE. LTD.**, a company incorporated in Singapore with company registration number 201333600E whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor G"**)

(10) **IVS BULK 1345 PTE. LTD.**, a company incorporated in Singapore with company registration number 201333777E whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor H"**)

(11) **IVS BULK 554 PTE. LTD.**, a company incorporated in Singapore with company registration number 201327439Z whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor I"**)

(12) **IVS BULK 7297 PTE. LTD.**, a company incorporated in Singapore with company registration number 201333601R whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor J"**)

(13) **IVS BULK 3693 PTE. LTD.**, a company incorporated in Singapore with company registration number 201405131D whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 as a guarantor (**"Guarantor K"**)

(14) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** and **HAMBURG COMMERCIAL BANK AG** as mandated lead arrangers (the **"Mandated Lead Arrangers"**)

(15) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as account bank (the **"Account Bank"**)

(16) **THE FINANCIAL INSTITUTIONS** listed in Part B of Schedule 1 (*The Parties*) as lenders (the **"Original Lenders"**)

(17) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as agent of the other Finance Parties (the **"Facility Agent"**)

(18) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as security agent for the Secured Parties (the **"Security Agent"**)

BACKGROUND

(A) ~~The Lenders have~~ By a facility agreement dated 10 February 2020 and made between, amongst others, (i) the Borrowers, (ii) the Owner Guarantors, (iii) the Original Lenders, (iv) the Mandated Lead Arrangers, (v) the Account Bank, (vi) the Facility Agent and (vii) the Security Agent, the Lenders agreed to make available to the Borrowers a facility of up to $114,125,000 for the purposes of refinancing the Existing Indebtedness and certain other debt of Borrower A and for Borrower A's general corporate and working capital purposes.

(B) On the date of the Amending and Restating Agreement, the Loan had been reduced to $97,006,250 by virtue of scheduled repayments made before that date.

(C) By the Amending and Restating Agreement, the Finance Parties agreed to certain amendments to the facility agreement and the other Finance Documents including the increase of the amount of the facility by up to $23,031,250 to up to $120,037,500 for the purpose of:

(i) repaying certain amounts owed by Borrower A to its shareholders; and

(ii) financing the Borrowers' general corporate and working capital requirements.

(D) This Agreement sets out the terms and conditions of the facility agreement as amended and restated by the Amending and Restating Agreement.

OPERATIVE PROVISIONS

SECTION 1

INTERPRETATION

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Account Bank**" means Crédit Agricole Corporate and Investment Bank acting through its office at 92547, 12 Place des États Unis, 92120 Montrouge, France or any replacement bank or other financial institution as may be approved by the Facility Agent acting with the authorisation of the Majority Lenders.

"**Accounts**" means the Earnings Accounts, the Retention Account and the Debt Service Reserve Account.

"**Account Security**" means a document creating Security over any Account in agreed form as supplemented by any corresponding Supplemental Account Security.

"**Advance**" means a borrowing of all or part of a Tranche or Sub-Tranche under this Agreement.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Amending and Restating Agreement**" means the amending and restating agreement dated September 2021 and made between, amongst others, (i) the Borrowers, (ii) the Owner Guarantors, (iii) the Lenders, (iv) the Mandated Lead Arrangers, (v) the Account Bank, (vi) the Facility Agent and (vii) the Security Agent.

"**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.

"**Anti-Corruption Laws**" means the England and Wales Bribery Act 2010, the United States Foreign Corrupt Practices Act 1977 or other applicable anti-corruption legislation in any other jurisdictions.

"**Approved Brokers**" means any firm or firms of insurance brokers approved in writing by the Facility Agent, acting with the authorisation of the Lenders.

"**Approved Classification**" means, in relation to a Ship, as at the date of this Agreement, the classification in relation to that Ship specified in Schedule 7 (*Details of the Ships*) with the classification in relation to that Ship specified in Schedule 7 (*Details of the Ships*) or the equivalent classification with another Approved Classification Society.

"**Approved Classification Society**" means, in relation to a Ship, as at the date of this Agreement, the classification society in relation to that Ship specified in Schedule 7 (*Details of the Ships*) or any other classification society approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders and which is a member of the International Association of Classification Societies other than (i) China Classification Society, (ii) Indian Register of Shipping and (iii) Russian Maritime Register of Shipping.

"**Approved Commercial Manager**" means, in relation to a Ship, as at the date of this Agreement, the manager specified as the approved commercial manager in relation to that Ship in Schedule 7 (*Details of the Ships*), Grindrod Shipping (South Africa) (Pty) Ltd., GSPL or any other person approved in writing by the Facility Agent acting with the authorisation of the Lenders as the commercial manager of that Ship.

"**Approved Flag**" means, in relation to a Ship, as at the date of this Agreement, the flag in relation to that Ship specified in Schedule 7 (*Details of the Ships*) or such other flag approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders.

"**Approved Manager**" means, in relation to a Ship, the Approved Commercial Manager or the Approved Technical Manager of that Ship.

"**Approved Technical Manager**" in relation to a Ship, as at the date of this Agreement, the manager specified as the approved technical manager in relation to that Ship in Schedule 7 (*Details of the Ships*), Grindrod Shipping (South Africa) (Pty) Ltd., GSPL, Sandigan Ship Services Inc or any other person approved in writing by the Facility Agent acting with the authorisation of the Lenders as the technical manager of that Ship.

"**Approved Valuer**" means Fearnleys, Clarksons Valuations Limited, Arrow, Braemar ACM, Barry Rogliano Salles, Simpson Spence Young (or any Affiliate of such person through which valuations are commonly issued) and any other firm or firms of independent sale and purchase shipbrokers approved in writing by the Facility Agent, acting with the authorisation of the Lenders.

"**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.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, legalisation or registration.

"**Availability Period**" means :

(a) in respect of the Initial Sub-Tranche Commitment, the period from and including the date of this Agreement to and including, 28 February 2020.; and

(b) in respect of the Upsize Sub-Tranche Commitment, the period from and including the date of this Agreement to and including, 29 October 2021.

"**Available Commitment**" means , in respect of a Lender's Initial Sub-Tranche Commitment or Upsize Sub-Tranche Commitment, that Lender's Commitment minus:

(a) the amount of its participation in the outstanding Loan in respect of the relevant Sub- Tranches; and

(b) in relation to any proposed Utilisation, the amount of its participation in any Advance in respect of the relevant Sub-Tranches that is due to be made on or before the proposed Utilisation Date.

"**Available Facility**" means , in respect of the Initial Sub-Tranches or the Upsize Sub-Tranches the aggregate for the time being of each Lender's Available Commitment in respect of those Sub-Tranches.

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

"**Bail-In Legislation**" means:

(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; ~~and~~

(b) in relation to any state other than such an EEA Member Country ~~or (to the extent that the United Kingdom is not 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.; and

(c) in relation to the United Kingdom, the UK Bail-In Legislation.

"**Borrower**" means Borrower A or Borrower B.

"**Borrower A Group**" means Borrower A and its Subsidiaries for the time being.

"**Break Costs**" means the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or an Unpaid Sum to the last day of the current Interest Period in relation to the Loan, the relevant part of the Loan or that Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Business Day**" means a day (other than a Saturday or Sunday) (i) on which banks are open for general business in London, Paris, Singapore, Hamburg and New York.

"**Charter**" means, in relation to a Ship, any charter relating to that Ship, or other contract for its employment, whether or not already in existence which exceeds, or by virtue of any operating extensions may exceed 12 months.

"**Charterer**" means, in relation to a Ship, any party which enters into a Charter with an Owner Guarantor which owns that Ship.

"**Charter Guarantee**" means any guarantee, bond, letter of credit or other instrument (whether or not already issued) supporting a Charter.

"**CISADA**" means the United States Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 as it applies to non-US persons.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commercial Management Agreement**" means, in relation to a Ship, the agreement entered into between the relevant Owner Guarantor and the Approved Commercial Manager regarding the commercial management of that Ship.

"**Commitment**" means:, in relation to any Lender, the aggregate of its Initial Sub-Tranche Commitment and its Upsize Sub-Tranche Commitment.

~~in relation to an Original Lender, the amount set opposite its name under the heading~~ "Commitment"(a) in Part B of Schedule 1 (*The Parties*) and the amount of any ~~other Commitment transferred to it under this Agreement; and~~

(b) in relation to any other Lender, the amount of any Commitment transferred to it ~~under this Agreement,~~

~~to the extent not cancelled, reduced or transferred by it under this Agreement.~~

"**Compliance Certificate**" means a certificate in the relevant form set out in Schedule 6 (*Forms of Compliance Certificate*) or in any other form agreed between the Borrowers and the Facility Agent.

"**Confidential Information**" means all information relating to any Transaction Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 44 (*Confidential Information*); or

(B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate or Reference Bank Quotation.

"**Confidentiality Undertaking**" means a confidentiality undertaking in substantially the appropriate form recommended by the LMA from time to time or in any other form agreed between the Borrowers and the Facility Agent.

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

"**Debt Service**" means all amounts due under this Agreement including principal and interest (based on indicative LIBOR (or if applicable, the substitute rate as determined pursuant to Clause 10.1 (*Unavailability of Screen Rate*) as long as no fixed rate or hedged interest rate applies), as determined by the Facility Agent.

"**Debt Service Reserve Account**" means:

(a) an account in the name of Borrower A with the Account Bank and designated "IVS Bulk Pte. Ltd. - Debt Service Reserve Account";

(b) any other account in the name of Borrower A with the Account Bank which may, with the prior written consent of the Facility Agent, be opened in the place of the account referred to in paragraph (a) above, irrespective of the number or designation of such replacement account; or

(c) any sub-account of any account referred to in paragraphs (a) or (b) above.

"**Deed of Covenant**" means, in relation to a Ship, the deed of covenant collateral to the Mortgage over that Ship in agreed form as supplemented by the Supplemental Deed of Covenants in relation to that Ship.

"**Deed of Release**" means a deed releasing the Existing Security in a form acceptable to the Facility Agent.

"**Default**" means an Event of Default or a Potential Event of Default.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other, Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Document of Compliance**" has the meaning given to it in the ISM Code.

"**dollars**" and "**$**" mean the lawful currency, for the time being, of the United States of America.

"**Earnings**" means, in relation to a Ship, all moneys whatsoever which are now, or later become, payable (actually or contingently) to an Owner Guarantor or the Security Agent and which arise out of or in connection with or relate to the use or operation of that Ship, including (but not limited to):

(a) the following, save to the extent that any of them is, with the prior written consent of the Facility Agent, pooled or shared with any other person (and such consent deemed to be granted in the case of sharing of Earnings pursuant to a Pool Agreement):

(i) all freight, hire and passage moneys including, without limitation, all moneys payable under, arising out of or in connection with a Charter or a Charter Guarantee;

(ii) the proceeds of the exercise of any lien on sub-freights;

(iii) compensation payable to an Owner Guarantor or the Security Agent in the event of requisition of that Ship for hire or use;

(iv) remuneration for salvage and towage services;

(v) demurrage and detention moneys;

(vi) without prejudice to the generality of sub-paragraph (i) above, damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship;

(vii) all moneys which are at any time payable under any Insurances in relation to loss of hire;

(viii) all monies which are at any time payable to an Owner Guarantor in relation to general average contribution; and

(b) if and whenever that Ship is employed on terms whereby any moneys falling within sub-paragraphs (i) to (viii) of paragraph (a) 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 that Ship.

"**Earnings Account**" means:

(a) an account in the name of Borrower A with the Account Bank designated " IVS Bulk Pte. Ltd. – Earnings Account";

(b) any other account in the name of Borrower A with the Account Bank which may, with the prior written consent of the Facility Agent, be opened in the place of the account referred to in paragraph (a) above, irrespective of the number or designation of such replacement account; or

(c) any sub-account of any account referred to in paragraphs (a) or (b) above.

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

"**Environmental Approval**" means any present or future permit, ruling, variance or other Authorisation required under Environmental Laws.

"**Environmental Claim**" means any claim by any governmental, judicial or regulatory authority or any other person which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law and, for this purpose, "**claim**" includes a claim for damages, compensation, contribution, injury, fines, losses and penalties or any other payment of any kind, including in relation to clean-up and removal, whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"**Environmental Incident**" means:

(a) any release, emission, spill or discharge of Environmentally Sensitive Material whether within a Ship or from a Ship into any other vessel or into or upon the air, sea, land or soils (including the seabed) or surface water; or

(b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water from a vessel other than any Ship and which involves a collision between any Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which a Ship is actually or potentially liable to be arrested, attached, detained or injuncted and/or a Ship and/or any Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or

(c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water otherwise than from a Ship and in connection with which a Ship is actually or potentially liable to be arrested and/or where any Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action, other than in accordance with an Environmental Approval.

"**Environmental Law**" means any present or future law relating to pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation, handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

"**Environmentally Sensitive Material**" means and includes all contaminants, oil, oil products, toxic substances and any other substance (including any chemical, gas or other hazardous or noxious substance) which is (or is capable of being or becoming) polluting, toxic or hazardous.

"**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.

"**Event of Default**" means any event or circumstance specified as such in Clause 27 (*Events of Default*).

"**Excluded Tax Deduction**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Existing Facility Agent A**" means the "Facility Agent" as such term is defined in the Existing Facility Agreement A.

"**Existing Facility Agent B**" means the "Facility Agent" as such term is defined in the Existing Facility Agreement B.

"**Existing Facility Agreement A**" means the facility agreement dated 24 October 2014 (as supplemented, amended and/ or restated from time to time) and entered into between, amongst others, (i) Guarantor A, Guarantor B, Guarantor C, Guarantor D, Guarantor E and Guarantor F as joint and several borrowers, (ii) Borrower A as parent guarantor, and (iii) Crédit Agricole Corporate and Investment Bank as facility agent and security agent to finance the acquisition costs of Ship A, Ship B, Ship C, Ship D, Ship E and Ship F and for working capital purposes.

"**Existing Facility Agreement B**" means the facility agreement dated 22 January 2016 (as supplemented, amended and/ or restated from time to time, including by an amendment and restatement deed dated 15 January 2018) and entered into between, amongst others, (i) Guarantor G, Guarantor H, Guarantor I, Guarantor J, Guarantor K and IVS Bulk 10824 Pte. Ltd. as joint and several borrowers, (ii) Borrower A as parent guarantor and (iii) and DVB Bank SA Singapore Branch as facility agent and security agent to finance Ship G, Ship H, Ship I, Ship J, Ship K and the m.v. "IVS NORTH BERWICK".

"**Existing Indebtedness**" means Existing Indebtedness A and Existing Indebtedness B.

"**Existing Indebtedness A**" means, at any date, the outstanding Financial Indebtedness of Guarantor A, Guarantor B, Guarantor C, Guarantor D, Guarantor E or Guarantor F on that date under the Existing Facility Agreement A.

"**Existing Indebtedness B**" means, at any date, the outstanding Financial Indebtedness of Guarantor G, Guarantor H, Guarantor I, Guarantor J or Guarantor K on that date under the Existing Facility Agreement B.

"**Existing Security**" means any Security created to secure the Existing Indebtedness in respect of any Ship or Owner Guarantor.

"**Facility**" means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

"**Facility Office**" means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than 5 Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

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

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letter**" means any letter or letters dated on or about the date of this Agreement or the Amending and Restating Agreement between any of the Mandated Lead Arrangers, the Facility Agent and the Security Agent and any Obligor setting out any of the fees referred to in Clause 11 (*Fees*) or clause 6 (*Fees*) of the Amending and Restating Agreement.

"**Finance Document**" means:

(a) this Agreement;

(b) any Fee Letter;

(c) each Utilisation Request;

(d) any Security Document;

(e) any Subordination Deed;

(f) any other document which is executed for the purpose of establishing any priority or subordination arrangement in relation to the Secured Liabilities; or

(g) any other document designated as such by the Facility Agent and Borrowers.

"**Finance Party**" means the Account Bank, the Facility Agent, the Security Agent, the Mandated Lead Arrangers or a Lender.

"**Financial Indebtedness**" means any indebtedness for or in relation to:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in relation to any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing under IFRS;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in relation to a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in relation to any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"**Funding Rate"** means any individual rate notified by a Lender to the Facility Agent pursuant to paragraphs (a)(ii) of Clause 10.4 (*Cost of funds*).

"**General Assignment**" means, in relation to a Ship, the general assignment creating Security over that Ship's Earnings, its Insurances and any Requisition Compensation in relation to that Ship and over any Charter and any Charter Guarantee, in agreed form as supplemented by the Supplemental General Assignment in respect of that Ship.

"**Group**" means Borrower B and its Subsidiaries for the time being.

"**GSPL**" means Grindrod Shipping Pte. Ltd., a company incorporated in Singapore with company registration number 200407212K whose registered office is at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763.

"**Holding Company**" means, in relation to a person, any other person in relation to which it is a Subsidiary.

"**IFRS**" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Indemnified Person**" has the meaning given to it in Clause 14.2 (*Other indemnities*).

"**Initial Sub-Tranche**" means Initial Sub-Tranche A, Initial Sub-Tranche B, Initial Sub-Tranche C, Initial Sub-Tranche D, Initial Sub-Tranche E, Initial Sub-Tranche F, Initial Sub-Tranche G, Initial Sub-Tranche H, Initial Sub-Tranche I, Initial Sub-Tranche J or Initial Sub-Tranche K.

"**Initial Sub-Tranche A**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship A and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $12,100,000.00, of which $10,285,000.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche B**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship B and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $11,550,000.00, of which $9,817,500.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche C**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship C and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $8,800,000.00, of which $7,480,000.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche Commitment**" means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Initial Sub-Tranche Commitment" in Part B of Schedule 1 (*The Parties*) and the amount of any other Initial Sub-Tranche Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount of any Initial Sub-Tranche Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Initial Sub-Tranche D**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship D and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $8,112,500.00, of which $6,895,625.00 was outstanding as at the date of the Amending and Restating Agreement..

"**Initial Sub-Tranche E**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship E and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $8,112,500.00, of which $6,895,625.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche F**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship F and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $9,350,000.00, of which $7,947,500.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche G**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship G and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $12,100,000.00, of which $10,285,000.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche H**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship H and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $13,337,500.00, of which $11,336,875.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche I**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship I and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $9,900,000.00, of which $8,415,000.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche J**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship J and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $8,662,500.00, of which $7,363,125.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Initial Sub-Tranche K**" means that part of the Loan made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship K and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount of $12,100,000.00, of which $10,285,000.00 was outstanding as at the date of the Amending and Restating Agreement.

"**Insurances**" means, in relation to a Ship:

(a) all policies and contracts of insurance and reinsurance, including entries of that Ship in any protection and indemnity or war risks association, effected in relation to that Ship, that Ship's Earnings or otherwise in relation to that Ship whether before, on or after the date of this Agreement; and

(b) all rights (including without limitation, any and all rights or claims which an Owner Guarantor may have under or in connection with any cut-through clause in relation to any reinsurance contract relating to the aforesaid policies or contract of reinsurance) and other assets relating to, or derived from, any of such policies, contracts or entries, including any rights to a return of premium and any rights in relation to any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement.

"**Interest Payment Date**" has the meaning given to it in paragraph (a) of Clause 8.2 (*Payment of interest*).

"**Interest Period**" means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"**Interpolated Screen Rate**" means, in relation to the Loan or any part of the Loan, 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 Interest Period of the Loan or that part of the Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of the Loan or that part of the Loan,

each as of the Specified Time for dollars.

"**ISM Code**" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (including the guidelines on its implementation), adopted by the International Maritime Organisation, as the same may be amended or supplemented from time to time.

"**ISPS Code**" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002, as the same may be amended or supplemented from time to time.

"**ISSC**" means an International Ship Security Certificate issued under the ISPS Code.

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*).

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 28 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with this Agreement.

"**LIBOR**" means, in relation to the Loan or any part of the Loan:

(a) the applicable Screen Rate as of the Specified Time for dollars and for a period equal in length to the Interest Period of the Loan or that part of the Loan; or

(b) as otherwise determined pursuant to Clause 10.1 (*Unavailability of Screen Rate*).

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.

"**Limitation Acts**" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

"**LMA**" means the Loan Market Association.

"**Loan**" means the loan to be made available under the Facility or the aggregate principal amount outstanding for the time being of the borrowings under the Facility and a "**part of the Loan**" means an Advance, a Tranche, a Sub-Tranche or any other part of the Loan as the context may require.

"**Major Casualty**" means, in relation to a Ship, any casualty to that Ship in relation to which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds $1,000,000 or the equivalent in any other currency.

"**Majority Lenders**" means:

(a) if no Advance has yet been made, such Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments; or

(b) at any other time, such Lenders whose participations in the Loan aggregate more than 66⅔ per cent. of the amount of the Loan then outstanding or, if the Loan has been repaid or prepaid in full, such Lenders whose participations in the Loan immediately before repayment or prepayment in full aggregate more than 66⅔ per cent. of the Loan immediately before such repayment.

"**Management Agreement**" means a Technical Management Agreement or a Commercial Management Agreement.

"**Manager's Undertaking**" means the letter of undertaking from the Approved Technical Manager and the letter of undertaking from the Approved Commercial Manager subordinating the rights of the Approved Technical Manager and the Approved Commercial Manager respectively against each Ship and each Owner Guarantor to the rights of the Finance Parties in agreed form.

"**Margin**" means 3.10 per cent. per annum.

"**Market Value**" means, in relation to a Ship or any other vessel, at any date, the market value of that Ship or vessel shown by a valuation prepared:

(a) as at a date not more than 14 days previously or, for the purposes of establishing the market values of that Ship as at the Utilisation Date, not more than 30 days previously;

(b) by an Approved Valuer;

(c) with or without physical inspection of that Ship or vessel (as the Facility Agent may require); 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 charter,

after deducting the estimated amount of the usual and reasonable expenses which would be incurred in connection with the sale.

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

(a) the business, operations, property, condition (financial or otherwise) or prospects of any member of the Group or the Group as a whole; or

(b) the ability of any Transaction Obligor to perform its obligations under any Finance Document; or

(c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or intended to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

~~"**Mezzanine Loan**" means the loan of up to $34,400,000 provided to GSPL for the purpose of purchasing shares in Borrower A pursuant to the financing agreement dated on or about the date of this Agreement and made between (i) GSPL as borrower (ii) the persons named from time to time therein as lenders and (iii) Sankaty as administrative agent and collateral agent.~~

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

"**Mortgage**" means, in relation to a Ship, a first priority Singapore ship mortgage on that Ship in agreed form as supplemented by the corresponding Supplemental Mortgage (and, for the avoidance of doubt, as between the Parties each such first priority Singapore ship mortgage and the corresponding Supplemental Mortgage shall rank *pari passu* with each other).

"**Obligor**" means a Borrower or an Owner Guarantor.

"**Original Financial Statements**" means:

(a) in relation to a Borrower, the audited consolidated financial statements of the Group for its financial year ended 31 December 2018; and

(b) in relation to each Owner Guarantor, its audited financial statements for its financial year ended 31 December 2018.

"**Original Jurisdiction**" means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement.

"**Other Facility Debt Service Reserve Account**" means the account of GSPL with the Account Bank which is the Debt Service Reserve Account, as defined in the Other Facility Agreement.

"**Other Facility Agreement**" means the facility agreement dated 8 May 2018 and made between (i) GSPL as borrower, (ii) the companies named therein as owner guarantors, (iii) the banks and financial institutions named therein as mandated lead arrangers, (iv) Crédit Agricole Corporate and Investment Bank and DVB Bank SE Singapore Branch as coordination agents,
(v) Crédit Agricole Corporate and Investment Bank as account bank, (vi) DVB Bank SE Singapore Branch as facility agent and (vii) DVB Bank SE Singapore Branch as security agent relating to a facility of up to $100,000,000 to refinance 16 ships.

"**Overseas Regulations**" means the Overseas Companies Regulations 2009 (SI 2009/1801).

"Owner Guarantor" means Guarantor A, Guarantor B, Guarantor C, Guarantor D, Guarantor E, Guarantor F, Guarantor G, Guarantor H, Guarantor I, Guarantor J or Guarantor K.

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

"**Participating Member State**" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to this Agreement.

"**Perfection Requirements**" means the making or procuring of filings, stampings, registrations, notarisations, endorsements, translations and/or notifications of any Finance Document (and/or any Security created under it) necessary for the validity, enforceability (as against the relevant Obligor or any relevant third party) and/or perfection of that Finance Document including (but not limited to) registration of the charges created by each of the relevant Security Documents with the Accounting and Corporate Regulatory Authority in Singapore and registration of the Mortgages with the Singapore Registry of Ships.

"**Permitted Charter**" means, in relation to a Ship, a charter:

(a) which is a time, voyage or consecutive voyage charter;

(b) the duration of which does not exceed and is not capable of exceeding, by virtue of any optional extensions, 12 months plus a redelivery allowance of not more than 30 days;

(c) which is entered into on *bona fide* arm's length terms at the time at which that Ship is fixed; and

(d) in relation to which not more than two months' hire is payable in advance,

and any other charter which is approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders.

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness incurred under the Finance Documents;

(b) any Financial Indebtedness that is subordinated to all Financial Indebtedness incurred under the Finance Documents pursuant to a Subordination Deed or otherwise and which is, in the case of any such Financial Indebtedness of an Owner Guarantor, the subject of Subordinated Debt Security; and

(c) any Financial Indebtedness reasonably incurred in connection with the normal commercial and technical operation of a Ship and administration of affairs of the relevant Owner Guarantor.

"**Permitted Security**" means:

(a) Security created by the Finance Documents;

(b) until the Utilisation Date, the Existing Security;

(c) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(d) liens for unpaid master's and crew's wages in accordance with first class ship ownership and management practice;

(e) liens for salvage;

(f) liens for master's disbursements incurred in the ordinary course of trading in accordance with first class ship ownership and management practice; and

(g) any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of any Ship and not as a result of any default or omission by any Owner Guarantor, provided such liens do not secure amounts more than 30 days overdue (unless the overdue amount is being contested in good faith by appropriate steps) and subject, in the case of liens for repair or maintenance, to Clause 24.18 (*Restrictions on chartering, appointment of managers etc.*).

"**Pool Agreement**" means:

(a) in relation to Ship D, Ship E or Ship J, the handysize pool agreement dated 27 May 2014 and made between, originally, (i) GSPL, IVS Bulk 603 Pte. Ltd., IVS Bulk 511 Pte. Ltd., IVS Bulk Owning Pte. Ltd., IVS Bulk Carriers Pte. Ltd., IVS Bulk 609 Pte. Ltd., IVS Bulk 611 Pte. Ltd., IVS Bulk 612 Pte. Ltd., IVS Bulk 462 Pte. Ltd., IVS Bulk 512 Pte. Ltd., IVS Bulk 430 Pte. Ltd. and Guarantor E as owners and (ii) GSPL as pool manager as supplemented by an accession letter dated 7 November 2014 from Guarantor D to GSPL and an accession letter dated 16 August 2015 from Guarantor J to GSPL; or

(b) in relation to Ship A, Ship B, Ship H, Ship G or Ship K, the supramax pool agreement dated 27 August 2015 and made between, originally, (i) GSPL, Guarantor A, Guarantor B and Guarantor G as owners and (ii) GSPL as pool manager as supplemented by an accession letter dated 15 February 2016 from Guarantor K to GSPL and an accession letter dated 14 December 2016 from Guarantor H to GSPL.

"**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 from time to time.

"**Potential Event of Default**" means any event or circumstance specified in Clause 27 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Protected Party**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Relevant Interbank Market in which case the Quotation Day will be determined by the Facility Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

"**Recognised Organisation**" means, in respect of a Ship, an organisation representing that Ship's flag state and, for the purposes of Clause 24.21 (*Poseidon Principles*), duly authorised to determine whether the relevant Owner Guarantor has complied with regulation 22A of Annex VI.

"**Reference Bank Rate**" means 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:

(a) if:

(i) the Reference Bank is a contributor to the Screen Rate; and

(ii) it consists of a single figure,

as the rate (applied to the relevant Reference Bank and the relevant currency and period) which contributors to the Screen Rate are asked to submit to the relevant administrator; or

(b) in any other case, as the rate at which the relevant Reference Bank could fund itself in dollars for the relevant period with reference to the unsecured wholesale funding market.

"**Reference Banks**" means the principal London office of Crédit Agricole Corporate and Investment Bank and/or such other entities as may be appointed by the Facility Agent in consultation with the Borrowers.

"**Reference Bank Quotation**" means any quotation supplied to the Facility Agent by a Reference Bank.

~~"**Regiment**" means Regiment Capital Ltd., an exempted company incorporated in the Cayman Islands with limited liability with its registered office at Maples Corporate Services, P.O. Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104.~~

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Interbank Market**" means the London interbank market.

"**Relevant Jurisdiction**" means, in relation to a Transaction Obligor:

(a) its Original Jurisdiction;

(b) any jurisdiction where any asset subject to, or intended to be subject to, any of the Transaction Security created, or intended to be created, by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"**Relevant Person**" means:

(a) each Obligor;

(b) each subsidiary of any Obligor; and

(c) all respective directors, officers, employees, agents and representatives of each of the persons mentioned in paragraphs (a) to (b) above.

"**Repayment Date**" means each date on which a Repayment Instalment is required to be paid under Clause 6.1 (*Repayment of Loan*).

"**Repayment Instalment**" has the meaning given to it in Clause 6.1 (*Repayment of Loan*).

"**Repeating Representation**" means each of the representations set out in Clause 19 (*Representations*) except Clause 19.10 (*Insolvency*), Clause 19.11 (*No filing or stamp taxes*) and Clause 19.12 (*Deduction of Tax*) and any representation of any Transaction Obligor made in any other Finance Document that is expressed to be a "Repeating Representation" or is otherwise expressed to be repeated.

"**Replacement Benchmark**" means a benchmark rate which is:

(a) formally designated, nominated or recommended as the replacement for a Screen Rate by:

(i) the administrator of that Screen Rate; or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Benchmark" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or

(c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor to a Screen Rate.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee, broker or custodian.

"**Restricted Party**" means a person:

(a) that is listed on any Sanctions List (whether designated by name or by reason of being included in a class of person);

(b) that is domiciled, registered as located or having its main place of business in, or is incorporated under the laws of, a country which is subject to Sanctions Laws which attach legal effect to being domiciled, registered as located or having its main place of business in such country; or

(c) that is directly or indirectly owned or controlled by a person referred to in paragraph (a) and/or (b) above; or

(d) with which any member of the Group is prohibited from dealing or otherwise engaging in a transaction with by any Sanctions Laws.

"**Requisition**" means in relation to a Ship:

(a) any expropriation, confiscation, requisition (excluding a requisition for hire or use which does not involve a requisition for title) or acquisition of that Ship, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected (whether *de jure* or *de facto*) by any government or official authority or by any person or persons claiming to be or to represent a government or official authority; and

(b) any capture or seizure of that Ship (including any hijacking or theft) by any person whatsoever.

"**Requisition Compensation**" includes all compensation or other moneys payable to an Owner Guarantor by reason of any Requisition or any arrest or detention of a Ship in the exercise or purported exercise of any lien or claim.

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

"**Retention Account**" means:

(a) an account in the name of Borrower A with the Account Bank designated " IVS Bulk Pte. Ltd. Retention Account";

(b) any other account in the name of Borrower A with the Account Bank which may, with the prior written consent of the Facility Agent, be opened in the place of the account referred to in paragraph (a) above, irrespective of the number or designation of such replacement account; or

(c) any sub-account of any account referred to in paragraphs (a) or (b) above.

"**Safety Management Certificate**" has the meaning given to it in the ISM Code.

"**Safety Management System**" has the meaning given to it in the ISM Code.

"**Sanctions Authority**" means the United Nations, the United Kingdom, the European Union, the member states of the European Union, the United States of America and any authority acting on behalf of any of them in connection with Sanctions Laws.

"**Sanctions Laws**" means the economic or financial sanctions laws and/or regulations, trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

"**Sanctions List**" means any list of persons or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority as amended, revised, supplemented or substituted from time to time.

"**Sankaty**" means Sankaty European Investments III, S.à.r.l., a private limited liability company (société à responsabilité limitée) incorporated in Luxembourg having its registered office at 4, rue Lou Hemmer, L-1748, Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-183.498 and having a corporate capital of US$17,187.

"**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 for the relevant period on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers.

"**Secured Liabilities**" means all present and future obligations and liabilities, (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under or in connection with each Finance Document.

"**Secured Party**" means each Finance Party from time to time party to this Agreement, a Receiver or any Delegate.

"**Security**" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"**Security Assets**" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Security Document**" means:

(a) any Shares Security;

(b) any Mortgage;

(c) any Deed of Covenant;

(d) any General Assignment;

(e) any Account Security;

(f) any Manager's Undertaking;

(g) any Subordinated Debt Security;

(h) any Shares Security Confirmation Deed;

(i) any Supplemental Mortgage;

(j) any Supplemental Deed of Covenants;

(k) any Supplemental General Assignment;

(l) any Supplemental Account Security;

(m) ~~(h)~~any other document (whether or not it creates Security) which is executed as security for the Secured Liabilities; or

(n) ~~(i)~~any other document designated as such by the Facility Agent and the Borrowers.

"**Security Period**" means the period starting on the date of this Agreement and ending on the date on which the Facility Agent is satisfied that there is no outstanding Commitment in force and that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

"**Security Property**" means:

(a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by a Transaction Obligor to pay amounts in relation to the Secured Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by a Transaction Obligor or any other person in favour of the Security Agent as trustee for the Secured Parties;

(c) the Security Agent's interest in any turnover trust created under the Finance Documents;

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties,

except:

(i) rights intended for the sole benefit of the Security Agent; and

(ii) any moneys or other assets which the Security Agent has transferred to the Facility Agent or (being entitled to do so) has retained in accordance with the provisions of this Agreement.

"**Selection Notice**" means a notice substantially in the form set out in Part B of Schedule 3 (*Requests*) given in accordance with Clause 9 (*Interest Periods*).

"**Servicing Party**" means the Facility Agent or the Security Agent.

"**Shares Security**" means, a document creating Security over the share capital in each Owner Guarantor in agreed form as supplemented by the corresponding Shares Security Confirmation Deed.

"**Shares Security Confirmation Deed**" means, in respect of each Owner Guarantor, a shares security confirmation deed supplemental to the Shares Security in respect of that Owner Guarantor in the agreed form.

"**Ship**" means Ship A, Ship B, Ship C, Ship D, Ship E, Ship F, Ship G, Ship H, Ship I, Ship J or Ship K.

"**Ship A**" means m.v. "IVS HIRONO", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship B**" means m.v. "IVS WENTWORTH", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship C**" means m.v. "IVS PHINDA", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship D**" means m.v. "IVS SPARROWHAWK", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship E**" means m.v. "IVS KESTREL", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship F**" means m.v. "IVS THANDA", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship G**" means m.v. "IVS BOSCH HOEK", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship H**" means m.v. "IVS SWINLEY FOREST", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship I**" means m.v. "IVS TEMBE", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship J**" means m.v. "IVS SUNBIRD", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Ship K**" means m.v. "IVS GLENEAGLES", details of which are set out opposite its name in Schedule 7 (*Details of the Ships*).

"**Specified Time**" means a day or time determined in accordance with Schedule 8 (*Timetables*).

"**Statement of Compliance**" means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

"**Subordinated Creditor**" means:

(a) Borrower A; or

(b) any other person who becomes a Subordinated Creditor in accordance with this Agreement.

"**Subordinated Debt Security**" means a Security over Subordinated Liabilities entered into or to be entered into by a Subordinated Creditor in favour of the Security Agent in an agreed form.

"**Subordinated Liabilities**" means all indebtedness owed or expressed to be owed by any Owner Guarantor to a Subordinated Creditor whether documented in any written agreement or otherwise.

"**Subordination Deed**" means a subordination deed entered into or to be entered into by a Subordinated Creditor and the Security Agent in agreed form.

"**Subsidiary**" means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

"**Sub-Tranche**" means an Initial Sub-Tranche or an Upsize Sub-Tranche.

"**Supplemental Account Security**" means, in respect of any Account Security, an account security supplemental to that Account Security in the agreed form.

"**Supplemental Deed of Covenants**" means, in respect of each Ship, a deed of covenants supplemental to the Deed of Covenant and collateral to the Supplemental Mortgage in respect of that Ship in the agreed form.

"**Supplemental General Assignment**" means, in respect of each Ship, a general assignment supplemental to the General Assignment in respect of that Ship in the agreed form.

"**Supplemental Mortgage**" means, in respect of each Ship, the second priority Singapore ship mortgage on that Ship in the agreed form.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Credit**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Tax Deduction**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Tax Payment**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Technical Management Agreement**" means, in relation to a Ship, the agreement entered into between the relevant Owner Guarantor and the Approved Technical Manager regarding the technical management of that Ship.

"**Termination Date**" means ~~the date falling five years from the Utilisation Date~~13 February 2025.

"**Third Parties Act**" has the meaning given to it in Clause 1.5 (*Third party rights*).

"**Total Commitments**" means the aggregate of the Commitments, of up to $114,125,000 at the date of this Agreement as increased to $120,037,500 pursuant to the Amending and Restating Agreement (and accounting for repayments made before the date of the Amending and Restating Agreement).

"**Total Loss**" means, in relation to a Ship:

(a) actual, constructive, compromised, agreed or arranged total loss of that Ship; or

(b) any Requisition of that Ship unless that Ship is returned to the full control of the relevant Owner Guarantor within 30 days of such Requisition.

"**Total Loss Date**" means, in relation to the Total Loss of a Ship:

(a) in the case of an actual loss of that Ship, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;

(b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, 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 relevant Owner Guarantor with that Ship's insurers in which the insurers agree to treat that Ship 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.

"**Tranche**" means Tranche A, Tranche B, Tranche C, Tranche D, Tranche E, Tranche F, Tranche G, Tranche H, Tranche I, Tranche J or Tranche K.

~~"**Tranche A**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship A and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $12,100,000.00 and (ii) 55 per cent. of the Market Value of Ship A as at the Utilisation Date of Tranche A.~~

~~"**Tranche B**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship B and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $11,550,000.00 and (ii) 55 per cent. of the Market Value of Ship B as at the Utilisation Date of Tranche B.~~

~~"**Tranche C**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship C and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $8,800,000.00 and (ii) 55 per cent. of the Market Value of Ship C as at the Utilisation Date of Tranche C.~~

~~"**Tranche D**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship D and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $8,112,500.00 and (ii) 55 per cent. of the Market Value of Ship D as at the Utilisation Date of Tranche D.~~

~~"**Tranche E**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship E and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $8,112,500.00 and (ii) 55 per cent. of the Market Value of Ship E as at the Utilisation Date of Tranche E.~~

~~"**Tranche F**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship F and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $9,350,000.00 and (ii) 55 per cent. of the Market Value of Ship F as at the Utilisation Date of Tranche F.~~

~~"**Tranche G**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship G and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $12,100,000.00 and (ii) 55 per cent. of the Market Value of Ship G as at the Utilisation Date of Tranche G.~~

~~"**Tranche H**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship H and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $13,337,500.00 and (ii) 55 per cent. of the Market Value of Ship H as at the Utilisation Date of Tranche H.~~

~~"**Tranche I**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship I and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $9,900,000.00 and (ii) 55 per cent. of the Market Value of Ship I as at the Utilisation Date of Tranche I.~~

~~"**Tranche J**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship J and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $8,662,500.00 and (ii) 55 per cent. of the Market Value of Ship J as at the Utilisation Date of Tranche J.~~

~~"**Tranche K**" means that part of the Loan made or to be made available to the Borrowers for the purposes of refinancing the Existing Indebtedness in respect of Ship K and certain other debt of Borrower A and for general corporate and working capital purposes in a principal amount not exceeding the lesser of (i) $12,100,000.00 and (ii) 55 per cent. of the Market Value of Ship K as at the Utilisation Date of Tranche K.~~

"**Tranche A**" means Initial Sub-Tranche A and Upsize Sub-Tranche A.

"**Tranche B**" means Initial Sub-Tranche B and Upsize Sub-Tranche B.

"**Tranche C**" means Initial Sub-Tranche C and Upsize Sub-Tranche C.

"**Tranche D**" means Initial Sub-Tranche D and Upsize Sub-Tranche D.

"**Tranche E**" means Initial Sub-Tranche E and Upsize Sub-Tranche E.

"**Tranche F**" means Initial Sub-Tranche F and Upsize Sub-Tranche F.

"**Tranche G**" means Initial Sub-Tranche G and Upsize Sub-Tranche G.

"**Tranche H**" means Initial Sub-Tranche H and Upsize Sub-Tranche H.

"**Tranche I**" means Initial Sub-Tranche I and Upsize Sub-Tranche I.

"**Tranche J**" means Initial Sub-Tranche J and Upsize Sub-Tranche J.

"**Tranche K**" means Initial Sub-Tranche K and Upsize Sub-Tranche K.

"**Transaction Document**" means:

(a) a Finance Document;

(b) a Pool Agreement; or

(c) any other document designated as such by the Facility Agent and a Borrowers.

"**Transaction Obligor**" means an Obligor, any Approved Manager who is a member of the Group, or any other member of the Group who executes a Transaction Document.

"**Transaction Security**" means the Security created or evidenced or expressed to be created or evidenced under the Security Documents.

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Borrowers.

"**Transfer Date**" means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Facility Agent executes the relevant Assignment Agreement or Transfer Certificate.

"**UK Bail-In Legislation**" means ~~(to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD)~~ Part 1 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 institutes or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"**UK Establishment**" means a UK establishment as defined in the Overseas Regulations.

"**Unpaid Sum**" means any sum due and payable but unpaid by a Transaction Obligor under the Finance Documents.

"**Upsize Sub-Tranche**" means Upsize Sub-Tranche A, Upsize Sub-Tranche B, Upsize Sub- Tranche C, Upsize Sub-Tranche D, Upsize Sub-Tranche E, Upsize Sub-Tranche F, Upsize Sub- Tranche G, Upsize Sub-Tranche H, Upsize Sub-Tranche I, Upsize Sub-Tranche J or Upsize Sub- Tranche K.

"**Upsize Sub-Tranche A**" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $2,441,867.47 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche A as at the Utilisation Date of Upsize Sub-Tranche A, equals 55 per cent. of the Market Value of Ship A as at the Utilisation Date of Upsize Sub-Tranche A.

"**Upsize Sub-Tranche B**" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $2,330,873.49 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche B as at the Utilisation Date of Upsize Sub-Tranche B, equals 55 per cent. of the Market Value of Ship B as at the Utilisation Date of Upsize Sub-Tranche B.

"**Upsize Sub-Tranche C**" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $1,775,903.61 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche C as at the Utilisation Date of Upsize Sub-Tranche C, equals 55 per cent. of the Market Value of Ship C as at the Utilisation Date of Upsize Sub-Tranche C.

"**Upsize Sub-Tranche Commitment**" means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Upsize Sub-Tranche Commitment" in Part B of Schedule 1 (*The Parties*) and the amount of any other Upsize Sub-Tranche Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount of any Upsize Sub-Tranche Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Upsize Sub-Tranche D**" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $1,637,161.14 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche D as at the Utilisation Date of Upsize Sub-Tranche D, equals 55 per cent. of the Market Value of Ship D as at the Utilisation Date of Upsize Sub-Tranche D.

"**Upsize Sub-Tranche E**" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $1,637,161.14 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche E as at the Utilisation Date of Upsize Sub-Tranche E, equals 55 per cent. of the Market Value of Ship E as at the Utilisation Date of Upsize Sub-Tranche E.

"Upsize Sub-Tranche F" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $1,886,897.59 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche F as at the Utilisation Date of Upsize Sub-Tranche F, equals 55 per cent. of the Market Value of Ship F as at the Utilisation Date of Upsize Sub-Tranche F.

"Upsize Sub-Tranche G" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $2,441,867.47 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche G as at the Utilisation Date of Upsize Sub-Tranche G, equals 55 per cent. of the Market Value of Ship G as at the Utilisation Date of Upsize Sub-Tranche G.

"Upsize Sub-Tranche H" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $2,691,603.93 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche H as at the Utilisation Date of Upsize Sub-Tranche H, equals 55 per cent. of the Market Value of Ship H as at the Utilisation Date of Upsize Sub-Tranche H.

"Upsize Sub-Tranche I" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $1,997,891.57 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche I as at the Utilisation Date of Upsize Sub-Tranche I, equals 55 per cent. of the Market Value of Ship I as at the Utilisation Date of Upsize Sub-Tranche I.

"Upsize Sub-Tranche J" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $1,748,155.12 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche J as at the Utilisation Date of Upsize Sub-Tranche J, equals 55 per cent. of the Market Value of Ship J as at the Utilisation Date of Upsize Sub-Tranche J.

"Upsize Sub-Tranche K" means that part of the Loan made or to be made available to the Borrowers for the purposes of repaying certain amounts owed by Borrower A to its shareholders and financing the Borrowers' general corporate and working capital requirements in a principal amount not exceeding the lesser of (i) $2,441,867.47 and (ii) an amount that, when aggregated with the outstanding amount of Initial Sub-Tranche K as at the Utilisation Date of Upsize Sub-Tranche K, equals 55 per cent. of the Market Value of Ship K as at the Utilisation Date of Upsize Sub-Tranche K.

"US" means the United States of America.

"US Tax Obligor" means:

(a) a person which is resident for tax purposes in the US; or

(b) a person some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

"**Utilisation**" means a utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Advance is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part A of Schedule 3 (*Requests*).

"**VAT**" means:

(a) any value added tax imposed by the Value Added Tax Act 1994;

(b) ~~(a)~~any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112), any goods and services tax or any consumption tax; and

(c) ~~(b)~~any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"**Write-down and Conversion Powers**" means:

(a) 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;

(b) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:

(i) 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

(ii) any similar or analogous powers under that Bail-In Legislation; and

~~(c) in relation to any UK Bail-In Legislation:~~

(c) in relation to the 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~~ .

~~(ii) any similar or analogous powers under that UK Bail-In Legislation.~~

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Account Bank**", the "**Mandated Lead Arrangers**", the "**Facility Agent**", any "**Finance Party**", any "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**", the "**Security Agent**", any "**Transaction Obligor**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

(iii) a liability which is "**contingent**" means a liability which is not certain to arise and/or the amount of which remains unascertained;

(iv) "**document**" includes a deed and also a letter or fax;

(v) "**expense**" means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable Tax including VAT;

(vi) a "**Finance Document**", a "**Security Document**" or "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document, Security Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(vii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(viii) "**law**" includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

(ix) "**proceedings**" means, in relation to any enforcement provision of a Finance Document, proceedings of any kind, including an application for a provisional or protective measure;

(x) a "**person**" includes any individual, firm, company, corporation, branch, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(xi) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(xii) a provision of law is a reference to that provision as amended or re-enacted;

(xiii) a time of day is a reference to Singapore time;

(xiv) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of a jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;

(xv) words denoting the singular number shall include the plural and vice versa; and

(xvi) "**including**" and "**in particular**" (and other similar expressions) shall be construed as not limiting any general words or expressions in connection with which they are used.

(b) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(c) Section, Clause and Schedule headings are for ease of reference only and are not to be used for the purposes of construction or interpretation of the Finance Documents.

(d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under, or in connection with, any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(e) A Potential Event of Default is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.

1.3 Construction of insurance terms

In this Agreement:

"**approved**" means, approved in writing by the Facility Agent.

"**excess risks**" means, in respect of a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of that Ship in consequence of its insured value being less than the value at which that Ship is assessed for the purpose of such claims.

"**obligatory insurances**" means all insurances effected, or which any Owner Guarantor is obliged to effect, under Clause 23 (*Insurance Undertakings*) or any other provision of this Agreement or of another Finance Document.

"**policy**" includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms.

"**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision.

"**war risks**" includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision.

1.4 Agreed forms of Finance Documents

References in Clause 1.1 (*Definitions*) to any Finance Document being in "agreed form" are to that Finance Document:

(a) in a form attached to a certificate dated the same date as this Agreement (and signed by the Borrowers and the Facility Agent); or

(b) in any other form agreed in writing between the Borrowers and the Facility Agent acting with the authorisation of the Lenders or, if agreed in a Finance Document, the Majority Lenders.

1.5 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.

(b) Subject to Clause 43.3 (*Other exceptions*) but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(c) Any Affiliate, Receiver, Delegate or any other person described in paragraph (d) of Clause 14.2 (*Other indemnities*), paragraph (b) of Clause 30.11 (*Exclusion of liability*), Clause 30.21 (*Role of Reference Banks*), Clause 30.22 (*Third Party Reference Banks*) or paragraph (b) of Clause 31.11 (*Exclusion of liability*) may, subject to this Clause 1.5 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

SECTION 2

THE FACILITY

2 THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a dollar term loan facility in 11 Tranches (comprising 11 Initial Sub-Tranches and 11 Upsize Sub- Tranches) in an aggregate amount not exceeding the Total Commitments.

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of the Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.3 Owner Guarantors' Agent

(a) Each Owner Guarantor by its execution of this Agreement irrevocably appoints Borrower A to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) Borrower A on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including Utilisation Requests), to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Owner Guarantor notwithstanding that they may affect that Owner Guarantor, without further reference to or the consent of that Owner Guarantor; and

(ii) each Finance Party to give any notice, demand or other communication to that Owner Guarantor pursuant to the Finance Documents to Borrower A,

and in each case that Owner Guarantor shall be bound as though that Owner Guarantor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by Borrower A or given to Borrower A under any Finance Document on behalf of an Owner Guarantor or in connection with any Finance Document (whether or not known to any Owner Guarantor) shall be binding for all purposes on that Owner Guarantor as if that Owner Guarantor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of Borrower A and any Owner Guarantor, those of Borrower A shall prevail.

3 PURPOSE

3.1 Purpose

The Borrowers shall apply all amounts borrowed ~~under the Facility only for the purpose of refinancing the Existing Indebtedness and certain other debt of Borrower A and for Borrower A's general corporate and working capital purposes.~~:

(a) under the Initial Sub-Tranches only for the purpose of refinancing the Existing Indebtedness and certain other debt of Borrower A and for the Borrower A's general corporate and working capital purposes; and

(b) under the Upsize Sub-Tranches for the purposes set out in paragraph (C) of the preamble to this Agreement.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4 CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Borrowers may not deliver a Utilisation Request unless the Facility Agent has received all of the documents and other evidence listed in Part A of Schedule 2 (*Conditions Precedent and Conditions Subsequent*) in form and substance satisfactory to the Facility Agent.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if:

(a) on the date of the Utilisation Request and on the proposed Utilisation Date and before the Advance is made available:

(i) no Default is continuing or would result from the proposed Advance;

(ii) the Repeating Representations to be made by each Obligor are true;

(iii) the Ship in respect of which such Advance is to be made has neither been sold, arrested nor become a Total Loss;

(iv) none of the events described in sub-paragraphs (a)(i) or (ii) of Clause 7.5 (*Mandatory prepayment on change of control Borrower A or GSPL*) has occurred;

(v) no Lender has given a notice to the Facility Agent pursuant to paragraph (a) of Clause 7.1 (*Illegality*).; and

(vi) since 31 December 2020, nothing shall have occurred (and neither the Facility Agent nor any of the Lenders shall have become aware of any condition or circumstance not previously known to it or them) which the Facility Agent (acting on the instructions of the Lenders shall determine has had, or could reasonably be expected to have, a material adverse effect:

(A) on the rights or remedies of the Lenders;

(B) on the performance of the Borrowers and its Subsidiaries of their obligations to the Lenders, (x) with respect to the Facility or (y) on the property, assets, nature of assets, operations, liabilities or condition (financial or otherwise) of the Borrowers and their respective Subsidiaries;

(b) the Facility Agent has received on or before the ~~relevant~~ Utilisation Date in respect of any Initial Sub-Tranche, or is satisfied it will receive when the relevant Advance is made available, all of the documents and other evidence listed in Part B of Schedule 2 (*Conditions Precedent and Conditions Subsequent*) in form and substance satisfactory to the Facility Agent.; and

(c) the Facility Agent has received on or before the Utilisation Date in respect of any Upsize Sub- Tranche, or is satisfied it will receive when the relevant Advance is made available:

(i) evidence that the entire issued share capital of Borrower A is held by GSPL in form and substance satisfactory to the Facility Agent; and

(ii) evidence that the fees then due from the Borrowers pursuant to clause 6 (*Fees*) of the Amending and Restating Agreement have been paid or will be paid upon the relevant Advance being made.

4.3 Notification of satisfaction of conditions precedent

(a) The Facility Agent shall notify the Borrowers and the Lenders promptly upon being satisfied as to the satisfaction of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) and Clause 4.2 (*Further conditions precedent*).

(b) Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Facility Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.4 Waiver of conditions precedent

If the Lenders, at their discretion, permit an Advance to be borrowed before any of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) or Clause 4.2 (*Further conditions precedent*) has been satisfied, the Borrowers shall ensure that that condition is satisfied within five Business Days after the relevant Utilisation Date or such later date as the Facility Agent, acting with the authorisation of the Lenders, may agree in writing with the Borrowers.

4.5 Conditions subsequent

Save in the case of documentary evidence which must be provided on the Utilisation Date (as a same day condition subsequent pursuant to sub-paragraph (a), (b) or (c) of paragraph 2 of Part C of Schedule 2 (*Conditions Precedent and Conditions Subsequent*)) that the relevant Deed of Covenant and General Assignment has been dated the date of the Utilisation Date and the Mortgage has been duly registered on the Utilisation Date (as required under paragraph 2(a) of Part C of Schedule 2 (*Conditions Subsequent to Utilisation*), the Borrowers undertake to deliver or cause to be delivered to the Facility Agent within five Business Days after the first Utilisation Date, the additional documents and other evidence listed in Part C of Schedule 2 (*Conditions Subsequent to Utilisation*) in form and substance satisfactory to the Facility Agent.

SECTION 3

UTILISATION

5 UTILISATION

5.1 Delivery of a Utilisation Request

(a) The Borrowers may utilise the Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than the Specified Time.

(b) The Borrowers may not deliver more than one Utilisation Request for any Sub-Tranche.

(c) The Utilisation Date for all Initial Sub-Tranches must be the same date.

(d) ~~(c)~~The Utilisation Date for all Upsize Sub-Tranches must be the same date.

5.2 Completion of a Utilisation Request

Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(a) the proposed Utilisation Date is a Business Day within the relevant Availability Period;

(b) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and

(c) the proposed Interest Period complies with Clause 9 (*Interest Periods*).

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be dollars.

(b) The amount of the proposed Advance of ~~a~~ an Initial Sub-Tranche must be an amount which is not more than the lowest of:

(i) 55 per cent. of the Market Value of the Ship to which that Initial Sub-Tranche relates;

(ii) in the case of the Advance of Initial Sub-Tranche A, $12,100,000.00;

(iii) in the case of the Advance of Initial Sub-Tranche B, $11,550,000.00;

(iv) in the case of the Advance of Initial Sub-Tranche C, $8,800,000.00;

(v) in the case of the Advance of Initial Sub-Tranche D, $8,112,500.00;

(vi) in the case of the Advance of Initial Sub-Tranche E, $8,112,500.00;

(vii) in the case of the Advance of Initial Sub-Tranche F, $9,350,000.00;

(viii) in the case of the Advance of Initial Sub-Tranche G, $12,100,000.00;

(ix) in the case of the Advance of Initial Sub-Tranche H, $13,337,500.00;

(x) in the case of the Advance of Initial Sub-Tranche I, $9,900,000.00;

(xi) in the case of the Advance of Initial Sub-Tranche J, $8,662,500.00; and

(xii) in the case of the Advance of Initial Sub-Tranche K, $12,100,000.00.

(c) The amount of the proposed Advance of an Upsize Sub-Tranche must be an amount which is not more than the lowest of:

(i) an amount that, when aggregated with the amount outstanding in respect of the corresponding Initial Sub-Tranche, equals 55 per cent. of the Market Value of the Ship to which that Upsize Sub-Tranche relates;

(ii) in the case of the Advance of Upsize Sub-Tranche A, $2,441,867.47;

(iii) in the case of the Advance of Upsize Sub-Tranche B, $2,330,873.49;

(iv) in the case of the Advance of Upsize Sub-Tranche C, $1,775,903.61;

(v) in the case of the Advance of Upsize Sub-Tranche D, $1,637,161.14;

(vi) in the case of the Advance of Upsize Sub-Tranche E, $1,637,161.14;

(vii) in the case of the Advance of Upsize Sub-Tranche F, $1,886,897.59;

(viii) in the case of the Advance of Upsize Sub-Tranche G, $2,441,867.47;

(ix) in the case of the Advance of Upsize Sub-Tranche H, $2,691,603.93;

(x) in the case of the Advance of Upsize Sub-Tranche I, $1,997,891.57;

(xi) in the case of the Advance of Upsize Sub-Tranche J, $1,748,155.12; and

(xii) in the case of the Advance of Upsize Sub-Tranche K, $2,441,867.47.

(d) ~~(c)~~The aggregate amount of the proposed Advances must be an amount which is not more than the Available Facility in respect of the relevant Sub-Tranches.

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Advance available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Advance will be equal to the proportion borne by its Available Commitment in respect of the relevant Sub-Tranches to the Available Facility in respect of those Sub-Tranches immediately before making that Advance.

(c) The Facility Agent shall notify each Lender of the amount of each Advance and the amount of its participation in that Advance by the Specified Time.

5.5 Cancellation of Commitments

The Commitments in respect of any Sub-Tranche which are unutilised at the end of the Availability Period for such Sub-Tranche shall then be cancelled.

5.6 Retentions and payment to third parties

Each Borrower irrevocably authorises the Facility Agent:

(a) to deduct from the proceeds of any Advance any fees then payable to the Finance Parties in accordance with Clause 11 (*Fees*), any agreed solicitors fees and disbursements together with any applicable VAT and any other items listed as deductible items in the relevant Utilisation Request and to apply them in payment of the items to which they relate; and

(b) on each Utilisation Date, to pay to, or for the account of, the Borrowers or the relevant Owner Guarantor (as applicable) which is to utilise the relevant Advance the balance (after any deduction made in accordance with paragraph (a) above) of the amounts which the Facility Agent receives from the Lenders in respect of the relevant Advance. That payment shall be made in like funds as the Facility Agent received from the Lenders in respect of the relevant Advance:

(i) in the case of Initial Sub-Tranche A, Initial Sub-Tranche B, Initial Sub-Tranche C, Initial Sub-Tranche D, Initial Sub-Tranche E or Initial Sub-Tranche F partly to the account of the Existing Facility Agent A under Existing Facility Agreement A which the Borrowers specify in the relevant Utilisation Request and any balance to the account of Borrower A as specified in the relevant Utilisation Request; and

(ii) in the case of Initial Sub-Tranche G, Initial Sub-Tranche H, Initial Sub-Tranche I, Initial Sub-Tranche J or Initial Sub-Tranche K partly to the account of the Existing Facility Agent B under Existing Facility Agreement B which the Borrowers specify in the relevant Utilisation Request and any balance to the account of Borrower A as specified in the relevant Utilisation Request.

5.7 Disbursement of Advance to third party

Payment by the Facility Agent under Clause 5.6 (*Retentions and payment to third parties*) to a person other than a Borrower shall constitute the making of the relevant Advance and the Borrowers 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 Advance.

SECTION 4

REPAYMENT, PREPAYMENT AND CANCELLATION

6 REPAYMENT

6.1 Repayment of Loan

(a) The Borrowers shall repay ~~the Loan as follows:~~:

(i) the Initial Sub-Tranches of the Loan outstanding as at the date of the Amending and Restating Agreement as follows:

(A) Initial Sub-Tranche A shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $302,500.00 together with a balloon instalment of $6,050,000.00 payable on the Termination Date;

(B) ~~(b)~~Initial Sub-Tranche B shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $288,750.00 together with a balloon instalment of $5,775,000.00 payable on the Termination Date;

(C) ~~(c)~~Initial Sub-Tranche C shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $220,000.00 together with a balloon instalment of $4,400,000.00 payable on the Termination Date;

(D) ~~(d)~~Initial Sub-Tranche D shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $202,812.50 together with a balloon instalment of $4,056,250.00 payable on the Termination Date;

(E) ~~(e)~~Initial Sub-Tranche E shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $202,812.50 together with a balloon instalment of $4,056,250.00 payable on the Termination Date;

(F) ~~(f)~~Initial Sub-Tranche F shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $233,750.00 together with a balloon instalment of $4,675,000.00 payable on the Termination Date;

(G) ~~(g)~~Initial Sub-Tranche G shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $302,500.00 together with a balloon instalment of $6,050,000.00 payable on the Termination Date;

(H) ~~(h)~~Initial Sub-Tranche H shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $333,437.50 together with a balloon instalment of $6,668,750.00 payable on the Termination Date;

(I) ~~(i)~~Initial Sub-Tranche I shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $247,500.00 together with a balloon instalment of $4,950,000.00 payable on the Termination Date;

(J) ~~(j)~~Initial Sub-Tranche J shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $216,562.50 together with a balloon instalment of $4,331,250.00 payable on the Termination Date;

(K) ~~(k)~~Initial Sub-Tranche K shall be repaid by ~~20~~ 14 equal quarterly instalments, each in an amount of $302,500.00 together with a balloon instalment of $6,050,000.00 payable on the Termination Date; and

(ii) the Upsize Sub-Tranches of the Loan as follows:

(A) Upsize Sub-Tranche A shall be repaid by 14 equal quarterly instalments, each in an amount of $68,592.71 together with a balloon instalment of $1,481,569.53 payable on the Termination Date;

(B) Upsize Sub-Tranche B shall be repaid by 14 equal quarterly instalments, each in an amount of $65,474.86 together with a balloon instalment of $1,414,225.45 payable on the Termination Date;

(C) Upsize Sub-Tranche C shall be repaid by 14 equal quarterly instalments, each in an amount of $49,885.61 together with a balloon instalment of $1,077,505.07 payable on the Termination Date;

(D) Upsize Sub-Tranche D shall be repaid by 14 equal quarterly instalments, each in an amount of $45,988.30 together with a balloon instalment of $993,324.94 payable on the Termination Date;

(E) Upsize Sub-Tranche E shall be repaid by 14 equal quarterly instalments, each in an amount of $45,988.30 together with a balloon instalment of $993,324.94 payable on the Termination Date;

(F) Upsize Sub-Tranche F shall be repaid by 14 equal quarterly instalments, each in an amount of $53,003.46 together with a balloon instalment of $1,144,849.15 payable on the Termination Date;

(G) Upsize Sub-Tranche G shall be repaid by 14 equal quarterly instalments, each in an amount of $68,592.71 together with a balloon instalment of $1,481,569.53 payable on the Termination Date;

(H) Upsize Sub-Tranche H shall be repaid by 14 equal quarterly instalments, each in an amount of $75,607.88 together with a balloon instalment of $1,633,093.61 payable on the Termination Date;

(I) Upsize Sub-Tranche I shall be repaid by 14 equal quarterly instalments, each in an amount of $56,121.31 together with a balloon instalment of $1,212,193.23 payable on the Termination Date;

(J) Upsize Sub-Tranche J shall be repaid by 14 equal quarterly instalments, each in an amount of $49,106.15 together with a balloon instalment of $1,060,669.02 payable on the Termination Date;

(K) Upsize Sub-Tranche K shall be repaid by 14 equal quarterly instalments, each in an amount of $68,592.71 together with a balloon instalment of $1,481,569.53 payable on the Termination Date;

(b) ~~(i)~~the first instalment of each ~~Tranche~~ Initial Sub-Tranche referred to in sub-paragraph (i) of paragraph (a) shall be payable on ~~the date falling three Months after the Utilisation Date,~~13 November 2021; and

(c) the first instalment of each Upsize Sub-Tranche referred to in sub-paragraph (ii) of paragraph (a) shall be payable on the first Repayment Date in respect of the Initial Sub-Tranches falling after the Utilisation Date in respect of that Upsize Sub-Tranche,

(each such quarterly instalment or balloon instalment a "**Repayment Instalment**").

6.2 Effect of cancellation and prepayment on scheduled repayments

(a) If the Borrowers cancel the whole or any part of any Available Commitment in accordance with Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or if the Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality*) then the Repayment Instalments falling after that cancellation will reduce pro rata by the amount of the Available Commitments so cancelled.

(b) If the whole or any part of any Available Commitment in respect of a Sub-Tranche is cancelled in accordance with Clause 7.2 (*Automatic cancellation*) or if the whole or part of any Commitment in respect of a Sub-Tranche is cancelled pursuant to Clause 5.5 (*Cancellation of Commitments*), the Repayment Instalments in respect of that Sub-Tranche for each Repayment Date falling after that cancellation will reduce pro rata by the amount of the Commitments so cancelled.

(c) If any part of the Loan is repaid or prepaid in accordance with Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or Clause 7.1 (*Illegality*) then the Repayment Instalments for each Repayment Date falling after that repayment or prepayment will reduce pro rata by the amount of the Loan repaid or prepaid.

(d) If any part of the Loan is prepaid in accordance with Clause 7.3 (*Voluntary prepayment of Loan*) or paragraph (b) of Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*) then the amount of the Repayment Instalments for each Repayment Date falling after that repayment or prepayment will reduce in pro rata by the amount of the Loan repaid or prepaid.

6.3 Termination Date

On the Termination Date, the Borrowers shall additionally pay to the Facility Agent for the account of the Finance Parties all other sums then accrued and owing under the Finance Documents.

6.4 Reborrowing

The Borrowers may not reborrow any part of the Facility which is repaid.

7 PREPAYMENT AND CANCELLATION

7.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in an Advance or the Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

(a) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;

(b) upon the Facility Agent notifying the Borrowers, the Available Commitment of that Lender will be immediately cancelled; and

(c) the Borrowers shall prepay that Lender's participation in the Loan on the last day of the Interest Period for the Loan occurring after the Facility Agent has notified the Borrowers or, if earlier, the date specified by the Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be cancelled in the amount of the participation prepaid.

7.2 Automatic cancellation

(a) The unutilised Initial Sub-Tranche Commitment (if any) of each Lender shall be automatically cancelled at close of business on the date on which the Advance in respect of the Initial Sub- Tranches is made available.

(b) The unutilised Upsize Sub-Tranche Commitment (if any) of each Lender shall be automatically cancelled at close of business on the date on which the Advance in respect of the Upsize Sub- Tranches is made available.

7.3 Voluntary prepayment of Loan

The Borrowers may, if they give the Facility Agent not less than 30 days' (or such shorter period as the Lenders may agree) prior notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of $1,000,000 or a multiple of that amount).

7.4 Mandatory prepayment on sale, arrest or Total Loss

(a) If a Ship is sold, arrested or becomes a Total Loss or if the shares in an Owner Guarantor owning a Ship are sold, the Borrowers shall on the Relevant Date prepay the Tranche applicable to that Ship.

(b) On the Relevant Date, the Borrowers shall also prepay the highest of:

(i) such part of the Loan as is required to comply with the minimum required security cover ratio set out in Clause 25 (*Security Cover*);

(ii) where the calculated ratio set out in Clause 25 (*Security Cover*) is greater than the Relevant Security Cover Percentage immediately prior to such sale, arrest or Total Loss, such part of the Loan so as to ensure that it is the Relevant Security Cover Percentage on the Relevant Date disregarding the Ship that is subject to a sale, arrest or Total Loss; and

(iii) where the calculated ratio set out in Clause 25 (*Security Cover*) is less than or equal to the Relevant Security Cover Percentage immediately prior to such sale, arrest or Total Loss, such amount as may be necessary so as to maintain the same security cover which existed immediately prior to such sale, arrest or Total Loss.

(c) Provided that no Event of Default has occurred and is continuing, any remaining proceeds of the sale or Total Loss of a Ship after the prepayments referred to in paragraph (a) and paragraph (b) above have been made together with all other amounts that are payable on any such prepayment pursuant to the Finance Documents shall be paid to the Owner Guarantor that owned the relevant Ship.

(d) In this Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*):

"**Relevant Date**" means:

(i) in the case of a sale of a Ship, on the date on which the sale is completed by delivery of that Ship to the buyer of that Ship;

(ii) in the case of any arrest of a Ship, on or before the date falling 37 days after the date of the arrest of that Ship if that Ship has not been released free of that arrest within 30 days after the date of that arrest;

(iii) in the case of a sale of the shares in an Owner Guarantor owning a Ship, on the date on which the sale is completed upon execution by the transferor and the transferee of an instrument of transfer of shares (and stamping of such instrument) and the passing of director's resolutions approving the transfer; and

(iv) in the case of a Total Loss of a Ship, on the earlier of:

(A) the date falling 90 days after the Total Loss Date; and

(B) the date of receipt by the Security Agent of the proceeds of insurance relating to such Total Loss.

"**Relevant Security Cover Percentage**" means:

(a) if the Relevant Date is on or before the 3rd anniversary of the first Utilisation Date, 160 per cent.;

(b) if the Relevant Date is after the 3rd but on or before the 4th anniversary of the first Utilisation Date, 170 per cent.; or

(c) if the Relevant Date is after the 4th anniversary of the first Utilisation Date, 180 per cent..

7.5 Mandatory prepayment on change of control of Borrower A or GSPL

(a) If:

(i) Borrower B ceases to control GSPL or ceases to legally and beneficially, directly or indirectly own the entire issued share capital of GSPL; or

(ii) GSPL ceases to or does not legally and beneficially, directly own:

(A) at any time ~~when Regiment is~~ before Sankaty has ceased to be a shareholder of Borrower A, at least ~~33.5~~ 68.86 per cent. of the issued share capital of Borrower A; or

(B) at any time after ~~Regiment~~ the earlier of (1) the Utilisation Date in respect of any Upsize Sub-Tranche; and (2) the date on which Sankaty has ceased to be a shareholder of Borrower A, at least ~~66.75~~ 100 per cent. of the issued share capital of Borrower A,

then:

(iii) the Borrowers shall promptly notify the Facility Agent and Security Agent upon becoming aware of that event by setting out details and providing further information as required; and

(iv) if the Lenders, acting in their sole discretion, so require, the Facility Agent shall, by not less than 60 days' notice to the Borrowers, cancel the Loan and declare the Loan, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Loan will be cancelled and the Loan and all outstanding interest and other amounts will become due and payable on the last day of the Interest Period during which such change of control occurred.

(b) For the purpose of paragraph (a) above "**control**" means:

(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(A) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of GSPL; or

(B) appoint or remove all, or the majority, of the directors or other equivalent officers of GSPL; or

(C) give directions with respect to the operating and financial policies of GSPL with which the directors or other equivalent officers of GSPL; and/or

(ii) the holding beneficially of more than 50 per cent. of the issued share capital of GSPL (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

7.6 Right of repayment and cancellation in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 12.2 (*Tax gross-up*) or under that clause as incorporated by reference or in full in any other Finance Document; or

(ii) any Lender claims indemnification from the Borrowers under Clause 12.3 (*Tax indemnity*) or Clause 13.1 (*Increased costs*),

the Borrowers may whilst in the case of sub-paragraphs (i) and (ii) above the circumstance giving rise to the requirement for that increase or indemnification continues, give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan.

(b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Borrowers have given notice of cancellation under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrowers in that notice), the Borrowers shall repay that Lender's participation in the Loan.

7.7 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 7 (*Prepayment and Cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made, the amount of that cancellation or prepayment and, if relevant, the part of the Loan to be prepaid or cancelled.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to the fee provided for in Clause 11.4 (*Prepayment fee*) and any Break Costs, without premium or penalty.

(c) The Borrowers may not reborrow any part of the Facility which is prepaid.

(d) The Borrowers shall not repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

(e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

(f) If the Facility Agent receives a notice under this Clause 7 (*Prepayment and Cancellation*) it shall promptly forward a copy of that notice to either the Borrowers or the affected Lenders, as appropriate.

(g) If all or part of any Lender's participation in the Loan is repaid or prepaid, an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

7.8 Application of prepayments

Any prepayment of any part of the Loan (other than a prepayment pursuant to Clause 7.1 (*Illegality*) shall be applied pro rata to each Lender's participation in that part of the Loan.

SECTION 5

COSTS OF UTILISATION

8 INTEREST

8.1 Calculation of interest

The rate of interest on the Loan or any part of the Loan for each Interest Period is the percentage rate per annum which is the aggregate of:

(a) the Margin; and

(b) LIBOR.

8.2 Payment of interest

(a) The Borrowers shall pay accrued interest on the Loan or any part of the Loan on the last day of each Interest Period (each an "**Interest Payment Date**").

(b) If an Interest Period is longer than three Months, the Borrowers shall also pay interest then accrued on the Loan or the relevant part of the Loan on the dates falling at three Monthly intervals after the first day of the Interest Period.

8.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted part of the Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Facility Agent. Any interest accruing under this Clause 8.3 (*Default interest*) shall be immediately payable by the Obligor on demand by the Facility Agent.

(b) If an Unpaid Sum consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period relating to the Loan or that part of the Loan:

(i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan or that part of the Loan; and

(ii) the rate of interest applying to that Unpaid Sum during that first Interest Period shall be two per cent. per annum higher than the rate which would have applied if that Unpaid Sum had not become due.

(c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

8.4 Notification of rates of interest

(a) The Facility Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest under this Agreement.

(b) The Facility Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan, any part of the Loan or any Unpaid Sum.

9 INTEREST PERIODS

9.1 Selection of Interest Periods

(a) Subject to paragraph (d) below, the Borrowers may select the Interest Period for the Loan in the Utilisation Request for the first Advance. Subject to paragraphs (f) and (h) below and Clause 9.2 (*Changes to Interest Periods*), the Borrowers may select each subsequent Interest Period in respect of the Loan in a Selection Notice.

(b) Each Selection Notice is irrevocable and must be delivered to the Facility Agent by the Borrowers not later than the Specified Time.

(c) If the Borrowers fail to select an Interest Period in the first Utilisation Request or fails to deliver a Selection Notice to the Facility Agent in accordance with paragraphs (a) and (b) above, the relevant Interest Period will, subject to paragraphs (f) and (h) below and Clause 9.2 (*Changes to Interest Periods*), be three Months.

(d) Subject to this Clause 9 (*Interest Periods*), the Borrowers may select an Interest Period of three Months or any other period agreed between the Borrowers and the Facility Agent (acting on the instructions of all the Lenders).

(e) An Interest Period in respect of the Loan or any part of the Loan shall not extend beyond the Termination Date.

(f) In respect of a Repayment Instalment, the Borrowers may request in the relevant Selection Notice that an Interest Period for a part of the Loan equal to such Repayment Instalment shall end on the Repayment Date relating to it and, subject to paragraph (d) above, select a longer Interest Period for the remaining part of the Loan.

(g) The first Interest Period for the Loan shall start on the first Utilisation Date and, subject to paragraph (h) below, each subsequent Interest Period shall start on the last day of the preceding Interest Period.

(h) The first Interest Period for the second and any subsequent Advance shall start on the Utilisation Date of such Advance and end on the last day of the Interest Period applicable to the Loan on the date on which such Advance is made.

(i) Except for the purposes of paragraph (f) and paragraph (h) above and Clause 9.2 (*Changes to Interest Periods*), the Loan shall have one Interest Period only at any time.

9.2 Changes to Interest Periods

(a) In respect of a Repayment Instalment, prior to determining the interest rate for the Loan, the Facility Agent may establish an Interest Period for a part of the Loan equal to such Repayment Instalment to end on the Repayment Date relating to it and the remaining part of the Loan shall have the Interest Period selected in the relevant Selection Notice, subject to paragraph (d) of Clause 9.1 (*Selection of Interest Periods*).

(b) If the Facility Agent makes any change to an Interest Period referred to in this Clause 9.2 (*Changes to Interest Periods*), it shall promptly notify the Borrowers and the Lenders.

9.3 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10 CHANGES TO THE CALCULATION OF INTEREST

10.1 Unavailability of Screen Rate

(a) *Interpolated Screen Rate*: If no Screen Rate is available for LIBOR for the Interest Period of the Loan or any part of the Loan, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of the Loan or that part of the Loan.

(b) *Reference Bank Rate*: If no Screen Rate is available for LIBOR for:

(i) dollars; or

(ii) the Interest Period of the Loan or any part of the Loan and it is not possible to calculate the Interpolated Screen Rate,

the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time and for a period equal in length to the Interest Period of the Loan or that part of the Loan.

(c) *Cost of funds*: If paragraph (b) above applies but no Reference Bank Rate is available for dollars or the relevant Interest Period there shall be no LIBOR for the Loan or that part of the Loan (as applicable) and Clause 10.4 (*Cost of funds*) shall apply to the Loan or that part of the Loan for that Interest Period.

10.2 Calculation of Reference Bank Rate

(a) Subject to paragraph (b) below, if LIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

(b) If at or about noon on the Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

10.3 Market disruption

(a) If a Market Disruption Event occurs in relation to an Advance or the Loan for any Interest Period, then the rate of interest on each Lender's share of such Advance or the Loan for that Interest Period shall be the rate per annum which is the sum of:

(i) the Margin; and

(ii) the rate notified to the Facility Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in such Advance or the Loan from whatever source it may reasonably select.

(b) In this Agreement "**Market Disruption Event**" means:

(i) at or about noon on the Quotation Day for the relevant Interest Period, LIBOR is to be determined by reference to the Reference Banks and none or only one of the Reference Banks supplies a rate to the Facility Agent to determine LIBOR for dollars for the relevant Interest Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Facility Agent receives notifications from a Lender or Lenders (whose participations in the Loan or the relevant part of the Loan exceed 20 per cent. of the Loan or the relevant part of the Loan) that the cost to it or them of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR; or

(iii) at least one Business Day before the start of an Interest Period, the Facility Agent receives notification from a Lender (the "**Affected Lender**") that for any reason it is unable to obtain dollars in the Relevant Interbank Market in order to fund its participation in that Advance or the Loan.

10.4 Cost of funds

(a) If this Clause 10.4 (*Cost of funds*) applies, the rate of interest on the Loan or the relevant part of the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the weighted average of the rates notified to the Facility Agent by each Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in the Loan or that part of the Loan from whatever source it may reasonably select.

(b) If this Clause 10.4 (*Cost of funds*) applies and the Facility Agent or the Borrowers so require, the Facility Agent and the Borrowers shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.

(c) Subject to Clause 43.4 (*Replacement of Screen Rate*), any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrowers, be binding on all Parties.

(d) If this Clause 10.4 (*Cost of funds*) applies but any Lender does not supply a quotation by the time specified in sub-paragraph (ii) of paragraph (a) above, the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

10.5 Break Costs

(a) The Borrowers shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrowers on a day other than the last day of an Interest Period for the Loan, the relevant part of the Loan or that Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate by email confirming the amount of its Break Costs for any Interest Period in which they accrue.

11.1 FEES

11.1 Commitment fee

(a) The Borrowers shall pay to the Facility Agent (for the account of each Lender) a fee computed at the rate of 1.10 per cent. per annum of the undrawn and uncancelled portion of the Loan payable quarterly in arrears from the date of this Agreement and thereafter during the Availability Period or in relation to any cancelled portion at the time the cancellation is effective.

(b) The accrued commitment fee is payable on the Utilisation Date, on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

11.2 Upfront fee

The Borrowers shall pay to the Facility Agent (for distribution to the Lenders) an upfront fee in the amount and at the times agreed in a Fee Letter.

11.3 Facility Agent fee

The Borrowers shall pay to the Facility Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

11.4 Prepayment fee

(a) Subject to paragraph (c) below, the Borrowers must pay to the Facility Agent for each Lender a prepayment fee on the date of prepayment of all or any part of the Loan.

(b) The amount of the prepayment fee is:

(i) if the prepayment occurs on or before the 1st anniversary of the first Utilisation Date of the Initial Sub Tranche, 2 per cent. of the amount prepaid; and

(ii) if the prepayment occurs after the 1st but on or before the 2nd anniversary of the first Utilisation Date of the Initial Sub Tranche, 1 per cent. of the amount prepaid.

(c) No prepayment fee shall be payable under this Clause if the prepayment is made:

(i) after the 2nd anniversary of the first Utilisation Date of the Initial Sub Tranche;

(ii) as consequence of the Loan being refinanced by the Lenders; or

(iii) under Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*).

SECTION 6

ADDITIONAL PAYMENT OBLIGATIONS

12 TAX GROSS UP AND INDEMNITIES

12.1 Definitions

(a) In this Agreement:

"**Excluded Tax Deduction**" means a withholding in favour of the Singapore tax authority for or on account of Tax which a Borrower is required to withhold from a payment under a Finance Document to or for the account of Hamburg Commercial Bank AG as a consequence of Hamburg Commercial Bank AG not lending through Hamburg Commercial Bank AG, Singapore Branch.

"**Protected Party**" means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 12 (*Tax Gross Up and Indemnities*) reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

12.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrowers shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If the Facility Agent receives such notification from a Lender it shall notify the Borrowers and that Obligor.

(c) If a Tax Deduction (other than an Excluded Tax Deduction) is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax indemnity

(a) The Obligors shall (within three Business Days of demand by the Facility Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 12.2 (*Tax gross- up*); or

(B) relates to a FATCA Deduction or an Excluded Tax Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall notify the Obligors.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.3 (*Tax indemnity*), notify the Facility Agent.

12.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was received; and

(b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

12.5 Stamp taxes

(a) The Obligors shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability which that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

(b) Unless an Event of Default has occurred and is continuing, paragraph (a) above shall not apply in respect of any stamp duty, registration or other similar Taxes which are payable in respect of an assignment, transfer or other alienation of any kind by a Finance Party of any of its rights and/or obligations under a Finance Document.

12.6 VAT

(a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this sub-paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part of it as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) Any reference in this Clause 12.6 (*VAT*) to any Party shall, at any time when that Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or representative or head) of that group or unity at the relevant time (as the case may be)).

(e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

12.7 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party; and

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation or exchange of information regime.

(b) If a Party confirms to another Party pursuant to sub-paragraph (i) of paragraph (a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything and sub-paragraph (iii) of paragraph (a) above shall not oblige any other Party to do anything which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraphs (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

12.8 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify each Obligor and the Facility Agent and the Facility Agent shall notify the other Finance Parties.

12.9 Excluded Tax Deductions

(a) The Borrowers shall cooperate with Hamburg Commercial Bank AG to seek to procure that a relevant exemption is granted by the Singapore tax authorities so that payments can be made under the Finance Documents without making any Excluded Tax Deductions or that any such deductions are made at a reduced rate.

(b) For the avoidance of doubt, where a payment has been made to the Facility Agent net of an amount in respect of an Excluded Tax Deduction, the corresponding payment by the Facility Agent to Hamburg Commercial Bank AG shall reflect that Excluded Tax Deduction, which shall not be borne by the other Lenders.

13 INCREASED COSTS

13.1 Increased costs

(a) Subject to Clause 13.3 (*Exceptions*), the Borrowers shall, within three Business Days of a demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(ii) compliance with any law or regulation made,

in each case after the date of this Agreement; or

(iii) the implementation, application of or compliance with Basel III, CRD IV or CRR or any law or regulation that implements or applies Basel III, CRD IV or CRR (regardless of the date on which it is enacted, adopted or issued and regardless of whether any such implementation, application or compliance is by a government, regulator, a Finance Party or any of its Affiliates).

(b) In this Agreement:

(i) "**Basel III**" means:

(A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(ii) "**CRD IV**" means:

(A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012, as amended by Regulation (EU) 2019/876;

(B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended by Directive (EU) 2019/878; and

(C) any other law or regulation which implements Basel III.

(iii) "**CRR**" means Regulation (EU) No.575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012.

(iv) "**Increased Costs**" means:

(A) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

13.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Borrowers.

(b) Each Finance Party shall, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(a) attributable to a Tax Deduction required by law to be made by an Obligor;

(b) attributable to a FATCA Deduction required to be made by a Party;

(c) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied);

(d) compensated for by any payment made pursuant to Clause 14.3 (*Mandatory Cost*); or

(e) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

14 OTHER INDEMNITIES

14.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance 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:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall, as an independent obligation, on demand, indemnify each Secured Party to which that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 Other indemnities

(a) Each Obligor shall, on demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:

(i) the occurrence of any Event of Default;

(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 33 (*Sharing among the Finance Parties*);

(iii) funding, or making arrangements to fund, its participation in an Advance requested by the Borrowers in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Secured Party alone); or

(iv) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrowers.

(b) Each Obligor shall, on demand, indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate (each such person for the purposes of this Clause 14.2 (*Other indemnities*) an "**Indemnified Person**"), against any cost, loss or liability incurred by that Indemnified Person pursuant to or in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry, in connection with or arising out of the entry into and the transactions contemplated by the Finance Documents, having the benefit of any Security constituted by the Finance Documents or which relates to the condition or operation of, or any incident occurring in relation to, any Ship unless such cost, loss or liability is caused by the gross negligence or wilful misconduct of that Indemnified Person.

(c) Without limiting, but subject to any limitations set out in paragraph (b) above, the indemnity in paragraph (b) above shall cover any cost, loss or liability incurred by each Indemnified Person in any jurisdiction:

(i) arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, any Environmental Law or any Sanctions Laws; or

(ii) in connection with any Environmental Claim.

(d) Any Affiliate or any officer or employee of a Finance Party or of any of its Affiliates may rely on this Clause 14.2 (*Other indemnities*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

14.3 Mandatory Cost

The Borrowers shall, on demand by the Facility Agent, pay to the Facility Agent for the account of the relevant Lender, such amount which any Lender certifies in a notice to the Facility Agent to be its good faith determination of the amount necessary to compensate it for complying with:

(a) in the case of a Lender lending from a Facility Office in a Participating Member State, the minimum reserve requirements (or other requirements having the same or similar purpose) of the European Central Bank or any other authority or agency which replaces all or any of its functions in respect of loans made from that Facility Office; and

(b) in the case of any Lender lending from a Facility Office in the United Kingdom, any reserve asset, special deposit or liquidity requirements (or other requirements having the same or similar purpose) of the Bank of England (or any other governmental authority or agency) and/or paying any fees to the Financial Conduct Authority and/or the Prudential Regulation Authority (or any other governmental authority or agency which replaces all or any of their functions),

which, in each case, is referable to that Lender's participation in the Loan.

14.4 Indemnity to the Facility Agent

Each Obligor shall, on demand, indemnify the Facility Agent against:

(a) any cost, loss or liability incurred by the Facility Agent (acting reasonably) as a result of:

(i) investigating any event which it reasonably believes is a Default; or

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents; and

(b) any cost, loss or liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) or, in the case of any cost, loss or liability pursuant to Clause 34.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent in acting as Facility Agent under the Finance Documents.

14.5 Indemnity to the Security Agent

(a) Each Obligor shall, on demand, indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them:

(i) in relation to or as a result of:

(A) any failure by a Borrower to comply with its obligations under Clause 16 (*Costs and Expenses*);

(B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(C) the taking, holding, protection or enforcement of the Finance Documents and the Transaction Security;

(D) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law;

(E) any default by any Transaction Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;

(F) any action by any Transaction Obligor which vitiates, reduces the value of, or is otherwise prejudicial to, the Transaction Security; and

(G) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents.

(ii) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Security Property or the performance of the terms of this Agreement or the other Finance Documents (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).

(b) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 14.5 (*Indemnity to the Security Agent*) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it.

15 MITIGATION BY THE FINANCE PARTIES

15.1 Mitigation

(a) Each Finance Party shall, in consultation with the Borrowers, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax Gross Up and Indemnities*), Clause 13 (*Increased Costs*) or paragraph (a) of Clause 14.3 (*Mandatory Cost*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Transaction Obligor under the Finance Documents.

15.2 Limitation of liability

(a) Each Obligor shall, on demand, indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 15.1 (*Mitigation*) if either:

(i) a Default has occurred and is continuing; or

(ii) in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16 COSTS AND EXPENSES

16.1 Transaction expenses

The Borrowers shall, on demand, pay the Facility Agent, the Security Agent and the Mandated Lead Arrangers the amount of all costs and expenses (including legal fees) reasonably incurred by any Secured Party in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

(a) this Agreement and any other documents referred to in this Agreement or in a Security Document; and

(b) any other Finance Documents executed after the date of this Agreement.

16.2 Amendment costs

If:

(a) a Transaction Obligor requests an amendment, waiver or consent; or

(b) an amendment is required pursuant to Clause 34.9 (*Change of currency*) or as contemplated in Clause 43.4 (*Replacement of Screen Rate*); or

(c) a Transaction Obligor requests, and the Security Agent agrees to, the release of all or any part of the Security Assets from the Transaction Security,

the Borrowers shall, on demand, reimburse each of the Facility Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by each Secured Party in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement and preservation costs

The Borrowers shall, on demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document or the Transaction Security and with any proceedings instituted by or against that Secured Party as a consequence of it entering into a Finance Document, taking or holding the Transaction Security, or enforcing those rights.

SECTION 7

GUARANTEES, AND JOINT AND SERVERAL LIABILITIES OF BORROWERS

17 GUARANTEE AND INDEMNITY

17.1 Guarantee and indemnity

Each Owner Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Owner Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by an Owner Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 17 (*Guarantee and Indemnity*) if the amount claimed had been recoverable on the basis of a guarantee.

17.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Owner Guarantor under this Clause 17 (*Guarantee and Indemnity*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.4 Waiver of defences

The obligations of each Owner Guarantor under this Clause 17 (*Guarantee and Indemnity*) and in respect of any Transaction Security will not be affected or discharged by an act, omission, matter or thing which, but for this Clause 17.4 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Clause 17 (*Guarantee and Indemnity*) or in respect of any Transaction Security (without limitation and whether or not known to it or any Secured Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Obligor or other person or any non- presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

17.5 Immediate recourse

Each Owner Guarantor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person (including without limitation to commence any proceedings under any Finance Document or to enforce any Transaction Security) before claiming or commencing proceedings under this Clause 17 (*Guarantee and Indemnity*). This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Owner Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Owner Guarantor or on account of any Owner Guarantor's liability under this Clause 17 (*Guarantee and Indemnity*).

17.7 Deferral of Owner Guarantors' rights

All rights which any Owner Guarantor at any time has (whether in respect of this guarantee, a mortgage or any other transaction) against any Borrower, any other Obligor or their respective assets shall be fully subordinated to the rights of the Secured Parties under the Finance Documents and until the end of the Security Period and unless the Facility Agent otherwise directs, no Owner Guarantor will exercise any rights which it may have (whether in respect of any Finance Document to which it is a Party or any other transaction) by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 17 (*Guarantee and Indemnity*):

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any third party providing security for, or any other guarantor of, any Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Owner Guarantor has given a guarantee, undertaking or indemnity under Clause 17.1 (*Guarantee and indemnity*);

(e) to exercise any right of set-off against any Obligor; and/or

(f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If an Owner Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Facility Agent or as the Facility Agent may direct for application in accordance with Clause 34 (*Payment Mechanics*).

17.8 Additional security

This guarantee and any other Security given by an Owner Guarantor is in addition to and is not in any way prejudiced by, and shall not prejudice, any other guarantee or Security or any other right of recourse now or subsequently held by any Secured Party or any right of set-off or netting or right to combine accounts in connection with the Finance Documents.

17.9 Applicability of provisions of Guarantee to other Security

Clauses 17.2 (*Continuing guarantee*), 17.3 (*Reinstatement*), 17.4 (*Waiver of defences*), 17.5 (*Immediate recourse*), 17.6 (*Appropriations*), 17.7 (*Deferral of Owner Guarantors' rights*) and 17.8 (*Additional security*) shall apply, with any necessary modifications, to any Security which an Owner Guarantor creates (whether at the time at which it signs this Agreement or at any later time) to secure the Secured Liabilities or any part of them.

18 JOINT AND SEVERAL LIABILITY OF THE BORROWERS

18.1 Joint and several liability

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be joint and several.

18.2 Waiver of defences

The liabilities and obligations of a Borrower shall not be impaired by:

(a) this Agreement being or later becoming void, unenforceable or illegal as regards any other Borrower;

(b) any Lender or the Security Agent entering into any rescheduling, refinancing or other arrangement of any kind with any other Borrower;

(c) any Lender or the Security Agent releasing any other Borrower or any Security created by a Finance Document; or

(d) any time, waiver or consent granted to, or composition with any other Borrower or other person;

(e) the release of any other Borrower or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(f) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any other Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(g) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Borrower or any other person;

(h) any amendment, novation, supplement, extension, restatement (however fundamental, and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(i) any unenforceability, illegality or invalidity of any obligation or any person under any Finance Document or any other document or security; or

(j) any insolvency or similar proceedings.

18.3 Principal Debtor

Each Borrower declares that it is and will, throughout the Security Period, remain a principal debtor for all amounts owing under this Agreement and the Finance Documents and no Borrower shall, in any circumstances, be construed to be a surety for the obligations of any other Borrower under this Agreement.

18.4 Borrower restrictions

(a) Subject to paragraph (b) below, during the Security Period no Borrower shall:

(i) claim any amount which may be due to it from any other Borrower whether in respect of a payment made under, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or

(ii) take or enforce any form of security from any other Borrower for such an amount, or in any way seek to have recourse in respect of such an amount against any asset of any other Borrower; or

(iii) set off such an amount against any sum due from it to any other Borrower; or

(iv) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving any other Borrower; or

(v) exercise or assert any combination of the foregoing.

(b) If during the Security Period, the Facility Agent, by notice to a Borrower, requires it to take any action referred to in paragraph (a) above in relation to any other Borrower, that Borrower shall take that action as soon as practicable after receiving the Facility Agent's notice.

18.5 Deferral of Borrowers' rights

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably paid in full and unless the Facility Agent otherwise directs, no Borrower will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

(a) to be indemnified by any other Borrower; or

(b) to claim any contribution from any other Borrower in relation to any payment made by it under the Finance Documents.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19 REPRESENTATIONS

19.1 General

Each Obligor makes the representations and warranties set out in this Clause 19 (*Representations*) to each Finance Party on the date of this Agreement.

19.2 Status

(a) It is a limited liability company, duly incorporated and validly existing in good standing under the law of its jurisdiction of incorporation.

(b) It has the power to own its assets and carry on its business as it is being conducted.

19.3 Share capital and ownership

(a) The issued share capital of each of the Owner Guarantors, all of which shares have been issued fully paid, is as follows:

(i) Guarantor A - $100 divided into 100 registered ordinary shares;

(ii) Guarantor B - $100 divided into 100 registered ordinary shares;

(iii) Guarantor C - $100 divided into 100 registered ordinary shares;

(iv) Guarantor D - $100 divided into 100 registered ordinary shares;

(v) Guarantor E - $100 divided into 100 registered ordinary shares;

(vi) Guarantor F - $100 divided into 100 registered ordinary shares;

(vii) Guarantor G - $100 divided into 100 registered ordinary shares;

(viii) Guarantor H - $100 divided into 100 registered ordinary shares;

(ix) Guarantor I - $100 divided into 100 registered ordinary shares;

(x) Guarantor J - $100 divided into 100 registered ordinary shares; and

(xi) Guarantor K - $100 divided into 100 registered ordinary shares;

(b) The legal title to and beneficial interest in the shares in each Owner Guarantor is held free of any Security or any other claim by Borrower A.

(c) None of the shares in an Owner Guarantor is subject to any option to purchase, pre-emption rights or similar rights.

(d) All of the shares in GSPL are owned directly by Borrower B.

(e) As at the date of this Agreement, Borrower A has an issued share capital of at least $~~174,000,100~~ 178,022,416 divided into ~~179,376,000~~ 191,506,397 ordinary shares ~~and $35,000,000~~ being 191,506,395 A shares and 2 B shares, and $27,330,000 divided into ~~35,000,000~~ 27,330,000 preference shares:

(i) of which the following are held by Sankaty:

(A) ~~(i)33.25~~ 31.14 per cent ~~of which shares~~ , (being 59,642,500 ~~ordinary~~) A shares ~~and 11,637,500 preference shares) are held by Regiment;~~;

(B) 33.25 per cent. (being 9,087,225 preference shares); and

(ii) of which the following are held by GSPL:

(A) 68.86 per cent. (being 131,864,435) A shares;

(B) 100 per cent. (being 2) B shares;

(C) ~~(ii)33.25 per cent. of which shares (being 59,642,500 ordinary shares and 11,637,500~~ 66.75 per cent. (being 18,242,775) preference shares~~) are held by Sankaty; and~~.

~~(iii) 33.5 per cent. of which shares (being 60,091,000 ordinary shares and 11,725,000 preference shares) are held by GSPL.~~

(f) With effect from no later than the ~~Utilisation Date and throughout the remainder of the Security Period~~first Utilisation Date of the Initial Sub Tranche and until the earlier of (1) the Utilisation Date in respect of any Upsize Sub-Tranche; and (2) the date on which Sankaty has ceased to be a shareholder of Borrower A, Borrower A will have an issued share capital of at least $174,000,100 divided into 179,376,000 ordinary shares:

(i) 33.25 per cent. of which shares (being 59,642,500 ordinary shares) shall be held by Sankaty; and

(ii) 66.75 per cent. of which shares (being 119,733,500 ordinary shares) shall be held by GSPL,

and the preference shares may be repaid in whole or in part at Borrower A's option.

(g) With effect from the earlier of (1) the Utilisation Date in respect of any Upsize Sub-Tranche; and (2) the date on which Sankaty has ceased to be a shareholder of Borrower A and throughout the remainder of the Security Period, Borrower A will have an issued share capital of at least $178,022,416 divided into 191,506,397 ordinary shares, all of which shall be held by GSPL.

19.4 Binding obligations

Subject to the Legal Reservations and the Perfection Requirements, the obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations.

19.5 Validity, effectiveness and ranking of Security

(a) Each Finance Document to which it is a party does now or, as the case may be, will upon execution and delivery create, subject to the Legal Reservations and the Perfection Requirements, the Security it purports to create over any assets to which such Security, by its terms, relates, and such Security will, when created or intended to be created, be valid and effective.

(b) No third party has or will have any Security (except for Permitted Security) over any assets that are the subject of any Transaction Security granted by it.

(c) Subject to the Legal Reservations and the Perfection Requirements, the Transaction Security granted by it to the Security Agent or any other Secured Party has or will when created or intended to be created have first ranking priority or such other priority it is expressed to have in the Finance Documents and is not subject to any prior ranking or *pari passu* ranking security.

(d) No concurrence, consent or authorisation of any person is required for the creation of or otherwise in connection with any Transaction Security.

19.6 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, each Transaction Document to which it is a party do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or any member of the Group or any member of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument.

19.7 Power and authority

(a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, each Transaction Document to which it is or will be a party and the transactions contemplated by those Transaction Documents.

(b) No limit on its powers will be exceeded as a result of the borrowing, granting of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

19.8 Validity and admissibility in evidence

All Authorisations required or desirable:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and

(b) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

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

19.9 Governing law and enforcement

(a) Subject to the Legal Reservations, the choice of governing law of each Transaction Document to which it is a party will be recognised and enforced in its Relevant Jurisdictions.

(b) Subject to the Legal Reservations, any judgment obtained in relation to a Transaction Document to which it is a party in the jurisdiction of the governing law of that Transaction Document will be recognised and enforced in its Relevant Jurisdictions.

19.10 Insolvency

No:

(a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 27.8 (*Insolvency proceedings*); or

(b) creditors' process described in Clause 27.9 (*Creditors' process*),

has been taken or, to its knowledge, threatened in relation to a member of the Group; and none of the circumstances described in Clause 27.7 (*Insolvency*) applies to a member of the Group.

19.11 No filing or stamp taxes

Under the laws of its Relevant Jurisdictions it is not necessary that the Finance Documents to which it is a party be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents to which it is a party or the transactions contemplated by those Finance Documents except for:

(a) the payment of stamp taxes in relation to the stamping of each Shares Security at the Inland Revenue Authority of Singapore;

(b) the payment of registration fees in relation to registration of the charges created by each of the relevant Security Documents with the Accounting and Corporate Regulatory Authority in Singapore; and

(c) any other filing, recording or enrolling or any tax or fee payable which is referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*) or any further legal opinion (in a form agreed by the Lenders) delivered pursuant to the Finance Documents and which will be made or paid promptly after the date of the relevant Finance Document.

19.12 Deduction of Tax

It is not required to make any Tax Deduction (other than Excluded Tax Deductions) from any payment it may make under any Finance Document to which it is a party.

19.13 No default

(a) No Event of Default and, on the date of this Agreement and on each Utilisation Date, no Default is continuing or might reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.

(b) No other event or circumstance is outstanding which constitutes a default or a termination event (however described) under any other agreement or instrument which is binding on it or to which its assets are subject which is reasonably likely to have a Material Adverse Effect.

19.14 No misleading information

(a) Any factual information provided by any member of the Group for the purposes of this Agreement was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) The financial projections contained in any such information have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

(c) Nothing has occurred or been omitted from any such information and no information has been given or withheld that results in any such information being untrue or misleading in any material respect.

19.15 Financial Statements

(a) Its Original Financial Statements were prepared in accordance with IFRS consistently applied.

(b) Its Original Financial Statements give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition as at the end of the relevant financial year and results of operations during the relevant financial year (consolidated in the case of the Borrowers).

(c) Save, to the extent relevant, for the implementation of IFRS 16, there has been no material adverse change in its assets, business or financial condition (or the assets, business or consolidated financial condition of the Borrower A Group, in the case of Borrower A or the Group, in the case of Borrower B) since 31 December 2018.

(d) Its most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*):

(i) have been prepared in accordance with ~~paragraph~~ Clause 20.4 ~~(a) of Clause 20.3 (*Compliance Certificate*~~*Requirements as to financial statements*); and

(ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition as at the end of the relevant financial year and operations during the relevant financial year (consolidated in the case of Borrowers).

(e) Since the date of the most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*) there has been no material adverse change in its business, assets or financial condition (or the business or consolidated financial condition of the Borrower A Group, in the case of the Borrower or the Group, in the case of Borrower B).

19.16 Pari passu ranking

Its payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

19.17 No proceedings pending or threatened

(a) No litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) of or before any court, arbitral body or agency have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it which might reasonably be expected to have a Material Adverse Effect.

(b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it.

19.18 Validity and completeness of the Deed of Release and Pool Agreement

(a) Each of the Deeds of Release and the Pool Agreements constitute legal, valid, binding and enforceable obligations of the parties to it.

(b) The copies of each of the Deeds of Release and the Pool Agreements, delivered to the Facility Agent before the date of this Agreement are true and complete copies.

(c) No amendments or additions to the Deeds of Release or the Pool Agreements have been agreed nor have any rights under the Deeds of Release or the Pool Agreements been waived.

19.19 No rebates etc.

There is no agreement or understanding to allow or pay any rebate, premium, inducement, commission, discount or other benefit or payment (however described) to any Borrower or any other member of the Group, or a third party in connection with the purchase by an Owner Guarantor of a Ship, other than as disclosed to the Facility Agent in writing on or before the date of this Agreement.

19.20 Valuations

(a) All information supplied by it or on its behalf to an Approved Valuer for the purposes of a valuation delivered to the Facility Agent in accordance with this Agreement was true and accurate as at the date it was supplied or (if appropriate) as at the date (if any) at which it is stated to be given.

(b) It has not omitted to supply any information to an Approved Valuer which, if disclosed, would adversely affect any valuation prepared by such Approved Valuer.

(c) There has been no change to the factual information provided pursuant to paragraph (a) above in relation to any valuation between the date such information was provided and the date of that valuation which, in either case, renders that information untrue or misleading in any material respect.

19.21 No breach of laws

It has not breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

19.22 No Charter

No Ship is subject to any Charter other than a Permitted Charter.

19.23 No pooling agreements

No Ship is subject to any pooling arrangements other than the Pool Agreements.

19.24 Compliance with Environmental Laws

All Environmental Laws relating to the ownership, operation and management of each Ship and the business of each member of the Group (as now conducted and as reasonably anticipated to be conducted in the future) and the terms of all Environmental Approvals have been complied with.

19.25 No Environmental Claim

No Environmental Claim has been made or threatened against any member of the Group or any Ship.

19.26 No Environmental Incident

No Environmental Incident has occurred and no person has claimed that an Environmental Incident has occurred.

19.27 ISM and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to each Owner Guarantor, each Approved Manager and each Ship have been complied with.

19.28 Taxes paid

(a) It is not and no other member of the Group is materially overdue in the filing of any Tax returns and it is not (and no other member of the Group is) overdue in the payment of any amount in respect of Tax.

(b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or any other member of the Group) with respect to Taxes.

19.29 Financial Indebtedness

No Owner Guarantor has any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

19.30 Overseas companies

No Obligor has delivered particulars, whether in its name stated in the Finance Documents or any other name, of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or, if it has so registered, it has provided to the Facility Agent sufficient details to enable an accurate search against it to be undertaken by the Lenders at the Companies Registry.

19.31 Good title to assets

It has good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted.

19.32 Ownership

(a) Guarantor A is the sole legal and beneficial owner of Ship A, its Earnings and its Insurances.

(b) Guarantor B is the sole legal and beneficial owner of Ship B, its Earnings and its Insurances.

(c) Guarantor C is the sole legal and beneficial owner of Ship C, its Earnings and its Insurances.

(d) Guarantor D is the sole legal and beneficial owner of Ship D, its Earnings and its Insurances.

(e) Guarantor E is the sole legal and beneficial owner of Ship E, its Earnings and its Insurances.

(f) Guarantor F is the sole legal and beneficial owner of Ship F, its Earnings and its Insurances.

(g) Guarantor G is the sole legal and beneficial owner of Ship G, its Earnings and its Insurances.

(h) Guarantor H is the sole legal and beneficial owner of Ship H, its Earnings and its Insurances.

(i) Guarantor I is the sole legal and beneficial owner of Ship I, its Earnings and its Insurances.

(j) Guarantor J is the sole legal and beneficial owner of Ship J, its Earnings and its Insurances.

(k) Guarantor K is the sole legal and beneficial owner of Ship K, its Earnings and its Insurances.

(l) With effect on and from the date of its creation or intended creation, each Obligor will be the sole legal and beneficial owner of any asset that is the subject of any Transaction Security created or intended to be created by such Obligor.

(m) The constitutional documents of each Obligor do not and could not restrict or inhibit any transfer of the shares of the Owner Guarantors on creation or enforcement of the security conferred by the Security Documents.

19.33 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "Regulation"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in Singapore and it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction other than, in the case of Borrower B, Singapore, South Africa, Japan, England and the Netherlands.

19.34 Place of business

No Obligor has a place of business in any country other than its country of incorporation.

19.35 No employee or pension arrangements

No Obligor has any employees or any liabilities under any pension scheme.

19.36 Sanctions

Each Relevant Person has been and is in compliance with all Sanctions Laws and no Relevant Person:

(a) is a Restricted Party, or is involved in any transaction through which it is likely to become a Restricted Party; or

(b) has received formal notice in writing of any inquiry, claim, action, suit, proceeding or investigation against it with respect to Sanctions Laws.

19.37 Anti-corruption and anti-money laundering obligations

(a) No Transaction Obligor, nor any of their Subsidiaries or joint ventures, nor any of their respective directors, officers or employees nor, to the knowledge of the Transaction Obligors, any persons acting on any of their behalf, has engaged in any activity or conduct which would breach any applicable anti-bribery and anti-money laundering laws or regulations and it has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws and regulations.

(b) Each Obligor has conducted its business in compliance with all applicable Anti-Corruption Laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

19.38 Anti-terrorism

No Transaction Obligor, nor any of their Subsidiaries or joint ventures, nor any of their respective directors, officers or employees nor, to the knowledge of the Transaction Obligors, any persons acting on any of their behalf, has engaged in any activity or conduct which would violate any anti-terrorism laws applicable to it.

19.39 US Tax Obligor

No Obligor is a US Tax Obligor.

19.40 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of each Utilisation Request and the first day of each Interest Period.

20 INFORMATION UNDERTAKINGS

20.1 General

The undertakings in this Clause 20 (*Information Undertakings*) remain in force throughout the Security Period unless the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders), may otherwise permit.

20.2 Financial statements

Each Borrower shall supply to the Facility Agent in sufficient copies for all the Lenders:

(a) as soon as they become available, but in any event within 180 days after the end of each of its financial years, the audited consolidated financial statements of it for that financial year;

(b) as soon as they become available, but in any event within 90 days after the end of the first half of each of its financial years, the unaudited consolidated management accounts of it for that financial half year;

(c) upon the request of the Facility Agent, a forecast (in a form satisfactory to the Facility Agent (acting on behalf of the Lenders)) for the forthcoming financial year, including, but not limited to, each Owner Guarantor's, each Borrower's (consolidated in the case of a Borrower) cash flow statements, profit and loss accounts and balance sheets.; and

(d) as soon as they become available, but in any event no later than 10 November 2020, the unaudited consolidated management accounts of it for the period 1 January 2020 to 30 September 2020 (inclusive).

20.3 Compliance Certificate

(a) ~~Each~~ Borrower B shall supply to the Facility Agent, with each set of financial statements delivered pursuant to paragraphs (a) and (b) of Clause 20.2 (*Financial statements*), a Compliance Certificate in the form relevant to it setting out computations as to compliance with Clause 21 (*Financial Covenants*) as at the date as at which those financial statements were drawn up.

(b) Each Compliance Certificate submitted by ~~a~~ Borrower B shall be signed by either the chief financial officer and one director or two directors of ~~that~~ Borrower B, or by an appointed administration manager of ~~that~~ Borrower B acceptable to the Lenders. Each Compliance Certificate may be executed in any number of counterparts.

20.4 Requirements as to financial statements

(a) Each set of financial statements delivered by a Borrower pursuant to Clause 20.2 (*Financial statements*) shall be confirmed in writing by a director of that Borrower as giving a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements were drawn up.

(b) The Borrowers shall procure that each set of financial statements delivered pursuant to Clause 20.2 (*Financial statements*) is prepared using IFRS and includes or is supplemented by updated details of all off-balance sheet and time charter hire commitments.

(c) The Borrowers shall procure that each set of financial statements delivered pursuant to Clause 20.2 (*Financial statements*) is prepared using IFRS, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the relevant Borrower unless, in relation to any set of financial statements, it notifies the Facility Agent that there has been a change in IFRS, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the relevant Borrower) deliver to the Facility Agent:

(i) a description of any change necessary for those financial statements to reflect the IFRS, accounting practices and reference periods upon which that Borrower's Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Facility Agent, to enable the Lenders to determine whether Clause 21 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

20.5 Information: miscellaneous

Each Obligor shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

(a) all material documents dispatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched and which can be delivered without a breach of a confidentiality obligation by that Obligor owed to a third party;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;

(c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any member of the Group and which might have a Material Adverse Effect;

(d) promptly, its constitutional documents where these have been amended or varied;

(e) promptly, such further information and/or documents regarding:

(i) each Ship, goods transported on each Ship, its Earnings and its Insurances;

(ii) the Security Assets;

(iii) compliance of the Transaction Obligors with the terms of the Finance Documents;

(iv) the financial condition, business and operations of any member of the Group, including such information as to changes in the capital structure of the Borrowers and the Owner Guarantors,

as any Finance Party (through the Facility Agent) may reasonably request;

(f) promptly in writing, the details of any Transaction Obligor or any of their Subsidiaries or joint ventures, or any of their respective directors, officers or employees who have become a Restricted Party;

(g) to the extent that such information is not confidential, promptly, details of any listing and prospectus (if any), and

(h) promptly, such further information and/or documents as any Finance Party (through the Facility Agent) may reasonably request so as to enable such Finance Party to comply with any laws applicable to it or as may be required by any regulatory authority and which can be delivered without a breach of a confidentiality by that Obligor owed to a third party.

20.6 DAC6

(a) In this Clause 20.6 *(DAC6)*, "**DAC6**" means the Council Directive of 25 May 2018 (2018/822/EU) amending Directive 2011/16/EU or any replacement legislation applicable in the United Kingdom.

(b) Each Borrower shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

(i) promptly upon the making of such analysis or the obtaining of such advice, any analysis made or advice obtained on whether any transaction contemplated by the Transaction Documents or any transaction carried out (or to be carried out) in connection with any transaction contemplated by the Transaction Documents contains a hallmark as set out in Annex IV of DAC6; and

(ii) promptly upon the making of such reporting and to the extent permitted by applicable law and regulation, any reporting made to any governmental or taxation authority by or on behalf of any member of the Group or by any adviser to such member of the Group in relation to DAC6 or any law or regulation which implements DAC6 and any unique identification number issued by any governmental or taxation authority to which any such report has been made (if available).

20.7 ~~20.6~~Information: sanctions

The Obligors shall:

(a) supply to the Facility Agent, promptly upon becoming aware of them, the details of any inquiry, claim, action, suit, proceeding or investigation pursuant to Sanction Laws against (i) any Borrower, (ii) any other Relevant Person or (iii) any owners of any Relevant Person (other than any owner of a Borrower), as well as information on what steps are being taken with regards to answering or opposing the same;

(b) inform the Facility Agent promptly upon becoming aware that any of (i) any Borrower, (ii) any other Relevant Person or (iii) any owners of any Relevant Person (other than any owner of a Borrower), has become or is likely to become a Restricted Party.

20.8 ~~20.7~~Notification of Default

(a) Each Obligor shall notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Facility Agent, each Obligor shall supply to the Facility Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.9 ~~20.8~~Use of websites

(a) Each Obligor may satisfy its obligation under the Finance Documents to which it is a party to deliver any information in relation to those Lenders (the "**Website Lenders**") which accept this method of communication by posting this information onto an electronic website designated by the Borrowers and the Facility Agent (the "**Designated Website**") if:

(i) the Facility Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the relevant Obligor and the Facility Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the relevant Obligor and the Facility Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Facility Agent shall notify the Obligors accordingly and each Obligor shall supply the information to the Facility Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event each Obligor shall supply the Facility Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Facility Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Obligors or any of them and the Facility Agent.

(c) An Obligor shall promptly upon becoming aware of its occurrence notify the Facility Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) if that Obligor becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If an Obligor notifies the Facility Agent under sub-paragraph (i) or (v) of paragraph (c) above, all information to be provided by the Obligors under this Agreement after the date of that notice shall be supplied in paper form unless and until the Facility Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Facility Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Obligors shall comply with any such request within 10 Business Days.

20.10 ~~20.9~~"Know your customer" checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of an Obligor (or of a Holding Company of an Owner Guarantor) (including, without limitation, a change of ownership of an Obligor or of a Holding Company of an Obligor) after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges a Finance Party (or, in the case of sub-paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of any Finance Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by a Servicing Party (for itself or on behalf of any other Finance Party) or any Lender (for itself or, in the case of the event described in sub-paragraph (iii) above, on behalf of any prospective new Lender) in order for such Finance Party or, in the case of the event described in sub-paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of a Servicing Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Servicing Party (for itself) in order for that Servicing Party to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

21 FINANCIAL COVENANTS

21.1 Financial covenants

(a) Borrower B shall ensure that the consolidated financial position of the Group shall at all times from the Utilisation Date and thereafter during the Security Period be such that:

(i) Book Value Net Worth is not less than the lower of:

(A) during the period from 1 January 2020 to 31 December 2020 (inclusive), the aggregate of $~~240,000,000~~225,000,000, 25 per cent. of Positive Retained Earnings (accruing from 30 June 2019) and 50 per cent. of each Capital Raise; ~~and~~

(B) from 1 January 2021 thereafter, the aggregate of $200,000,000, 25 per cent. of Positive Retained Earnings (accruing from 30 June 2019) and 50 per cent. of each Capital Raise; and

(C) ~~(B)~~$275,000,000;

(ii) Cash and Cash Equivalents are not less than , during the period from 1 January 2020 to 30 September 2020 (inclusive), $20,000,000 and, at all other times, $30,000,000 unencumbered cash~~.~~ including:

(A) at all times prior to the earlier of:

(1) the repayment of the Other Facility Agreement; or

(2) such time as the Other Facility Agreement has been amended so that the equivalent financial covenant allows minimum cash balances on Group Debt Service Reserve Accounts to be included for the purposes of compliance with such covenant,

the minimum cash balance in the Other Facility Debt Service Reserve Account required pursuant to the Other Facility Agreement; or

(B) ~~(iii)~~at all later times, the aggregate minimum cash balances on the Group Debt Service Reserve Accounts.;

(iii) during the period from 1 January 2020 to 31 December 2020 the ratio of Debt to Market Adjusted Tangible Fixed Assets shall be not more than 80 per cent and from 1 January 2021 thereafter shall not be more than 75 per cent.; and

(iv) ~~(v)~~Working Capital shall be positive.

~~(b) Borrower A shall ensure that the consolidated financial position of the Borrower A Group shall:~~

~~(i) at all times from the Utilisation date and thereafter during the Security Period be such that:~~

~~(A) Adjusted Minimum Net Worth shall be greater than $100,000,000; and~~

~~(B) the ratio of Borrower A Net Debt to Market Value Tangible Fixed Assets in relation to the Borrower A Group is less than 70 per cent.; and~~

~~(ii) on the basis of each set of the annual and semi-annual financial statements provided under Clause 20.2 (*Financial statements*), Cash and Cash Equivalents are not less than $9,000,000 unencumbered cash, including the minimum cash balance in the Debt Service Reserve Account required pursuant to Clause 21.3 (*Minimum Cash*).~~

(b) ~~(c)~~The financial covenants contained in this Clause 21.1 (*Financial covenants*) shall be tested semi-annually on the basis of the annual and semi-annual financial statements provided under Clause 20.2 (*Financial ~~statements)~~ and Statements*) and the financial covenants contained in paragraphs (a)(ii) and (a)(iv) of Clause 21.1 *(Financial Covenants*) shall additionally be tested as at 30 September 2020 and in each case shall be confirmed in the relevant ~~compliance certificate~~ Compliance Certificate referred to in Clause 20.3 (*Compliance Certificate*).

21.2 Financial covenant definitions

The expressions used in this Clause 21 (*Financial Covenants*) shall be construed in accordance with IFRS:

"**Adjusted Minimum Net Worth**" means at any relevant time, the amount by which the Consolidated Adjusted Total Assets of the Borrower A Group exceed the Debt of the Borrower A Group.

"**Book Value Net Worth**" means the aggregate amount (without double counting) of the book value of the following:

(a) the amounts paid up, or credited as paid up, on the issued share capital of the Group;

(b) any credit balance on the consolidated profit and loss account of the Group; and

(c) any amount standing to the credit of any other consolidated capital and revenue reserves of the Group including any share premium account and capital redemption reserve,

less the aggregate amount (without double counting) of the following:

(i) any debit balance on the consolidated profit and loss account of the Group; and

(ii) any reserves attributable to interests of minority shareholders in any subsidiary (whether direct or indirect) of the Group,

all as determined in accordance with IFRS applied in the preparation of the Latest Accounts but adjusted by:

(iii) deducting any dividend or other distribution declared, recommended or made by the Group;

(iv) deducting any amount attributable to goodwill or any other intangible asset;

(v) reflecting any variation required to be made to the asset value attributable to any ship owned by the Group in order to reflect the book value of any such ship (determined in accordance with IFRS);

(vi) excluding any amount attributable to deferred taxation;

(vii) excluding any amount attributable to minority interests; and

(viii) eliminating inconsistencies (if any) between the accounting principles;

"**Borrower A Net Debt**" means Debt minus cash of the Borrower A Group set out in the Latest Accounts.

"Borrower A Fleet Vessels" means any ship (including the Ships) from time to time wholly owned by the Borrower A Group (directly or indirectly) (excluding vessels under construction) (each a "**Borrower A Fleet Vessel**").

"**Capital Raise**" means the aggregate net receipts of any equity capital raised by Borrower B after the date of this Agreement.

"**Cash and Cash Equivalents**" means the cash and cash equivalents of the Group or Borrower A Group (as applicable) set out in the Latest Accounts;

"Consolidated Adjusted Total Assets" means the Total Assets adjusted as follows:

(a) by using the Market Adjusted Tangible Fixed Assets value for the Borrower A Fleet Vessels;

(b) by excluding intangible assets (including goodwill); and

(c) by excluding amounts payable to the Borrower A or to any of its Subsidiaries by any Holding Company of the Borrower A or by any other Subsidiary of such Holding Company.

"**Current Assets**" means the current assets (including Cash and Cash Equivalents) of Borrower B as stated in the Latest Accounts and determined in accordance with IFRS (but excluding any adjustments made for IFRS 16).

"**Current Liabilities**" means the current liabilities of Borrower B on a consolidated basis as stated in the Latest Accounts and determined in accordance with IFRS (but excluding any adjustments made for IFRS 16).

"**Debt**" means the aggregate (without double counting) of secured or unsecured bank loans, finance lease obligations, bonds and any other financial obligations included as a liability on the balance sheet in terms of IFRS, but excluding the mark to market of swaps and other derivative instruments and excluding contingent liabilities as shown in the Latest Accounts and for the avoidance of doubt accounts payable, accruals and provisions.

"**Group Debt Service Reserve Accounts**" means any debt service reserve account on which cash of any member of the Group is required to be held pursuant to a facility agreement entered into with a bank or financial institution.

"**Latest Accounts**" means, at any date, the consolidated accounts of the Group on the Borrower A Group (as applicable) most recently delivered to the Agent under Clause 20.2 (*Financial statements*); and

"**Market Adjusted Tangible Fixed Assets**" means the aggregate of the book value of:

(a) ships (including ships under construction) either wholly or partially owned by the Group; and

(b) land and buildings either wholly or partially owned by the Group,

as stated in the Latest Accounts adjusted by such amount to reflect the current open market value of such assets evidenced to the Facility Agent's satisfaction and acceptable to the Lenders.

"**Positive Retained Earnings**" means the aggregate amount of any retained earnings of any member of the Group and, if such aggregate amount is less than zero, Positive Retained Earnings shall be deemed to be zero.

"**Total Assets**" means at any relevant time, the total assets of Borrower A on a consolidated basis as stated in Latest Accounts and determined in accordance with IFRS.

"**Working Capital**" means Current Assets less Current Liabilities.

In the event that a Borrower agrees more favourable financial covenants to a particular lender or lenders in relation to any other facility, the financial covenants in this Clause 21 (*Financial Covenants*) shall be amended to reflect those more favourable financial covenants.

21.3 Minimum Cash

The Borrowers shall, on or before the Utilisation Date, ensure that the equivalent of three months Debt Service is placed in the Debt Service Reserve Account and that such amount is maintained in the Debt Service Reserve Account at all times thereafter during the Security Period. For the avoidance of doubt it is agreed that the Borrowers may use the proceeds of any Advance to fund the Debt Service Reserve Account.

22 GENERAL UNDERTAKINGS

22.1 General

The undertakings in this Clause 22 (*General Undertakings*) remain in force throughout the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

22.2 Authorisations

Each Obligor shall, and shall procure that each other Transaction Obligor will, promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Facility Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction or the state of the Approved Flag at any time of each Ship to enable it to:

(i) perform its obligations under the Transaction Documents to which it is a party;

(ii) ensure the legality, validity, enforceability or admissibility in evidence in any Relevant Jurisdiction or in the state of the Approved Flag at any time of each Ship, of any Transaction Document to which it is a party; and

(iii) own and operate each Ship (in the case of the Owner Guarantors).

22.3 Conduct of business; compliance with laws

Each Obligor shall conduct its business in a proper and efficient manner in compliance with:

(a) its constitutional documents;

(b) all Sanctions Laws;

(c) all Anti-Corruption Laws;

(d) all Environmental Laws;

(e) ~~(d)~~all anti-money laundering laws; and

(f) ~~(c)~~all other laws and regulations applicable to its business,

and shall notify the Facility Agent immediately upon becoming aware of any breach of any such document, law or regulation.

22.4 Compliance with Sanctions Laws

Each Obligor shall:

(a) ensure that neither it nor any Subsidiary of it is or will become a Restricted Party;

(b) use reasonable endeavours to procure that no director, officer, employee, agent or representative of it or any Subsidiary of it is or will become a Restricted Party; and

(c) procure that no proceeds of any Advance shall be made available, directly or indirectly, to or for the benefit of a Restricted Party nor shall they otherwise be applied in a manner for a purpose prohibited by Sanctions Laws.

22.5 Environmental compliance

Each Obligor shall, and shall procure that each other Transaction Obligor will, and the Borrowers shall ensure that each other member of the Group will:

(a) comply with all Environmental Laws;

(b) obtain, maintain and ensure compliance with all requisite Environmental Approvals;

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law.

22.6 Environmental Claims

Each Obligor shall, and shall procure that each other Transaction Obligor will, (through the Borrowers) promptly upon becoming aware of the same, inform the Facility Agent in writing of:

(a) any Environmental Claim against any member of the Group which is current, pending or threatened; and

(b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

22.7 Taxation

(a) Each Obligor shall, and shall procure that each other Transaction Obligor will, and the Borrowers shall ensure that each other member of the Group will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are maintained for those Taxes and the costs required to contest them and both have been disclosed in its latest financial statements delivered to the Facility Agent under Clause 20.2 (*Financial statements*); and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

(b) No Obligor shall change its residence for Tax purposes.

22.8 Overseas companies

Each Obligor shall promptly inform the Facility Agent if it delivers to the Registrar particulars required under the Overseas Regulations of any UK Establishment and it shall comply with any directions given to it by the Facility Agent regarding the recording of any Transaction Security on the register which it is required to maintain under The Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009.

22.9 No change to centre of main interests

No Obligor shall change the location of its centre of main interest (as that term is used in Article 3(1) of the Regulation) from that stated in relation to it in Clause 19.33 (*Centre of main interests and establishments*) and it will create no "**establishment**" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

22.10 Pari passu ranking

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

22.11 Title

(a) Each Owner Guarantor shall hold the legal title to, and own the entire beneficial interest in the Ship it owns, its Earnings and its Insurances;

(b) With effect on and from its creation or intended creation, each Obligor shall hold the legal title to, and own the entire beneficial interest in any other assets the subject of any Transaction Security created or intended to be created by such Obligor.

22.12 Negative pledge

(a) No Obligor shall create or permit to subsist any Security over any of its assets which are the subject of the Security created or intended to be created by the Finance Documents.

(b) No Owner Guarantor shall:

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group (other than a sale of a Ship where the corresponding prepayment of the Loan will be made in accordance with Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*));

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to any Permitted Security.

22.13 Disposals

(a) No Obligor (other than Borrower B) shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including without limitation any Ship, its Earnings or its Insurances).

(b) Paragraph (a) above does not apply to:

(i) the sale, lease, transfer or otherwise disposal of:

(A) any ships other than the Ships financed under this Agreement; or

(B) any shares owned by Borrower A other than of any Owner Guarantor;

(ii) any charter of a Ship to which Clause 24.18 (*Restrictions on chartering, appointment of managers etc.*) applies;

(iii) the sale, lease, transfer or other disposal of assets in the ordinary course of trading of the entity making the disposal;

(iv) the sale, lease, transfer or other disposal for cash of assets which are obsolete, redundant or no longer required for the business operations of the Group;

(v) any sale, lease, transfer or other disposal of any asset required by law or regulation or any order of any government entity made thereunder (including any seizure, expropriation or compulsory purchase of any asset or any shares or equity interest in any member of the Group by (or by the order of) any Governmental Agency, provided that:

(A) such seizure, expropriation or compulsory purchase does not result from any default or breach by any Obligor or any member of the Group; and

(B) the relevant Obligor complies with Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*);

(vi) the sale of a Ship provided that the relevant Owner Guarantor complies with Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*); and

(vii) the sale of the shares in an Owner Guarantor owning a Ship provided that the provisions of Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*) are complied with.

(c) If a Ship is sold or if the shares in an Owner Guarantor are sold pursuant to paragraph (b) of this Clause 22.13 (*Disposals*), the Security Agent shall on receipt of the required prepayment in accordance with Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*), release the Mortgage over that Ship and the Shares Security over that Owner Guarantor.

22.14 Merger

No Obligor shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction which would have a Material Adverse Effect.

22.15 Change of Control

The Obligors undertake that there will be no change in the direct legal or beneficial ownership or control of any Owner Guarantor or Borrower A from that advised to the Facility Agent as at the date of this Agreement ~~other than the transfer of ownership of shares in Borrower A from Regiment to GSPL~~.

22.16 Change of business

(a) The Borrowers shall procure that no substantial change is made to the general nature of the business of Borrowers or the Group from that carried on at the date of this Agreement.

(b) No Owner Guarantor shall engage in any business other than the ownership and operation of its Ship.

22.17 Financial Indebtedness

(a) No Owner Guarantor shall incur or permit to be outstanding any Financial Indebtedness except Permitted Financial Indebtedness.

(b) No Borrower shall enter into interest rate swap transactions to hedge the Borrowers' exposure under this Agreement to interest rate fluctuations unless the relevant counterparties' rights under the associated agreements and any Security granted in connection therewith are subordinated to the rights of the Finance Parties under the Finance Documents on terms acceptable to the Facility Agent (acting on the instructions of the Lenders).

22.18 Expenditure

No Owner Guarantor shall incur any expenditure, except for expenditure reasonably incurred in the ordinary course of owning, operating, maintaining and repairing its Ship or the administration of that Owner Guarantor.

22.19 Share capital

Neither Borrower A nor the Owner Guarantors shall:

(a) purchase, cancel or redeem any of its share capital;

(b) increase or reduce its authorised share capital;

(c) issue any further shares except to Borrower A (in the case of the Owner Guarantors) and provided such new shares are made subject to the terms of the Shares Security applicable to the relevant Owner Guarantor immediately upon the issue of such new shares in a manner satisfactory to the Facility Agent and the terms of that Shares Security are complied with;

(d) appoint any further director or secretary of any Owner Guarantor (unless the provisions of the Shares Security applicable to the relevant Owner Guarantor are complied with).

22.20 Dividends

(a) An Owner Guarantor shall only make or pay any dividend or other distribution (in cash or in kind) to Borrower A.

(b) Neither Borrower shall (and shall procure that GSPL shall not) make or pay any dividend or other distribution (in cash or in kind) :following the occurrence of a Default which is continuing or where the making or payment of such dividend or distribution would result in the occurrence of a Default~~; and~~.

~~(ii) unless, in the case dividends or other distributions made or paid by Borrower A to GSPL only, the Mezzanine Loan has been repaid in full or the Borrowers procure that the proceeds of such dividend or other distribution made or paid to GSPL are used by GSPL exclusively for the purpose of repaying the Mezzanine Loan.~~

(c) For the purposes of this Clause 22.20 (*Dividends*), "make or pay any dividend or other distribution", in relation to Obligor or GSPL, includes such person:

(i) declaring, making or paying any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(ii) repaying or distributing any dividend or share premium reserve;

(iii) paying any management, advisory or other fee to or to the order of any of its shareholders other than fees payable on arms' length terms; or

(iv) redeeming, repurchasing, defeasing, retiring or repaying any of its share capital or resolving to do so.

22.21 People of significant control regime

Each Obligor shall (and the Borrowers shall ensure that each other member of the Group will):

(a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of the Transaction Security; and

(b) promptly provide the Security Agent with a copy of that notice.

22.22 Other transactions

No Owner Guarantor shall:

(a) be the creditor in respect of any loan or any form of credit to any person other than another Obligor and where such loan or form of credit is Permitted Financial Indebtedness;

(b) give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which that Obligor assumes any liability of any other person other than any guarantee or indemnity given under the Finance Documents.

(c) enter into any material agreement other than:

(i) the Transaction Documents;

(ii) any other agreement expressly allowed under any other term of this Agreement; and

(d) enter into any transaction on terms which are, in any respect, less favourable to that Owner Guarantor than those which it could obtain in a bargain made at arms' length; or

(e) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks.

22.23 Unlawfulness, invalidity and ranking; Security imperilled

No Obligor shall, and the Obligors shall procure that no other Transaction Obligor will, do (or fail to do) or cause or permit another person to do (or omit to do) anything which is likely to:

(a) make it unlawful for an Obligor to perform any of its obligations under the Transaction Documents;

(b) subject to the Legal Reservations, cause any obligation of an Obligor under the Transaction Documents to cease to be legal, valid, binding or enforceable if that cessation individually or together with any other cessations materially or adversely affects the interests of the Secured Parties under the Finance Documents;

(c) subject to the Legal Reservations, cause any Transaction Document to cease to be in full force and effect;

(d) cause any Transaction Security to rank after, or lose its priority to, any other Security; and

(e) imperil or jeopardise the Transaction Security.

22.24 No variation, release etc. of Pool Agreement

(a) Unless notified and agreed to by the Lenders, no Owner Guarantor shall, whether by a document, by conduct, by acquiescence or in any other way:

(i) vary the terms of the Pool Agreement to which it is a party in any material respect;

(ii) release, waive, suspend or subordinate or permit to be lost or impaired any interest or right of any kind which such Owner Guarantor has at any time to, in or in connection with the Pool Agreement to which it is a party or in relation to any matter arising out of or in connection with the Pool Agreement to which it is a party;

(iii) waive any person's breach of the Pool Agreement to which it is a party; or

(iv) rescind or terminate the Pool Agreement to which it is a party or treat itself as discharged or relieved from further performance of any of its obligations or liabilities under the Pool Agreement to which it is a party.

22.25 Compliance with relevant stock exchanges

Borrower B shall comply with all laws, regulations, rules and requirements of its listing on the relevant stock exchanges, including for the avoidance of doubt, any requirements as to shareholdings.

22.26 Maintenance of listing

Borrower B shall maintain its primary listing on NASDAQ or another stock exchange agreed by the Facility Agent (acting on the instructions of the Lenders).

22.27 Further assurance

(a) Each Obligor shall promptly, and in any event within the time period specified by the Security Agent do all such acts (including procuring or arranging any registration, notarisation or authentication or the giving of any notice) or execute or procure execution of all such documents (including assignments, transfers, mortgages, charges, notices, instructions, acknowledgments, proxies and powers of attorney), as the Security Agent may specify (and in such form as the Security Agent may require in favour of the Security Agent or its nominee(s)):

(i) to create, perfect, vest in favour of the Security Agent or protect the priority of the Security or any right of any kind created or intended to be created under or evidenced by the Finance Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of any of the Secured Parties provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Finance Documents;

(iii) to facilitate or expedite the realisation and/or sale of, the transfer of title to or the grant of, any interest in or right relating to the assets which are, or are intended to be, the subject of the Transaction Security or to exercise any power specified in any Finance Document in respect of which the Security has become enforceable; and/or

(iv) to enable or assist the Security Agent to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to any item of the Security Property.

(b) Each Obligor shall, and shall procure that each other Transaction Obligor will, (and the Borrowers shall procure that each member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Finance Documents.

(c) At the same time as an Obligor delivers to the Security Agent any document executed by itself pursuant to this Clause 22.27 (*Further assurance*), that Obligor shall deliver to the Security Agent a certificate signed by two of that Obligor's directors or officers which shall:

(i) set out the text of a resolution of that Obligor's directors specifically authorising the execution of the document specified by the Security Agent; and

(ii) state that either the resolution was duly passed at a meeting of the directors validly convened and held, throughout which a quorum of directors entitled to vote on the resolution was present, or that the resolution has been signed by all the directors or officers and is valid under that Obligor's articles of association or other constitutional documents.

23 INSURANCE UNDERTAKINGS

23.1 General

The undertakings in this Clause 23 (*Insurance Undertakings*) remain in force from the date of this Agreement throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

23.2 Maintenance of obligatory insurances

Each Owner Guarantor shall keep the Ship owned by it insured at its expense against:

(a) fire and usual marine risks (including hull and machinery plus freight interest and hull interest and/or increased value and excess risks);

(b) war risks including acts of terrorism and piracy and the amended version of AHIS (April 1 1984) and London Blocking & Trapping Addendum or similar;

(c) protection and indemnity risks including liability for oil pollution and excess war risk protection and indemnity cover; and

(d) any other risks against which the Facility Agent acting on the instructions of the Majority Lenders considers, having regard to practices and other circumstances prevailing at the relevant time and taking into account that Ship's trading area, it would be reasonable for that Owner Guarantor to insure and which are specified by the Facility Agent by notice to that Owner Guarantor.

23.3 Terms of obligatory insurances

Each Owner Guarantor shall effect such insurances:

(a) in dollars;

(b) in the case of fire and usual marine risks and war risks, in an amount on an agreed value basis at least the greater of:

(i) such amount as is equal to 120 per cent. of the aggregate of:

(A) the Loan multiplied by a fraction whose:

(1) nominator is the Market Value of the Ship owned by that Owner Guarantor; and

(2) denominator is the Market Value of all Ships then subject to a Mortgage; and

(B) the principal amount secured by any equal or prior ranking Security on that Ship; and

(ii) the Market Value of that Ship;

(c) 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 and in any event not to be less than $1,000,000,000;

(d) in the case of protection and indemnity risks, in respect of the full tonnage of its Ship;

(e) on terms approved by the Facility Agent acting on the instructions of the Lenders; and

(f) 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 which have a minimum rating of A from Standard and Poor's (or the equivalent rating from another suitable rating agency) (such approval not to be unreasonably withheld in the case of protection and indemnity risks associations).

23.4 Further protections for the Finance Parties

In addition to the terms set out in Clause 23.3 (*Terms of obligatory insurances*), each Owner Guarantor shall procure that the obligatory insurances effected by it shall:

(a) subject always to paragraph (b), name that Owner Guarantor as the sole named insured unless the interest of every other named insured is limited:

(i) in respect of any obligatory insurances for hull and machinery and war risks;

(A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and

(B) 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

(ii) 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 insured has (A) undertaken in writing to the Security Agent (in such form as it requires) that any deductible shall be apportioned between that Owner Guarantor and every other named insured in proportion to the gross 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 Agent to collect or recover any moneys which at any time become payable in respect of the obligatory insurances and (B) has delivered to the Facility Agent (in such form as it requires) an assignment of that insured person's interest in any obligatory insurances;

(b) whenever the Facility Agent requires, name (or be amended to name) the Security Agent as additional named insured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Agent, but without the Security Agent being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance **Provided that** this paragraph (b) shall not apply to the protection and indemnity risks;

(c) name the Security Agent as loss payee with such directions for payment as the Facility Agent may specify;

(d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Agent 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 Agent or any other Finance Party; and

(f) provide that the Security Agent may make proof of loss if that Owner Guarantor fails to do so.

23.5 Renewal of obligatory insurances

Each Owner Guarantor shall:

(a) at least 21 days before the expiry of any obligatory insurance effected by it:

(i) notify the Facility Agent of the Approved Brokers (or other insurers) and any protection and indemnity or war risks association through or with which it proposes to renew that obligatory insurance and of the proposed terms of renewal; and

(ii) obtain the Facility Agent's approval to the matters referred to in sub-paragraph (i) above;

(b) at least 14 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Facility Agent's approval pursuant to paragraph (a) above; and

(c) procure that the Approved Brokers and/or the approved war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Facility Agent in writing of the terms and conditions of the renewal.

23.6 Copies of policies; letters of undertaking

Each Owner Guarantor shall ensure that the Approved Brokers provide the Security Agent with:

(a) *pro forma* copies of all policies relating to the obligatory insurances which they are to effect or renew; and

(b) a letter or letters of undertaking in a form required by the Facility Agent and including undertakings by the Approved Brokers that:

(i) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 23.4 (*Further protections for the Finance Parties*);

(ii) they will hold such policies, and the benefit of such insurances, to the order of the Security Agent in accordance with such loss payable clause;

(iii) they will advise the Security Agent immediately of any material change to the terms of the obligatory insurances;

(iv) they will, if they have not received notice of renewal instructions from the relevant Owner Guarantor or its agents, notify the Security Agent not less than 14 days before the expiry of the obligatory insurances;

(v) if they receive instructions to renew the obligatory insurances, they will promptly notify the Facility Agent of the terms of the instructions;

(vi) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by that Owner Guarantor under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship 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 non-payment of such premiums or other amounts; and

(vii) they will arrange for a separate policy to be issued in respect of the Ship owned by that Owner Guarantor forthwith upon being so requested by the Facility Agent.

23.7 Copies of certificates of entry

Each Owner Guarantor shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by it is entered provide the Security Agent with:

(a) a certified copy of the certificate of entry for that Ship;

(b) a letter or letters of undertaking in such form as may be required by the Facility Agent acting on the instructions of Majority Lenders; and

(c) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to that Ship.

23.8 Deposit of original policies

Each Owner Guarantor shall ensure that all policies relating to obligatory insurances effected by it are deposited with the Approved Brokers through which the insurances are effected or renewed.

23.9 Payment of premiums

Each Owner Guarantor shall punctually pay all premiums or other sums payable in respect of the obligatory insurances effected by it and produce all relevant receipts when so required by the Facility Agent or the Security Agent.

23.10 Guarantees

Each Owner Guarantor shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

23.11 Compliance with terms of insurances

(a) No Obligor shall do or 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.

(b) Without limiting paragraph (a) above, each Owner Guarantor shall:

(i) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in sub-paragraph (iii) of paragraph (b) of Clause 23.6 (*Copies of policies; letters of undertaking*)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Facility Agent has not given its prior approval;

(ii) not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;

(iii) make (and promptly supply copies to the Facility Agent of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Ship 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) not employ the Ship 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.

23.12 Alteration to terms of insurances

No Obligor shall make or agree to any material alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance.

23.13 Settlement of claims

Each Owner Guarantor shall:

(a) not settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty; and

(b) do all things necessary and provide all documents, evidence and information to enable the Security Agent to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

23.14 Provision of copies of communications

Each Owner Guarantor shall provide the Security Agent, at the time of each such material communication, with copies of all written communications between that Owner Guarantor and:

(a) the Approved Brokers;

(b) the approved protection and indemnity and/or war risks associations; and

(c) the approved insurance companies and/or underwriters,

which relate directly or indirectly to:

(i) that Owner Guarantor's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and

(ii) any credit arrangements made between that Owner Guarantor and any of the persons referred to in paragraphs (a) or (b) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

23.15 Provision of information

Each Owner Guarantor shall promptly provide the Facility Agent (or any persons which it may designate) with any information which the Facility Agent (or any such designated person) requests for the purpose of:

(a) 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

(b) effecting, maintaining or renewing any such insurances as are referred to in Clause 23.16 (*Mortgagee's interest and additional perils insurances*) or dealing with or considering any matters relating to any such insurances,

and the Borrowers shall, forthwith upon demand, indemnify the Security Agent in respect of all fees and other expenses incurred by or for the account of the Security Agent in connection with any such report as is referred to in paragraph (a) above in relation to one such report in connection with the Utilisation, one such additional report in each 12 month period or any further such reports prepared or obtained at a time when an Event of Default has occurred and is continuing.

23.16 Mortgagee's interest and additional perils insurances

(a) The Security Agent shall maintain and renew a mortgagee's interest marine insurance, in an amount of not less than 120 per cent. of the Loan and a mortgagee's interest additional perils insurance in an amount of not less than 110 per cent. of the Loan, on such terms, through such insurers and generally in such manner as the Security Agent may from time to time consider appropriate.

(b) The Borrowers shall upon demand fully indemnify the Security Agent in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any insurance referred to in paragraph (a) above or dealing with, or considering, any matter arising out of any such insurance.

23.17 Security Agent's right to insure

(a) Without limiting the generality of this Clause 23 (*Insurance undertakings*), if a Default has occurred the Security Agent may effect, replace and renew any obligatory insurances in respect of any Ship and any other port risk, crew liability or other insurances (in the name of the Security Agent or the relevant Owner Guarantor) as may be appropriate in the opinion of the Facility Agent.

(b) The Borrowers shall upon demand fully indemnify the Security Agent in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any insurance referred to in paragraph (a) above or dealing with, or considering, any matter arising out of any such insurance.

24 GENERAL SHIP UNDERTAKINGS

24.1 General

The undertakings in this Clause 24 (*General Ship Undertakings*) remain in force on and from the date of this Agreement and throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

24.2 Ships' names and registration

Each Owner Guarantor shall, in respect of the Ship owned by it:

(a) keep that Ship registered in its name under the Approved Flag from time to time at its port of registration;

(b) not do or allow to be done anything as a result of which such registration might be suspended, cancelled or imperilled; and

(c) not change the name of that Ship.

24.3 Repair and classification

Each Owner Guarantor shall keep the Ship owned by it in a good and safe condition and state of repair:

(a) consistent with first class ship ownership and management practice; and

(b) so as to maintain the Approved Classification free of overdue recommendations and conditions affecting that Ship's class.

24.4 Access to classification society records; condition of class certificates

(a) Each Owner Guarantor shall, in respect of the Ship owned by it, instruct the relevant Approved Classification Society to allow, and shall procure that the relevant Approved Classification Society allows, the Security Agent (or its agents), at any time and from time to time, to inspect the original class and related records of that Owner Guarantor and that Ship at the offices of the Approved Classification Society and to take copies of them.

(b) Each Owner Guarantor shall provide, at its cost and whenever requested by the Facility Agent, a condition of class (or equivalent) certificate in relation to the Ship owned by it provided that the Facility Agent shall not (and the Lenders shall not instruct the Facility Agent to) exercise its right to make such requests in a manner that is onerous to the Obligors.

24.5 Modifications

No Owner Guarantor shall make any modification or repairs to, or replacement of, any Ship or equipment installed on it which would or might materially and adversely alter the structure, type or performance characteristics of that Ship or materially reduce its value.

24.6 Removal and installation of parts

(a) Subject to paragraph (b) below, no Owner Guarantor shall remove any material part of any Ship, or any item of equipment installed on any Ship unless:

(i) 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;

(ii) the replacement part or item is free from any Security in favour of any person other than the Security Agent; and

(iii) the replacement part or item becomes, on installation on that Ship, the property of that Owner Guarantor and subject to the security constituted by the Mortgage on that Ship and the related Deed of Covenant.

(b) An Owner Guarantor may install equipment owned by a third party if the equipment can be removed without any risk of damage to the Ship owned by that Owner Guarantor.

24.7 Surveys

(a) Each Owner Guarantor shall submit the Ship owned by it regularly to all periodic or other surveys which may be required for classification purposes and, if so required by the Facility Agent acting on the instructions of the Majority Lenders, provide the Facility Agent, with copies of all survey reports.

(b) The Facility Agent shall have the right to have a technical survey carried out at any time on each Ship but not more than once per year (unless an Event of Default or Major Casualty has occurred, in which case as often as the Facility Agent may require) provided that the Facility Agent provides reasonable notice of the intended date of such inspection and such inspection does not delay or interfere with that Ship's operation, loading or unloading. Each Owner Guarantor shall pay the reasonable cost of such survey or surveys of each Ship at the Facility Agent's request.

24.8 Inspection

Each Owner Guarantor shall permit the Security Agent (acting through surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all reasonable times and at least once per calendar year to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections provided that any such inspection shall be with prior notice and shall be undertaken in a manner that will not disrupt the normal operations of the relevant Ship or otherwise impair the ability of the Owner Guarantors to meet their obligations under any relevant employment contracts. Each Owner Guarantor shall pay the cost of one inspection per Ship per annum.

24.9 Prevention of and release from arrest

(a) Each Owner Guarantor shall, in respect of the Ship owned by it, promptly discharge amounts due in respect of:

(i) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against that Ship, its Earnings or its Insurances;

(ii) all Taxes, dues and other amounts charged in respect of that Ship, its Earnings or its Insurances; and

(iii) all other outgoings whatsoever in respect of that Ship, its Earnings or its Insurances.

(b) Each Owner Guarantor shall immediately upon receiving notice of the arrest of the Ship owned by it or of its detention in exercise or purported exercise of any lien or claim, take all steps necessary to procure its release by providing bail or otherwise as the circumstances may require.

24.10 Compliance with laws etc.

Each Obligor shall and shall procure that each Approved Manager and the Charterer shall:

(a) comply, or procure compliance with all laws or regulations:

(i) relating to its business generally; and

(ii) relating to the Ship owned by it, its ownership, employment, operation, management and registration,

including the ISM Code, the ISPS Code, all Environmental Laws, all Sanctions Laws and the laws of the Approved Flag in relation to the Ship owned by it;

(b) obtain, comply with and do all that is necessary to maintain in full force and effect any consents required to be obtained and maintained by it in connection with any Environmental Laws;

(c) without limiting paragraph (a) above, not employ the Ship owned by it nor allow its employment, operation or management in any manner contrary to any law or regulation including but not limited to the ISM Code, the ISPS Code, all Environmental Laws and all Sanctions Laws; and

(d) procure that neither any Obligor nor any other member of the Group is or becomes a Restricted Party.

24.11 ISPS Code

Without limiting paragraph (a) of Clause 24.10 (*Compliance with laws etc.*), each Owner Guarantor shall:

(a) procure that the Ship owned by it and the company responsible for that Ship's compliance with the ISPS Code comply with the ISPS Code; and

(b) maintain an ISSC for that Ship; and

(c) notify the Facility Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

24.12 Sanctions and Ship trading

(a) Without limiting Clause 24.10 (*Compliance with laws etc.*), each Owner Guarantor shall procure:

(i) that the Ship owned by it shall not be used by or for the benefit of a Restricted Party;

(ii) that such Ship shall not be used directly or indirectly in trading in any manner contrary to Sanctions Laws (or which could be contrary to Sanctions Laws if Sanctions Laws were binding on each Transaction Obligor) or in any trade which could expose a Ship, a Transaction Obligor, a Lender, crew or insurers to enforcement proceedings or any other consequences whatsoever arising from Sanctions Laws;

(iii) that such Ship shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances; and

(iv) that each charterparty in respect of that Ship shall contain, for the benefit of that Owner Guarantor, language which gives effect to the provisions of paragraph (c) of Clause 24.10 (*Compliance with laws etc.*) as regards Sanctions Laws and of this Clause 24.12 (*Sanctions and Ship trading*) and which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions Laws (or which would result in a breach of Sanctions Laws if Sanctions Laws were binding on each Transaction Obligor).

(b) No Obligor shall, nor shall an Obligor permit or authorise any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any Loan or other transaction(s) contemplated by this Agreement to fund any trade, business or other activities:

(i) involving or for the benefit of any Restricted Party; or

(ii) in any other manner that would reasonably be expected to result in any Obligor or any Lender being in breach of any Sanctions Laws (if and to the extent applicable to either of them) or becoming a Restricted Party.

24.13 Anti-terrorism

The Borrowers shall, and shall ensure that each of the other Obligors will, comply with all anti- terrorism laws in each case applicable to it and shall take all actions necessary or which may be required by the Lenders to allow each Lender to comply with any anti-terrorism laws applicable to it.

24.14 Green scrapping

(a) Each Owner Guarantor shall use reasonable endeavours (including the implementation of internal policies) to ensure that any scrapping of a Ship owned by it is carried out in accordance with the IMO Convention for the Safe and Environmentally Sound Recycling of Ships.

(b) Each Owner Guarantor shall use reasonable endeavours to obtain (in its first survey) and to maintain (in subsequent surveys) a green passport notification (based on the inventory of hazardous materials) for the Ship owned by it from the Approved Classification Society.

24.15 Trading in war zones

In the event of hostilities in any part of the world (whether war is declared or not), no Owner Guarantor shall cause or permit any Ship to enter or trade to any zone which is declared a war zone by any government or by that Ship's war risks insurers or which is otherwise excluded from the scope of coverage of the obligatory insurances unless:

(a) the prior written consent of the Security Agent acting on the instructions of the Lenders has been given such approval deemed to be given in relation to the Indian Ocean Piracy Zone, West African Piracy Zone, Persian Gulf, Gulf of Aden and Venezuela provided that any conditions imposed under the relevant war risk policy are complied with; and

(b) that Owner Guarantor has (at its expense) effected any special, additional or modified insurance cover which (i) the Security Agent acting on the instructions of the Lenders may require or (ii) in the case of the Indian Ocean Piracy Zone, the West African Piracy Zone, Persian Gulf, Gulf of Aden and Venezuela, is customary in relation to such war zones.

24.16 Provision of information

Without prejudice to Clause 20.5 (*Information: miscellaneous*) each Owner Guarantor shall, in respect of the Ship owned by it, promptly provide the Facility Agent with any information which it requests regarding:

(a) that Ship;

(b) that Ship's employment, position and engagements (provided that such request is reasonable);

(c) the Earnings and payments and amounts due to its master and crew;

(d) any expenditure incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made by it in respect of that Ship;

(e) any towages and salvages; and

(f) its compliance, the Approved Manager's compliance and the compliance of that Ship with the ISM Code and the ISPS Code,

and, upon the Facility Agent's request, promptly provide copies of class records, any inspection reports obtained for that Ship, any current Charter relating to that Ship, of any current guarantee of any such Charter, the Ship's Safety Management Certificate and any relevant Document of Compliance.

24.17 Notification of certain events

Each Owner Guarantor shall, in respect of the Ship owned by it, immediately notify the Facility Agent by fax, confirmed forthwith by letter, of:

(a) any casualty to that Ship which is or is likely to be or to become a Major Casualty;

(b) any occurrence as a result of which that Ship has become or is, by the passing of time or otherwise, likely to become a Total Loss;

(c) any requisition of that Ship for hire;

(d) any requirement or recommendation made in relation to that Ship by any insurer or classification society or by any competent authority which is not immediately complied with;

(e) any arrest or detention of that Ship or any exercise or purported exercise of any lien on that Ship or the Earnings;

(f) any intended dry docking of that Ship;

(g) any Environmental Claim made against that Owner Guarantor or in connection with that Ship, or any Environmental Incident;

(h) any claim for breach of the ISM Code or the ISPS Code being made against that Owner Guarantor, an Approved Manager or otherwise in connection with that Ship; or

(i) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with,

and each Owner Guarantor shall keep the Facility Agent advised in writing on a regular basis and in such detail as the Facility Agent shall require as to that Owner Guarantor's, any such Approved Manager's or any other person's response to any of those events or matters.

24.18 Restrictions on chartering, appointment of managers etc.

No Owner Guarantor shall, in relation to the Ship owned by it:

(a) let that Ship on demise charter for any period;

(b) enter into any time, voyage or consecutive voyage charter in respect of that Ship other than a Permitted Charter;

(c) terminate or materially amend or supplement a Management Agreement without the consent of the Facility Agent acting on the instructions of the Lenders (not to be unreasonably withheld or delayed);

(d) appoint a manager of that Ship other than the Approved Commercial Manager and the Approved Technical Manager or agree to any alteration to the terms of an Approved Manager's appointment without the consent of the Facility Agent acting on the instructions of the Lenders (not to be unreasonably withheld or delayed);

(e) de activate or lay up that Ship; or

(f) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed $1,000,000 (or the equivalent in any other currency) unless that person has first given to the Security Agent and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or its Earnings for the cost of such work or for any other reason.

24.19 Notice of Mortgage

Each Owner Guarantor shall keep the relevant Mortgage registered against the Ship owned by it as a valid first priority mortgage, carry on board that Ship a certified copy of the relevant Mortgage and place and maintain in a conspicuous place in the navigation room and the master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Owner Guarantor to the Security Agent.

24.20 Sharing of Earnings

No Owner Guarantor shall enter into any agreement or arrangement for the sharing of any Earnings other than for the purposes of this Agreement or except in relation to a pool or pooling arrangements for a Ship which has been approved in writing by the Facility Agent with the authorisation of the Lenders.

24.21 Poseidon Principles

Each Owner Guarantor shall, upon the request of any Lender and at the cost of that Owner Guarantor, on or before 31 July in each calendar year, supply or procure the supply to the Facility Agent of all information necessary in order for any 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 Ship owned by it for the preceding calendar year provided always that, for the avoidance of doubt, such information shall be "Confidential Information" for the purposes of Clause 44 (*Confidential Information*) but the Obligors acknowledge that, in accordance with the Poseidon Principles, such information will form part of the information published regarding each relevant Lender's portfolio climate alignment.

24.22 Notification of compliance

Each Owner Guarantor shall promptly provide the Facility Agent from time to time with evidence (in such form as the Facility Agent requires) that it is complying with this Clause 24 (*General Ship Undertakings*).

24.23 Monitoring

(a) Each Owner Guarantor shall (or shall procure that any Charterer and the Approved Technical Manager shall) allow the Security Agent (or its agents), at any time and from time to time, to access all information pertaining to the Ship owned by it and to monitor the position of the Ship owned by it using third party services.

(b) All costs incurred by the Security Agent (and any of its agents) under paragraph (a) of Clause 24.23 (*Monitoring*) above shall be for the sole account of the relevant Owner Guarantor.

25 SECURITY COVER

25.1 Minimum required security cover

Clause 25.2 (*Provision of additional security; prepayment*) applies if:

(a) on or before the second anniversary of the Utilisation Date, the Facility Agent notifies the Borrowers that:

(i) the aggregate Market Value of each Ship then subject to a Mortgage; plus

(ii) the net realisable value of additional Security previously provided under this Clause 25 (*Security Cover*), is below 130 per cent. of the Loan; or

(b) after the second anniversary of the Utilisation Date, the Facility Agent notifies the Borrowers that:

(i) the aggregate Market Value of each Ship then subject to a Mortgage; plus

(ii) the net realisable value of additional Security previously provided under this Clause 25 (*Security Cover*),

is below 135 per cent. of the Loan.

25.2 Provision of additional security; prepayment

(a) If the Facility Agent serves a notice on the Borrowers under Clause 25.1 (*Minimum required security cover*), the Borrowers shall, on or before the date falling 30 days after the date (the "**Prepayment Date**") on which the Facility Agent's notice is served, prepay such part of the Loan as shall eliminate the shortfall.

(b) The Borrowers may, instead of making all or part of a prepayment as described in paragraph (a) above, provide, or ensure that a third party has provided, additional security which, in the opinion of the Facility Agent acting on the instructions of the Lenders:

(i) has a net realisable value at least equal to the shortfall; and

(ii) is documented in such terms as the Facility Agent may approve or require,

before the Prepayment Date; and conditional upon such security being provided in such manner, it shall satisfy such prepayment obligation in an amount equal to the net realisable value of such security.

25.3 Value of additional security

(a) The net realisable value of any additional security which is provided under Clause 25.2 (*Provision of additional security; prepayment*) and which consists of Security over a vessel shall be the Market Value of the vessel concerned.

(b) Any additional security which is provided under Clause 25.2 (*Provision of additional security; prepayment*) and which consists of cash collateral held in dollars shall be valued at par.

25.4 Valuations binding

Any valuation under this Clause 25 (*Security Cover*) shall be binding and conclusive as regards the Borrowers.

25.5 Provision of information

(a) Each Obligor shall promptly provide the Facility Agent and any shipbroker acting under this Clause 25 (*Security Cover*) with any information which the Facility Agent or the shipbroker may request for the purposes of the valuation.

(b) If an Obligor fails to provide the information referred to in paragraph (a) above by the date specified in the request, the valuation may be made on any basis and assumptions which the shipbroker or the Facility Agent considers prudent.

25.6 Prepayment mechanism

Any prepayment pursuant to Clause 25.2 (*Provision of additional security; prepayment*) shall be made in accordance with the relevant provisions of Clause 7 (*Prepayment and Cancellation*) and shall be treated as a voluntary prepayment pursuant to Clause 7.3 (*Voluntary prepayment of Loan*) but ignoring any restriction as to prepayments being made on the last day of the Interest Period and shall be applied pro rata by the amount of the Loan repaid or prepaid.

25.7 Provision of valuations

(a) The Facility Agent shall be entitled to obtain valuations of the Ships and any other vessel over which additional Security has been created in accordance with Clause 25.3 (*Value of additional vessel security*), from an Approved Valuer, selected by the Borrowers, to enable the Facility Agent to determine the Market Value of that Ship.

(b) The valuations referred to in this Clause 25.7 (*Provision of valuations*) are to be obtained:

(i) on or before the Utilisation Date (not to be obtained earlier than 14 days prior to the Utilisation Date);

(ii) following the Utilisation Date, quarterly (on 31 March, 30 June, 30 September and 31 December) (or at the discretion of the Lenders) in each year during the Security Period; and

(iii) at any other time required by the Facility Agent in its absolute discretion.

(c) The valuations referred to in paragraph (b)(i) and (b)(ii) of Clause 25.7 (*Provision of valuations*) shall be at the Borrowers' cost.

(d) The valuations referred to in paragraph (b)(iii) of Clause 25.7 (*Provision of valuations*) shall be at the Facility Agent's cost unless (i) the valuations provided under paragraph (b)(iii) of Clause 25.7 (*Provision of valuations*) show a breach of Clause 25.1 (*Minimum required security cover*) or (ii) an Event of Default has occurred which is continuing, in which cases any additional valuations will be at the Borrowers' cost.

(e) If the Market Value provided by an Approved Valuer provides a range value, the Market Value shall be the average of that range value.

(f) All valuations shall be addressed to the Facility Agent.

26 ACCOUNTS AND APPLICATION OF EARNINGS

26.1 Accounts

No Owner Guarantor may, without the prior consent of the Facility Agent, maintain any bank account other than in compliance with the provisions of this Agreement.

26.2 Payment of Earnings

Each Owner Guarantor shall ensure that, subject only to the provisions of the General Assignment to which it is a party, all the Earnings in respect of the Ship owned by it are paid in to the Earnings Account.

26.3 Monthly retentions

(a) The Borrowers shall ensure that, in each calendar month following the first Utilisation Date, on such dates as the Facility Agent may from time to time specify, there is transferred to the Retention Account out of the aggregate Earnings received by Borrower A in the Earnings Accounts during the preceding calendar month:

(i) one-third of the amount of any Repayment Instalment falling due under Clause 6.1 (*Repayment of Loan*) on the next Repayment Date; and

(ii) the relevant fraction of the aggregate amount of interest on the Loan which is payable under this Agreement in respect of any Interest Period then current.

(b) The "**relevant fraction**" is a fraction of which:

(i) the numerator is one; and

(ii) the denominator is:

(A) the number of months comprised in the relevant then current Interest Period; or

(B) if the period is shorter, the number of months from the later of the commencement of the relevant current Interest Period or the last due date for payment of interest on the Loan or the relevant part of the Loan to the next due date for payment of interest on the Loan or the relevant part of the Loan under this Agreement.

26.4 Shortfall in Earnings

(a) If the aggregate of the credit balance on each Earnings Account is insufficient in any calendar month for the required amount to be transferred to the Retention Account under Clause 26.3 (*Monthly retentions*), the Borrowers shall make up the amount of the insufficiency on demand from the Facility Agent.

(b) Without prejudicing the Facility Agent's right to make such demand at any time, the Facility Agent may, if so authorised by the Majority Lenders, permit the Borrowers to make up all or part of the insufficiency by increasing the amount of any transfer under Clause 26.3 (*Monthly retentions*) from the Earnings received in the next or subsequent calendar months.

26.5 Application of retentions

(a) The Security Agent has sole signing rights in relation to the Retention Account.

(b) Until an Event of Default occurs, the Facility Agent shall instruct the Account Bank to release to it, on each Repayment Date and on each Interest Payment Date, for distribution to the Finance Parties in accordance with Clause 34.2 (*Distributions by the Facility Agent*) so much of the then balance on the Retention Account as equals:

(i) any Repayment Instalment due on that Repayment Date;

(ii) the amount of interest payable on that Interest Payment Date;

in discharge of the Borrowers' liability for that Repayment Instalment, or that interest as the case may be.

26.6 Interest accrued on Retention Account

Any credit balance on the Retention Account shall bear interest at the rate from time to time offered by the Account Bank to its customers for dollar deposits of similar amounts and for periods similar to those for which such balances appear to the Account Bank likely to remain on the Retention Account.

26.7 Release of accrued interest

Interest accruing under Clause 26.6 (*Interest accrued on Retention Account*) shall be credited to the Retention Account and, to the extent not applied previously pursuant to Clause 26.5 (*Application of retentions*), shall be released to Borrower A at the end of the Security Period.

26.8 Location of Accounts

The Borrowers shall promptly:

(a) comply with any requirement of the Facility Agent as to the location or relocation of its Earnings Accounts, the Retention Account and the Debt Service Reserve Account (or any of them); and

(b) execute any documents which the Facility Agent specifies to create or maintain in favour of the Security Agent Security over (and/or rights of set-off, consolidation or other rights in relation to) the Earnings Accounts, the Retention Account and the Debt Service Reserve Account.

27 EVENTS OF DEFAULT

27.1 General

Each of the events or circumstances set out in this Clause 27 (*Events of Default*) is an Event of Default except for Clause 27.18 (*Acceleration*) and Clause 27.19 (*Enforcement of security*).

27.2 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within three Business Days of its due date.

27.3 Specific obligations

A breach occurs of Clause 4.4 (*Waiver of conditions precedent*), Clause 19.36 (*Sanctions*), Clause 21 (*Financial Covenants*), Clause 22.11 (*Title*), Clause 22.12 (*Negative pledge*), Clause 22.23 (*Unlawfulness, invalidity and ranking; Security imperilled*), Clause 24.12 (*Sanctions and Ship trading*), Clause 23.2 (*Maintenance of obligatory insurances*), Clause 23.3 (*Terms of obligatory insurances*), Clause 23.5 (*Renewal of obligatory insurances*) or, save to the extent such breach is a failure to pay and therefore subject to Clause 27.2 (*Non-payment*), Clause 25 (*Security Cover*).

27.4 Other obligations

(a) A Transaction Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 27.2 (*Non-payment*) and Clause 27.3 (*Specific obligations*)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within ten Business Days of the Facility Agent giving notice to the Borrowers or (if earlier) any Transaction Obligor becoming aware of the failure to comply.

27.5 Misrepresentation

(a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

(b) No Event of Default under paragraph (a) of this Clause 27.5 (*Misrepresentation*), other than Clause 19.36 (*Sanctions*), will occur if the underlying circumstances leading to the incorrect representation or statement are capable of remedy (in the opinion of the Majority Lenders (acting reasonably)) and are remedied within 10 Business Days of the Facility Agent (acting on the instructions of the Lenders) giving notice to the Borrowers or (if earlier) any Transaction Obligor becoming aware of the failure to comply provided that the failure to comply does not have or is not reasonably likely to have a Material Adverse Effect.

27.6 Cross default

(a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).

(d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor (which is not a dormant company or which does not have gross assets of less than $50,000) due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this paragraph (e) of this Clause 27.6 (*Cross default*) if the aggregate amount of Financial Indebtedness or Commitment for Financial Indebtedness falling with paragraphs (a) to (d) of this Clause 27.6 (*Cross default*) is less than:

(i) $1,500,000 (or its equivalent in any other currency or currencies) in relation to Borrower A; or

(ii) $2,500,000 (or its equivalent in any other currency or currencies) in relation to Borrower B.

27.7 Insolvency

(a) An Obligor or any member of the Group:

(i) is unable or admits inability to pay its debts as they fall due;

(ii) is deemed to, or is declared to, be unable to pay its debts under applicable law;

(iii) suspends or threatens to suspend making payments on any of its debts; or

(iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of any Obligor or any member of the Group is less than its liabilities (excluding, in the case of any Obligor, any shareholder loans falling within paragraph (b) of the definition of Permitted Financial Indebtedness and, in the case of Borrower A, any loans owed to any of its shareholders) **provided that**, in the case of any member of the Group other than the Obligors it shall not be a breach of this provision if the breach is solely a result of intercompany arrangements.

(c) A moratorium is declared in respect of any indebtedness of Obligor or member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

27.8 Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor;

(ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;

(iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or

(iv) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

(b) Paragraph (a) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement.

27.9 Creditors' process

(a) Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects:

(i) any asset or assets of an Obligor or a member of the Group (other than, in each case, Borrower B) in relation to amounts exceeding (in aggregate) $1,500,000; or

(ii) any asset or assets of the Borrower B in relation to amounts exceeding (in aggregate) $2,500,000 (or its equivalent in any other currency or currencies).

(b) No Event of Default under paragraph (a) of this Clause 27.9 (*Creditors' process*) will occur if the failure to comply is capable of remedy (in the opinion of the Majority Lenders (acting reasonably)) and is remedied within 10 Business Days of the Facility Agent giving notice to the Obligors or (if earlier) an Obligor, a member of the Group or (in the case of such event occurring in relation to a Borrower) a Borrower becoming aware of the failure to comply.

27.10 Ownership of the Owner Guarantors

An Owner Guarantor is not or ceases to be 100 per cent. directly or indirectly owned by Borrower A.

27.11 Unlawfulness, invalidity and ranking

(a) It is or becomes unlawful for a Transaction Obligor to perform any of its obligations under the Finance Documents.

(b) Any obligation of a Transaction Obligor under the Finance Documents is not or ceases to be legal, valid, binding or enforceable if that cessation individually or together with any other cessations materially or adversely affects the interests of the Secured Parties under the Finance Documents.

(c) Any Finance Document ceases to be in full force and effect or to be continuing or is or purports to be determined or any Transaction Security is alleged by a party to it (other than a Finance Party) to be ineffective.

(d) Any Transaction Security proves to have ranked after, or loses its priority to, any other Security.

27.12 Security imperilled; flag instability

(a) Any Security created or intended to be created by a Finance Document is in any way imperilled or in jeopardy.

(b) The state of the Approved Flag of a Ship is or becomes involved in hostilities or civil war or there is a seizure of power in such state by unconstitutional means, or any other event occurs in relation to a Ship, the Mortgage in respect of that Ship or the Approved Flag and in the reasonable opinion of the Facility Agent such event is likely to have a Material Adverse Effect unless the Owner Guarantors, within 30 days of the occurrence of such event (or such longer period as may be agreed by the Facility Agent acting with the authorisation of the Lenders) re- register the relevant Ship on an alternative flag approved pursuant to Clause 24.2 (*Ships' names and registration*) and subject to:

(i) that Ship remaining subject to Security created by a first priority or preferred ship mortgage on that Ship and, if appropriate, a first priority deed of covenant collateral to that mortgage (or equivalent first priority security) on substantially the same terms as the Mortgage and on such other terms and in such other form as the Facility Agent, acting with the authorisation of the Lenders, shall reasonably approve or require; and

(ii) the execution of such other documentation amending and supplementing the Finance Documents, as the Facility Agent, acting with the authorisation of the Lenders, shall reasonably approve or require.

27.13 Cessation of business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

27.14 Expropriation

The authority or ability of any member of the Group (other than Borrower B) to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group (other than Borrower B) or any of its assets other than any Requisition.

27.15 Repudiation and rescission of agreements

An Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Transaction Document or any Transaction Security.

27.16 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened, or any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made, in relation to any of the Transaction Documents or the transactions contemplated in any of the Transaction Documents or against any member of the Group or its assets which has or is reasonably likely to have a Material Adverse Effect.

27.17 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

27.18 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrowers:

(a) cancel the Total Commitments, whereupon they shall immediately be cancelled;

(b) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon it shall become immediately due and payable;

(c) declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Facility Agent acting on the instructions of the Majority Lenders; and/or

(d) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,

and the Facility Agent may serve notices under paragraphs (a), (b) and (c) above simultaneously or on different dates and the Security Agent may take any action referred to in Clause 27.19 (*Enforcement of security*) if no such notice is served or simultaneously with or at any time after the service of any of such notice.

27.19 Enforcement of security

On and at any time after the occurrence of an Event of Default which is continuing the Security Agent may, and shall if so directed by the Majority Lenders, take any action which, as a result of the Event of Default or any notice served under Clause 27.18 (*Acceleration*), the Security Agent is entitled to take under any Finance Document or any applicable law or regulation.

SECTION 9

CHANGES TO PARTIES

28 CHANGES TO THE LENDERS

28.1 Assignments and transfers by the Lenders

(a) Subject to this Clause 28 (*Changes to the Lenders*), a Lender (the "**Existing Lender**") may:

(i) assign any of its rights; or

(ii) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (except for a hedge fund or an Affiliate of an Obligor or any other person acting in concert with an Obligor) (the "**New Lender**").

(b) For the purposes of Paragraph (a), "**acting in concert**" means a person who, in the opinion of the Facility Agent appears to be, pursuant to an agreement or understanding (whether formal or informal) with an Obligor, actively co-operating with any Obligor, in order that it may act in a manner that puts the interests of the Obligors or the Group above that person's own interests or the interests of the other Finance Parties generally.

28.2 Conditions of assignment or transfer

(a) The consent of the Borrowers is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:

(i) to another Lender or an Affiliate of a Lender;

(ii) to another first class international bank or financial institution, insurer, social security fund, pension fund, capital investment company, financial intermediary or special purpose vehicle associated to any of them;

(iii) a trust corporation, fund or other person which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets and which is advised by or the assets of which are managed or serviced by a Lender; or

(iv) made at a time when a Default is continuing.

(b) The consent of the Borrowers to an assignment or transfer must not be unreasonably withheld or delayed. Each Borrower will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is expressly refused by that Borrower within that time.

(c) The consent of the Borrowers to an assignment or transfer must not be withheld solely because the assignment or transfer may result in an increase to any amount payable under Clause 14.3 (*Mandatory Cost*), provided such costs are paid by the Existing Lender or the New Lender.

(d) An assignment will only be effective on:

(i) receipt by the Facility Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Secured Parties as it would have been under if it were an Original Lender; and

(ii) performance by the Facility Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Facility Agent shall promptly notify to the Existing Lender and the New Lender.

(e) Each Obligor on behalf of itself and each Transaction Obligor agrees that all rights and interests (present, future or contingent) which the Existing Lender has under or by virtue of the Finance Documents are assigned to the New Lender absolutely, free of any defects in the Existing Lender's title and of any rights or equities which any Borrower or any other Transaction Obligor had against the Existing Lender.

(f) A transfer will only be effective if the procedure set out in Clause 28.5 (*Procedure for transfer*) is complied with.

(g) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, a Transaction Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross Up and Indemnities*) or under that clause as incorporated by reference or in full in any other Finance Document or Clause 13 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (g) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.

(h) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

28.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Facility Agent (for its own account) a fee of $5,000.

28.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;

(ii) the financial condition of any Transaction Obligor;

(iii) the performance and observance by any Transaction Obligor of its obligations under the Transaction Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties and the Secured Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Transaction Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Transaction Obligor and its related entities throughout the Security Period.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 28 (*Changes to the Lenders*); or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Transaction Obligor of its obligations under the Transaction Documents or otherwise.

28.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 28.2 (*Conditions of assignment or transfer*), a transfer is effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with this Agreement and delivered in accordance with this Agreement, execute that Transfer Certificate.

(b) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) Subject to Clause 28.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Transaction Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Facility Agent, the Security Agent, the Mandated Lead Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Facility Agent, the Security Agent, the Mandated Lead Arrangers and the Existing Lenders shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

28.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 28.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Facility Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 28.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 28.6 (*Procedure for assignment*) to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 28.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 28.2 (*Conditions of assignment or transfer*).

28.7 Copy of Transfer Certificate or Assignment Agreement to Borrowers

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrowers a copy of that Transfer Certificate or Assignment Agreement.

28.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 28 (*Changes to the Lenders*), each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

28.9 Pro rata interest settlement

If the Facility Agent has notified the Lenders that it is able to distribute interest payments on a "*pro rata* basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 28.5 (*Procedure for transfer*) or any assignment pursuant to Clause 28.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

(b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:

(i) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and

(ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 28.9 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

(c) In this Clause 28.9 (*Pro rata interest settlement*) references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

29 CHANGES TO THE OBLIGORS

29.1 Assignment or transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents without the consent of the Facility Agent acting on the instructions of the Lenders (not to be unreasonably withheld).

29.2 Release of security

(a) If a disposal of any asset subject to security created by a Security Document is made in the following circumstances:

(i) the disposal is permitted by the terms of any Finance Document; or

(ii) all the Lenders agree to the disposal (such agreement not to be unreasonably withheld); or

(iii) the disposal is being made at the request of the Security Agent in circumstances where any security created by the Security Documents has become enforceable; or

(iv) the disposal is being effected by enforcement of a Security Document,

the Security Agent may release the asset(s) being disposed of from any security over those assets created by a Security Document. However, the proceeds of any disposal (or an amount corresponding to them) must be applied in accordance with the requirements of the Finance Documents (if any).

(b) If the Security Agent is satisfied that a release is allowed under this Clause 29.2 (*Release of security*) (at the request and expense of the Borrowers) each Finance Party must enter into any document and do all such other things which are reasonably required to achieve that release. Each other Finance Party irrevocably authorises the Security Agent to enter into any such document. Any release will not affect the obligations of any other Obligor under the Finance Documents.

29.3 Subordinated Creditors

(a) The Borrowers may request that any person becomes a Subordinated Creditor, with the prior approval of the Facility Agent, by delivering to the Facility Agent:

(i) a duly executed Subordination Deed;

(ii) a duly executed Subordinated Debt Security; and

(iii) such constitutional documents, corporate authorisations and other documents and matters as the Facility Agent may reasonably require, in form and substance satisfactory to the Facility Agent, to verify that the person's obligations are legally binding, valid and enforceable and to satisfy any applicable legal and regulatory requirements.

(b) A person referred to in paragraph (a) above will become a Subordinated Creditor on the date the Security Agent enters into the Subordination Deed and the Subordinated Debt Security delivered under paragraph (a) above.

SECTION 10

THE FINANCE PARTIES

30 THE FACILITY AGENT, THE MANDATED LEAD ARRANGERS AND THE REFERENCE BANKS

30.1 Appointment of the Facility Agent

(a) Each of the Mandated Lead Arrangers and the Lenders appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Mandated Lead Arrangers and the Lenders authorises the Facility Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.

30.2 Instructions

(a) The Facility Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).

(b) The Facility Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Facility Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Facility Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

(d) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in a Finance Document;

(ii) where a Finance Document requires the Facility Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Facility Agent's own position in its personal capacity as opposed to its role of Facility Agent for the relevant Finance Parties.

(e) If giving effect to instructions given by the Majority Lenders would in the Facility Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 43 (*Amendments and Waivers*), the Facility Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Facility Agent) whose consent would have been required in respect of that amendment or waiver.

(f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where it has not received any instructions as to the exercise of that discretion the Facility Agent shall do so having regard to the interests of all the Finance Parties.

(g) The Facility Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

(h) Without prejudice to the remainder of this Clause 30.2 (*Instructions*), in the absence of instructions, the Facility Agent shall not be obliged to take any action (or refrain from taking action) even if it considers acting or not acting to be in the best interests of the Finance Parties. The Facility Agent may act (or refrain from acting) as it considers to be in the best interest of the Finance Parties.

(i) The Facility Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

30.3 Duties of the Facility Agent

(a) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) Subject to paragraph (c) below, the Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.

(c) Without prejudice to Clause 28.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrowers*), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.

(d) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Facility Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(f) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, the Mandated Lead Arrangers or the Security Agent) under this Agreement, it shall promptly notify the other Finance Parties.

(g) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

30.4 Role of the Mandated Lead Arrangers

Except as specifically provided in the Finance Documents, the Mandated Lead Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

30.5 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Facility Agent or the Mandated Lead Arrangers as a trustee or fiduciary of any other person.

(b) Neither the Facility Agent nor the Mandated Lead Arrangers shall be bound to account to other Finance Party for any sum or the profit element of any sum received by it for its own account.

30.6 Application of receipts

Except as expressly stated to the contrary in any Finance Document, any moneys which the Facility Agent receives or recovers in its capacity as Facility Agent shall be applied by the Facility Agent in accordance with Clause 34.5 (*Application of receipts; partial payments*).

30.7 Business with the Group

The Facility Agent and the Mandated Lead Arrangers may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

30.8 Rights and discretions

(a) The Facility Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Finance Parties) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 27.2 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and

(iii) any notice or request made by a Borrower (other than a Utilisation Request or a Selection Notice) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.

(c) The Facility Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Facility Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Facility Agent (and so separate from any lawyers instructed by the Lenders) if the Facility Agent in its reasonable opinion deems this to be desirable.

(e) The Facility Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Facility Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Facility Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Facility Agent's gross negligence or wilful misconduct.

(g) Unless a Finance Document expressly provides otherwise the Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under the Finance Documents.

(h) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Mandated Lead Arrangers are obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(i) Notwithstanding any provision of any Finance Document to the contrary, the Facility Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

30.9 Responsibility for documentation

Neither the Facility Agent nor the Mandated Lead Arrangers are responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, the Mandated Lead Arrangers, an Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; or

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property.

30.10 No duty to monitor

The Facility Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Obligor of its obligations under any Transaction Document; or

(c) whether any other event specified in any Transaction Document has occurred.

30.11 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to paragraph (e) of Clause 34.11 (*Disruption to Payment Systems etc.*) or any other provision of any Finance Document excluding or limiting the liability of the Facility Agent), the Facility Agent will not be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

(iii) any shortfall which arises on the enforcement or realisation of the Security Property; or

(iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party other than the Facility Agent may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Facility Agent may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facility Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Facility Agent or the Mandated Lead Arrangers to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party,

on behalf of any Finance Party and each Finance Party confirms to the Facility Agent and the Mandated Lead Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent or the Mandated Lead Arrangers.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent's liability, any liability of the Facility Agent arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility Agent at any time which increase the amount of that loss.

In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages.

30.12 Lenders' indemnity to the Facility Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 34.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as Facility Agent under the Finance Documents (unless the Facility Agent has been reimbursed by a Transaction Obligor pursuant to a Finance Document).

(b) Subject to paragraph (c) below, the Borrowers shall immediately on demand reimburse any Lender for any payment that Lender makes to the Facility Agent pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Facility Agent to an Obligor.

30.13 Resignation of the Facility Agent

(a) The Facility Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.

(b) Alternatively, the Facility Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Facility Agent.

(c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Facility Agent may appoint a successor Facility Agent.

(d) If the Facility Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Facility Agent is entitled to appoint a successor Facility Agent under paragraph (c) above, the Facility Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Facility Agent to become a party to this Agreement as Facility Agent) agree with the proposed successor Facility Agent amendments to this Clause 30 (*The Facility Agent, the Mandated Lead Arrangers and the Reference Banks*) and any other term of this Agreement dealing with the rights or obligations of the Facility Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Facility Agent's normal fee rates and those amendments will bind the Parties.

(e) The retiring Facility Agent shall, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.

(f) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 14.4 (*Indemnity to the Facility Agent*) and this Clause 30 (*The Facility Agent, the Mandated Lead Arrangers and the Reference Banks*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Facility Agent. Any fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) The Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (b) above. In this event, the Facility Agent shall resign in accordance with paragraph (b) above.

(i) No consent of any Borrower (nor any other Transaction Obligor) is required for an assignment or transfer of rights and/or obligations by the Facility Agent.

(j) The Facility Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Facility Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:

(i) the Facility Agent fails to respond to a request under Clause 12.7 (*FATCA Information*) and a Lender reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Facility Agent pursuant to Clause 12.7 (*FATCA Information*) indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Facility Agent notifies the Borrowers and the Lenders that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Borrowers or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and the Borrowers or that Lender, by notice to the Facility Agent, requires it to resign.

30.14 Confidentiality

(a) In acting as Facility Agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by a division or department of the Facility Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Facility Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.

(c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Mandated Lead Arrangers are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

30.15 Relationship with the other Finance Parties

(a) Subject to Clause 28.9 (*Pro rata interest settlement*), the, Facility Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Facility Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office or:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Finance Party shall supply the Facility Agent with any information that the Security Agent may reasonably specify (through the Facility Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Finance Party shall deal with the Security Agent exclusively through the Facility Agent and shall not deal directly with the Security Agent and any reference to any instructions being given by or sought from any Finance Party or group of Finance Parties by or to the Security Agent in this Agreement must be given or sought through the Facility Agent.

(c) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 37.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 37.2 (*Addresses*) and sub-paragraph (ii) of paragraph (a) of Clause 37.5 (*Electronic communication*) and the Facility Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

30.16 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Facility Agent and the Mandated Lead Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(d) the adequacy, accuracy or completeness of any other information provided by the Facility Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and

(e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

30.17 Facility Agent's management time

Any amount payable to the Facility Agent under Clause 14.4 (*Indemnity to the Facility Agent*), Clause 16 (*Costs and Expenses*) and Clause 30.12 (*Lenders' indemnity to the Facility Agent*) shall include the cost of utilising the Facility Agent's management time, such management time to be in respect of extraordinary matters pre-agreed with the Obligors and will be calculated on the basis of such reasonable daily or hourly rates as the Facility Agent may notify to the Borrowers and the other Finance Parties, and is in addition to any fee paid or payable to the Facility Agent under Clause 11 (*Fees*).

30.18 Deduction from amounts payable by the Facility Agent

If any Party owes an amount to the Facility Agent under the Finance Documents, the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

30.19 Reliance and engagement letters

Each Secured Party confirms that each of the Mandated Lead Arrangers and the Facility Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Mandated Lead Arrangers or the Facility Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

30.20 Full freedom to enter into transactions

Without prejudice to Clause 30.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Facility Agent shall be absolutely entitled:

(a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in, a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);

(b) to deal in and enter into and arrange transactions relating to:

(i) any securities issued or to be issued by any Transaction Obligor or any other person; or

(ii) any options or other derivatives in connection with such securities; and

(c) to provide advice or other services to any Obligor or any person who is a party to, or referred to in, a Finance Document,

and, in particular, the Facility Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

30.21 Role of Reference Banks

(a) No Reference Bank is under any obligation to provide a quotation or any other information to the Facility Agent.

(b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.

(c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause 30.21 (*Role of Reference Banks*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

30.22 Third Party Reference Banks

A Reference Bank which is not a Party may rely on Clause 30.21 (*Role of Reference Banks*), Clause 43.3 (*Other exceptions*) and Clause 45 (*Confidentiality of Funding Rates and Reference Bank Quotations*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

31 THE SECURITY AGENT

31.1 Trust

(a) The Security Agent declares that it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement and shall deal with the Security Property in accordance with this Clause 31 (*The Security Agent*) and the other provisions of the Finance Documents.

(b) Each other Finance Party authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.

31.2 Parallel Debt (Covenant to pay the Security Agent)

(a) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Agent its Parallel Debt which shall be amounts equal to, and in the currency or currencies of, its Corresponding Debt.

(b) The Parallel Debt of an Obligor:

(i) shall become due and payable at the same time as its Corresponding Debt;

(ii) is independent and separate from, and without prejudice to, its Corresponding Debt.

(c) For purposes of this Clause 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent:

(i) is the independent and separate creditor of each Parallel Debt;

(ii) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Parallel Debt shall not be held on trust; and

(iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(d) The Parallel Debt of an Obligor shall be:

(i) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged; and

(ii) increased to the extent that its Corresponding Debt has increased,

and the Corresponding Debt of an Obligor shall be decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged,

in each case provided that the Parallel Debt of an Obligor shall never exceed its Corresponding Debt.

(e) All amounts received or recovered by the Security Agent in connection with this Clause 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*) to the extent permitted by applicable law, shall be applied in accordance with Clause 31.28 (*Application of receipts*).

(f) This Clause 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*) shall apply, with any necessary modifications, to each Finance Document.

31.3 Enforcement through Security Agent only

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent.

31.4 Instructions

(a) The Security Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by:

(A) all Lenders (or the Facility Agent on their behalf) if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders (or the Facility Agent on their behalf); and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or if this Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).

(b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or the Facility Agent on their behalf) (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Security Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

(d) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in a Finance Document;

(ii) where a Finance Document requires the Security Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the relevant Secured Parties.

(iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:

(A) Clause 31.28 (*Application of receipts*);

(B) Clause 31.29 (*Permitted Deductions*); and

(C) Clause 31.30 (*Prospective liabilities*).

(e) If giving effect to instructions given by the Majority Lenders would in the Security Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 43 (*Amendments and Waivers*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.

(f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where either:

(i) it has not received any instructions as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to sub-paragraph (iv) of paragraph (d) above, the Security Agent shall do so having regard to the interests of all the Secured Parties.

(g) The Security Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

(h) Without prejudice to the remainder of this Clause 31.4 (*Instructions*), in the absence of instructions, the Security Agent may (but shall not be obliged to) take such action in the exercise of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.

(i) The Security Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

31.5 Duties of the Security Agent

(a) The Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) The Security Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.

(c) Except where a Finance Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) If the Security Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(e) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

31.6 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Security Agent as an agent, trustee or fiduciary of any Transaction Obligor.

(b) The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

31.7 Business with the Group

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

31.8 Rights and discretions

(a) The Security Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents;

(B) unless it has received notice of revocation, that those instructions have not been revoked;

(C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Security Agent shall be entitled to carry out all dealings with the other Finance Parties through the Facility Agent and may give to the Facility Agent any notice or other communication required to be given by the Security Agent to any Finance Party.

(c) The Security Agent may assume (unless it has received notice to the contrary in its capacity as security agent for the Secured Parties) that:

(i) no Default has occurred;

(ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and

(iii) any notice or request made by a Borrower (other than a Utilisation Request or a Selection Notice) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.

(d) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(e) Without prejudice to the generality of paragraph (c) above or paragraph (f) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by the Facility Agent or the Lenders) if the Security Agent in its reasonable opinion deems this to be desirable.

(f) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(g) The Security Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person, unless such error or such loss was directly caused by the Security Agent's gross negligence or wilful misconduct.

(h) Unless a Finance Document expressly provides otherwise the Security Agent may disclose to any other Party any information it reasonably believes it has received as security agent under the Finance Documents.

(i) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(j) Notwithstanding any provision of any Finance Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.9 Responsibility for documentation

None of the Security Agent, any Receiver or Delegate is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, the Mandated Lead Arrangers, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

(c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

31.10 No duty to monitor

The Security Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Transaction Obligor of its obligations under any Transaction Document; or

(c) whether any other event specified in any Transaction Document has occurred.

31.11 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate), none of the Security Agent nor any Receiver or Delegate will be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

(iii) any shortfall which arises on the enforcement or realisation of the Security Property; or

(iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party other than the Security Agent, that Receiver or that Delegate (as applicable) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Security Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Security Agent if the Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Security Agent to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party,

on behalf of any Finance Party and each Finance Party confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate, any liability of the Security Agent or any Receiver or Delegate arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, any Receiver or Delegate at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, the Receiver or Delegate has been advised of the possibility of such loss or damages.

31.12 Lenders' indemnity to the Security Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Agent and every Receiver, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the Security Agent's or Receiver's gross negligence or wilful misconduct) in acting as Security Agent or Receiver under the Finance Documents (unless the Security Agent or Receiver has been reimbursed by a Transaction Obligor pursuant to a Finance Document).

(b) Subject to paragraph (c) below, the Borrowers shall immediately on demand reimburse any Lender for any payment that Lender makes to the Security Agent pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Security Agent to an Obligor.

31.13 Resignation of the Security Agent

(a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.

(b) Alternatively, the Security Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Security Agent.

(c) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent may appoint a successor Security Agent.

(d) The retiring Security Agent shall, at its own cost, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents. The Security Agent's resignation notice shall only take effect upon:

(i) the appointment of a successor; and

(ii) the transfer, by way of a document expressed as a deed, of all the Security Property to that successor.

(e) Upon the appointment of a successor, the retiring Security Agent shall be discharged, by way of a document executed as a deed, from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of Clause 31.25 (*Winding up of trust*) and paragraph (d) above) but shall remain entitled to the benefit of Clause 14.5 (*Indemnity to the Security Agent*) and this Clause 31 (*The Security Agent*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Security Agent. Any fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(f) The Majority Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above.

(g) No consent of any Borrower (nor any other Transaction Obligor) is required for an assignment or transfer of rights and/or obligations by the Security Agent.

31.14 Confidentiality

(a) In acting as Security Agent for the Finance Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by a division or department of the Security Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Security Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.

(c) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

31.15 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(d) the adequacy, accuracy or completeness of any other information provided by the Security Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and

(e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

31.16 Security Agent's management time

(a) Any amount payable to the Security Agent under Clause 14.5 (*Indemnity to the Security Agent*), Clause 16 (*Costs and Expenses*) and Clause 31.12 (*Lenders' indemnity to the Security Agent*) shall include the cost of utilising the Security Agent's management time, such management time to be in respect of extraordinary matters pre-agreed with the Obligors and will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Borrowers and the other Finance Parties, and is in addition to any fee paid or payable to the Security Agent under Clause 11 (*Fees*).

(b) Without prejudice to paragraph (a) above, in the event of:

(i) a Default;

(ii) the Security Agent being requested by a Transaction Obligor or the Majority Lenders to undertake duties which the Security Agent and the Borrowers agree to be of an exceptional nature or outside the scope of the normal duties of the Security Agent under the Finance Documents; or

(iii) the Security Agent and the Borrowers agreeing that it is otherwise appropriate in the circumstances,

the Borrowers shall pay to the Security Agent any additional remuneration (together with any applicable VAT) that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Security Agent and the Borrowers fail to agree upon the nature of the duties, or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrowers or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrowers) and the determination of any investment bank shall be final and binding upon the Parties.

31.17 Reliance and engagement letters

Each Secured Party confirms that the Security Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Security Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

31.18 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

(a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Transaction Obligor to any of the Security Assets;

(b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;

(c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;

(d) take, or to require any Transaction Obligor to take, any step to perfect its title to any of the Security Assets or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or

(e) require any further assurance in relation to any Security Document.

31.19 Insurance by Security Agent

(a) The Security Agent shall not be obliged:

(i) to insure any of the Security Assets;

(ii) to require any other person to maintain any insurance; or

(iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document,

and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

(b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Majority Lenders request it to do so in writing and the Security Agent fails to do so within 14 days after receipt of that request.

31.20 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

31.21 Delegation by the Security Agent

(a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.

(b) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

(c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of any such delegate or sub delegate.

31.22 Additional Security Agents

(a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:

(i) if it considers that appointment to be in the interests of the Secured Parties; or

(ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or

(iii) for obtaining or enforcing any judgment in any jurisdiction,

and the Security Agent shall give prior notice to the Borrowers and the Finance Parties of that appointment.

(b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.

(c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

31.23 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Transaction Obligor may have to any of the Security Assets and shall not be liable for or bound to require any Transaction Obligor to remedy any defect in its right or title.

31.24 Releases

Upon a disposal of any of the Security Assets pursuant to the enforcement of the Transaction Security by a Receiver, a Delegate or the Security Agent, the Security Agent is irrevocably authorised (at the cost of the Obligors and without any consent, sanction, authority or further confirmation from any other Secured Party) to release, without recourse or warranty, that property from the Transaction Security and to execute any release of the Transaction Security or other claim over that asset and to issue any certificates of non-crystallisation of floating charges that may be required or desirable.

31.25 Winding up of trust

If the Security Agent, with the approval of the Facility Agent determines that:

(a) all of the Secured Liabilities and all other obligations secured by the Security Documents have been fully and finally discharged; and

(b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Transaction Obligor pursuant to the Finance Documents,

then

(i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and

(ii) any Security Agent which has resigned pursuant to Clause 31.13 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

31.26 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

31.27 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement and the other Finance Documents. Where there are any inconsistencies between (i) the Trustee Acts 1925 and 2000 and (ii) the provisions of this Agreement and any other Finance Document, the provisions of this Agreement and any other Finance Document shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement and any other Finance Document shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

31.28 Application of receipts

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document, under Clause 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or in connection with the realisation or enforcement of all or any part of the Security Property (for the purposes of this Clause 31 (*The Security Agent*), the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the remaining provisions of this Clause 31 (*The Security Agent*), in the following order of priority:

(a) in discharging any sums owing to the Security Agent (in its capacity as such) (other than pursuant to Clause 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or any Receiver or Delegate;

(b) in payment or distribution to the Facility Agent, on its behalf and on behalf of the other Secured Parties, for application towards the discharge of all sums due and payable by any Transaction Obligor under any of the Finance Documents in accordance with Clause 34.5 (*Application of receipts; partial payments*);

(c) if none of the Transaction Obligors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Transaction Obligor; and

(d) the balance, if any, in payment or distribution to the relevant Transaction Obligor.

31.29 Permitted Deductions

The Security Agent may, in its discretion:

(a) set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement; and

(b) pay all Taxes which may be assessed against it in respect of any of the Security Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

31.30 Prospective liabilities

Following enforcement of any of the Transaction Security, the Security Agent may, in its discretion, or at the request of the Facility Agent, hold any Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later payment to the Facility Agent for application in accordance with Clause 31.28 (*Application of receipts*) in respect of:

(a) any sum to the Security Agent, any Receiver or any Delegate; and

(b) any part of the Secured Liabilities,

that the Security Agent or, in the case of paragraph (b) only, the Facility Agent, reasonably considers, in each case, might become due or owing at any time in the future.

31.31 Investment of proceeds

Prior to the payment of the proceeds of the Recoveries to the Facility Agent for application in accordance with Clause 31.28 (*Application of receipts*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the payment from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of Clause 31.28 (*Application of receipts*).

31.32 Currency conversion

(a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at a market rate of exchange.

(b) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

31.33 Good discharge

(a) Any payment to be made in respect of the Secured Liabilities by the Security Agent may be made to the Facility Agent on behalf of the Secured Parties and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.

(b) The Security Agent is under no obligation to make the payments to the Facility Agent under paragraph (a) above in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

31.34 Amounts received by Obligors

If any of the Obligors receives or recovers any amount which, under the terms of any of the Finance Documents, should have been paid to the Security Agent, that Obligor will hold the amount received or recovered on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement.

31.35 Application and consideration

In consideration for the covenants given to the Security Agent by each Obligor in relation to Clause 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent agrees with each Obligor to apply all moneys from time to time paid by such Obligor to the Security Agent in accordance with the foregoing provisions of this Clause 31 (*The Security Agent*).

31.36 Full freedom to enter into transactions

Without prejudice to Clause 31.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Security Agent shall be absolutely entitled:

(a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in, a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);

(b) to deal in and enter into and arrange transactions relating to:

(i) any securities issued or to be issued by any Transaction Obligor or any other person; or

(ii) any options or other derivatives in connection with such securities; and

(c) to provide advice or other services to any Borrower or any person who is a party to, or referred to in, a Finance Document,

and, in particular, the Security Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

32 CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

33 SHARING AMONG THE FINANCE PARTIES

33.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from a Transaction Obligor other than in accordance with Clause 34 (*Payment Mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due to it under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Facility Agent;

(b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with Clause 34 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 34.5 (*Application of receipts; partial payments*).

33.2 Redistribution of payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the relevant Transaction Obligor and distribute it among the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 34.5 (*Application of receipts; partial payments*) towards the obligations of that Transaction Obligor to the Sharing Finance Parties.

33.3 Recovering Finance Party's rights

On a distribution by the Facility Agent under Clause 33.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from a Transaction Obligor, as between the relevant Transaction Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Transaction Obligor.

33.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Facility Agent, pay to the Facility Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and

(b) as between the relevant Transaction Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Transaction Obligor.

33.5 Exceptions

(a) This Clause 33 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Transaction Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11

ADMINISTRATION

34 PAYMENT MECHANICS

34.1 Payments to the Facility Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make an amount equal to such payment available to the Facility Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facility Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Facility Agent) and with such bank as the Facility Agent, in each case, specifies.

34.2 Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to Clause 34.3 (*Distributions to an Obligor*) and Clause 34.4 (*Clawback and pre- funding*) be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London), as specified by that Party or, in the case of an Advance, to such account of such person as may be specified by the Borrowers in a Utilisation Request.

34.3 Distributions to an Obligor

The Facility Agent may (with the consent of the Obligor or in accordance with Clause 35 (*Set- Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

34.4 Clawback and pre-funding

(a) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) Unless paragraph (c) below applies, if the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

(c) If the Facility Agent is willing to make available amounts for the account of the Borrowers before receiving funds from the Lenders then if and to the extent that the Facility Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrowers:

(i) the Borrowers shall on demand refund it to the Facility Agent; and

(ii) the Lender by whom those funds should have been made available or, if the Lender fails to do so, the Borrowers shall on demand pay to the Facility Agent the amount (as certified by the Facility Agent) which will indemnify the Facility Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

34.5 Application of receipts; partial payments

(a) If the Facility Agent or the Security Agent (as applicable) receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Facility Agent or the Security Agent (as applicable) shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of, and any other amounts owing to, the Facility Agent, the Security Agent, any Receiver or any Delegate under the Finance Documents;

(ii) **secondly**, in or towards payment *pro rata* of any accrued interest and fees due but unpaid to the Lenders under this Agreement;

(iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid to the Lenders under this Agreement; and

(iv) **fourthly**, in or towards payment *pro rata* of any other sum due to any Finance Party but unpaid under the Finance Documents.

(b) The Facility Agent shall, if so directed by the Majority Lenders, vary, or instruct the Security Agent to vary (as applicable), the order set out in sub-paragraphs (ii) to (iv) of paragraph (a) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

34.6 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

34.7 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

34.8 Currency of account

(a) Subject to paragraphs (b) and (c) below, dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

34.9 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent (after consultation with the Borrowers); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Facility Agent (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

34.10 Currency Conversion

(a) For the purpose of, or pending any payment to be made by any Servicing Party under any Finance Document, such Servicing Party may convert any moneys received or recovered by it from one currency to another, at a market rate of exchange.

(b) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

34.11 Disruption to Payment Systems etc.

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by the Borrowers that a Disruption Event has occurred:

(a) the Facility Agent may, and shall if requested to do so by the Borrowers, consult with the Borrowers with a view to agreeing with the Borrowers such changes to the operation or administration of the Facility as the Facility Agent may deem necessary in the circumstances;

(b) the Facility Agent shall not be obliged to consult with the Borrowers in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Facility Agent and the Borrowers shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties and any Transaction Obligors as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 43 (*Amendments and Waivers*);

(e) the Facility Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 34.11 (*Disruption to Payment Systems etc.*); and

(f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

35 SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

36 BAIL-IN

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties to a Finance Document, each Party acknowledges and accepts that any liability of any party to a Finance Document 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 Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

37 NOTICES

37.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

37.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents are:

(a) in the case of the Borrower, that specified in Schedule 1 (*The Parties*);

(b) in the case of each Lender or any other Obligor, that specified in Schedule 1 (*The Parties*) or, if it becomes a Party after the date of this Agreement, that notified in writing to the Facility Agent on or before the date on which it becomes a Party;

(c) in the case of the Facility Agent, that specified in Schedule 1 (*The Parties*); and

(d) in the case of the Security Agent, that specified in Schedule 1 (*The Parties*),

or any substitute address, fax number or department or officer as the Party may notify to the Facility Agent (or the Facility Agent may notify to the other Parties, if a change is made by the Facility Agent) by not less than five Business Days' notice.

37.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 37.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to a Servicing Party will be effective only when actually received by that Servicing Party and then only if it is expressly marked for the attention of the department or officer of that Servicing Party specified in Schedule 1 (*The Parties*) (or any substitute department or officer as that Servicing Party shall specify for this purpose).

(c) All notices from or to a Transaction Obligor shall be sent through the Facility Agent unless otherwise specified in any Finance Document.

(d) Any communication or document made or delivered to a Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Transaction Obligors.

(e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

37.4 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 37.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

37.5 Electronic communication

(a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) Any such electronic communication as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

(c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Facility Agent or the Security Agent only if it is addressed in such a manner as the Facility Agent or the Security Agent shall specify for this purpose.

(d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 37.5 (*Electronic communication*).

37.6 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Facility Agent, accompanied by a certified English translation prepared by a translator approved by the Facility Agent and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

38 CALCULATIONS AND CERTIFICATES

38.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

38.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

38.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

39 PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

40 REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of a Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

41 SETTLEMENT OR DISCHARGE CONDITIONAL

Any settlement or discharge under any Finance Document between any Finance Party and any Transaction Obligor shall be conditional upon no security or payment to any Finance Party by any Transaction Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

42 IRREVOCABLE PAYMENT

If the Facility Agent considers that an amount paid or discharged by, or on behalf of, a Transaction Obligor or by any other person in purported payment or discharge of an obligation of that Transaction Obligor to a Secured Party under the Finance Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Transaction Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Finance Documents.

43 AMENDMENTS AND WAIVERS

43.1 Required consents

(a) Subject to Clause 43.2 (*All Lender matters*) and Clause 43.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and, in the case of an amendment, the Obligors and any such amendment or waiver will be binding on all Parties.

(b) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 43 (*Amendments and Waivers*).

(c) Without prejudice to the generality of Clause 30.8 (*Rights and discretions*), the Facility Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

43.2 All Lender matters

Subject to Clause 43.4 (*Replacement of Screen Rate*) and Clause 43.7 (*German Foreign Trade and Payments Regulation*), an amendment of or waiver or consent in relation to any term of any Finance Document that has the effect of changing or which relates to:

(a) the definition of "Majority Lenders" in Clause 1.1 (*Definitions*);

(b) a postponement to or extension of the date of payment of any amount under the Finance Documents;

(c) a reduction in the Margin or the amount of any payment of principal, interest, fees or commission payable;

(d) a change in currency of payment of any amount under the Finance Documents;

(e) an increase in any Commitment or the Total Commitments, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments rateably under the Facility;

(f) a change to any Transaction Obligor other than in accordance with Clause 29 (*Changes to the Obligors*);

(g) any provision which expressly requires the consent of all the Lenders;

(h) this Clause 43 (*Amendments and Waivers*);

(i) any change to the preamble (Background), Clause 2 (*The Facility*), Clause 3 (*Purpose*), Clause 5 (*Utilisation*), Clause 6.2 (*Effect of cancellation and prepayment on scheduled repayments*), Clause 7.4 (*Mandatory prepayment on sale, arrest or Total Loss*), Clause 8 (*Interest*), paragraph (a) of Clause 25.7 (*Provision of valuations*), Clause 28 (*Changes to the Lenders*), Clause 33 (*Sharing among the Finance Parties*), Clause 47 (*Governing Law*) or Clause 48 (*Enforcement*);

(j) any release of, or material variation to, any Transaction Security, guarantee, indemnity or subordination arrangement set out in a Finance Document (except in the case of a release of Transaction Security as it relates to the disposal of an asset which is the subject of the Transaction Security and where such disposal is expressly permitted by the Majority Lenders or otherwise under a Finance Document);

(k) (other than as expressly permitted by the provisions of any Finance Document), the nature or scope of:

(i) the guarantees and indemnities granted under Clause 17 (*Guarantee and Indemnity*);

(ii) the joint and several liability of the Borrowers under Clause 18 (*Joint and Several Liability of the Borrowers*);

(iii) the Security Assets; or

(iv) the manner in which the proceeds of enforcement of the Transaction Security are distributed,

(except in the case of sub-paragraphs (iii) and (iv) above, insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);

(l) the release of the joint and several liability of the Borrowers under Clause 18 (*Joint and Several Liability of the Borrowers*) of the guarantees and indemnities granted under Clause 17 (*Guarantee and Indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document,

shall not be made, or given, without the prior consent of all the Lenders.

43.3 Other exceptions

(a) An amendment or waiver which relates to the rights or obligations of a Servicing Party, the Mandated Lead Arrangers or a Reference Bank (each in their capacity as such) may not be effected without the consent of that Servicing Party, the Mandated Lead Arrangers or that Reference Bank, as the case may be.

(b) The Borrowers and the Facility Agent, the Mandated Lead Arrangers or the Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are party.

43.4 Replacement of Screen Rate

(a) Subject to Clause 43.3 (*Other exceptions*), any amendment or waiver which relates to:

(i) providing for the use of a Replacement Benchmark; and

(ii)

(A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;

(B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Benchmark;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

(b) If, as at 1 February 2022 this Agreement provides that the rate of interest for a Loan in any currency is to be determined by reference to the Screen Rate for LIBOR the Facility Agent, (acting on the instructions of the Majority Lenders) and the Borrower shall enter into negotiations in good faith with a view to agreeing the use of a Replacement Benchmark in relation that currency in place of that Screen Rate from and including a date no later than 1 April 2022.

(c) ~~(i)~~If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above within three Business Days (unless the Borrowers and the Facility Agent agree to a longer time period in relation to any request) of that request being made:

(i) its Commitment or its participation in the Loan (as the case may be) shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan (as applicable) when ascertaining whether any relevant percentage of Total Commitments or the aggregate of participations in the Loan (as applicable) has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

43.5 Obligor Intent

Without prejudice to the generality of Clauses 1.2 (*Construction*) and 17.4 (*Waiver of defences*), each Obligor expressly confirms that it intends that any guarantee contained in this Agreement or any other Finance Document and any Security created by any Finance Document shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

43.6 Disenfranchisement of Obligors and their Affiliates

(a) For so long as an Obligor or its Affiliate (i) beneficially owns a Commitment or (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated in ascertaining the Majority Lenders, that Commitment shall be deemed to be zero and that Obligor or its Affiliate (as the case may be) (or the person with whom it has entered into that sub-participation, other agreement or arrangement (a "**Counterparty**")) shall be deemed not to be a Lender.

(b) Each Obligor or its Affiliate (as the case may be) that is a Lender agrees that:

(i) in relation to any meeting or conference call to which all the Lenders or any combination of those groups of Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Security Agent or, unless the Security Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(ii) it shall not, unless the Security Agent otherwise agrees, be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Security Agent or one or more of the Lenders.

43.7 German Foreign Trade and Payments Regulation

To the extent a Lender resident in Germany ("**Inländer**") within the meaning of Section 2 Paragraph 15 of the German foreign trade and payments act ("**Außenwirtschaftsgesetz**" or "**AWG**") and therefore subject to Section 7 of the German Foreign Trade and Payments Regulation ("**Außenwirtschaftsverordnung**" or "**AWV**") would not be permitted to receive the benefit of or make a representation or receive the benefit of or grant an undertaking that is made or is to be made or granted or is to be granted by an Obligor with respect to Sanctions Laws under this Agreement ~~(the "**Sanctions Provisions**") then in respect of any proposed requirement to comply, enforcement, waiver, non-waiver, consent, variation or amendment of or in relation to a Finance Document relating to any Sanctions Provision (a "**Relevant Action**"), that Lender's~~then such Lender shall not, in the event of a breach by an Obligor of any such representation or undertaking be entitled to invoke or declare an Event of Default or vote for a cancellation of the Total Commitments and immediate repayment of the Loan in accordance with the Events of Default and, in connection with any amendment, waiver, determination or direction relating to the representations or undertakings with respect to Sanctions Laws, the Commitment of that Lender shall be excluded for the purpose of determining whether the consent of the Majority Lenders or, as applicable, of the Lenders has been obtained or whether the determination or direction by the Majority Lenders or, as applicable, by the Lenders has been made or given.

~~(a) Commitment or its participation in the Loan (as the case may be) shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan (as applicable) when ascertaining whether any relevant percentage of Total Commitments or the aggregate ofparticipations in the Loan (as applicable) has been obtained in relation to that Relevant Action; and~~

~~(b) status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained in relation to that Relevant Action.~~

44 CONFIDENTIAL INFORMATION

44.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 44.2 (*Disclosure of Confidential Information*) and Clause 44.3 (*Disclosure to numbering service providers*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

44.2 Disclosure of Confidential Information

(a) Any Finance Party may disclose:

(i) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, service providers, insurers, insurance advisors, insurance brokers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(ii) to any person:

(A) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Facility Agent or Security Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(B) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Transaction Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(C) appointed by any Finance Party or by a person to whom sub-paragraph (A) or (B) of paragraph (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 30.15 (*Relationship with the other Finance Parties*));

(D) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (A) or (B) of paragraph (ii) above;

(E) to any party who provides or may potentially provide insurance or reinsurance in relation to the Loan and any insurance broker or reinsurance broker in connection with such purposes and each of their respective professional advisers;

(F) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(G) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitrations, administrative or other investigations, proceedings or disputes;

(H) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 28.8 (*Security over Lenders' rights*);

(I) who is a Party, a member of the Group or any related entity of a Transaction Obligor;

(J) as a result of the registration of any Finance Document as contemplated by any Finance Document or any legal opinion obtained in connection with any Finance Document; or

(K) with the consent of a Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(1) in relation to sub-paragraphs (A), (B) and (C) of paragraph (ii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is otherwise bound by requirements of confidentiality in relation to the Confidential Information or is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(2) in relation to sub-paragraph (D) of paragraph (ii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(3) in relation to sub-paragraphs (F), (G) and (H) of paragraph (ii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(iii) to any person appointed by that Finance Party or by a person to whom sub-paragraph (A) or (B) of paragraph (ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (iii) if the service provider to whom the Confidential Information is to be given has entered in to a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/ Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrowers and the relevant Finance Party;

(iv) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Transaction Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

(b) This Clause 44 (*Confidential Information*) is not, and shall not be deemed to constitute, an express or implied agreement by any Finance Party with any Transaction Obligor for a higher degree of confidentiality than that prescribed in Section 47 of, and in the Third Schedule to, the Banking Act, Chapter 19 of Singapore.

(c) If a Transaction Obligor provides a Finance Party with personal data of any individual (including where applicable, its directors, officers, employees, shareholders, beneficial owners, representative, agents and principals (if acting on behalf of another)), the Transaction Obligor undertakes, represents and warrants that it (a) has obtained (and shall maintain) the consent from such individual and (b) is authorised to deliver such personal data to the Finance Party for collection, use, disclosure, transfer and retention of personal data for such purposes as set out in the Finance Party's personal data protection policy or as permitted by applicable laws or regulations.

(d) Each Transaction Obligor agrees and undertakes to notify the Facility Agent promptly upon becoming aware of the withdrawal by the relevant individual of his/her consent to the collection, use and/or disclosure by any Finance Party of any personal data provided by that Obligor to any Finance Party.

44.3 DAC6

Nothing in any Finance Document shall prevent disclosure of any Confidential Information or other matter to the extent that preventing that disclosure would otherwise cause any transaction contemplated by the Finance Documents or any transaction carried out in connection with any transaction contemplated by the Finance Documents to become an arrangement described in Part II A 1 of Annex IV of Directive 2011/16/EU.

44.4 ~~44.3~~Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Transaction Obligors the following information:

(i) names of Transaction Obligors;

(ii) country of domicile of Transaction Obligors;

(iii) place of incorporation of Transaction Obligors;

(iv) date of this Agreement;

(v) Clause 47 (*Governing Law*);

(vi) the names of the Facility Agent and the Mandated Lead Arrangers;

(vii) date of each amendment and restatement of this Agreement;

(viii) amount of Total Commitments;

(ix) currency of the Facility;

(x) type of Facility;

(xi) ranking of Facility;

(xii) Termination Date for Facility;

(xiii) changes to any of the information previously supplied pursuant to sub-paragraphs (i) to (xii) above; and

(xiv) such other information agreed between such Finance Party and the Borrowers, to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Transaction Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) Each Obligor represents, on behalf of itself and the other Transaction Obligors, that none of the information set out in sub-paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Facility Agent shall notify the Borrowers and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Facility Agent in respect of this Agreement, the Facility and/or one or more Transaction Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Transaction Obligors by such numbering service provider.

44.5 ~~44.4~~Entire agreement

This Clause 44 (*Confidential Information*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

44.6 ~~44.5~~Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

44.7 ~~44.6~~Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrowers:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to sub- paragraph (F) of paragraph (ii) of Clause 44.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 44 (*Confidential Information*).

44.8 ~~44.7~~Continuing obligations

The obligations in this Clause 44 (*Confidential Information*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

44.9 ~~44.8~~General data protection regulation

Any consent given in this Clause 44 (*Confidential Information*) is given for the purposes of giving relief from banking secrecy and confidentiality requirements. It is not intended as and is no declaration of consent in accordance with the Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

45 CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

45.1 Confidentiality and disclosure

(a) The Facility Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.

(b) The Facility Agent may disclose:

(i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Borrowers pursuant to Clause 8.4 (*Notification of rates of interest*); and

(ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Facility Agent and the relevant Lender or Reference Bank, as the case may be.

(c) The Facility Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives, if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this sub-paragraph (i) is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.

(d) The Facility Agent's obligations in this Clause 45 (*Confidentiality of Funding Rates and Reference Bank Quotations*) relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 8.4 (*Notification of rates of interest*) **provided that** (other than pursuant to sub-paragraph (i) of paragraph (b) above) the Facility Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

45.2 Related obligations

(a) The Facility Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) is or may be price sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent and each Obligor undertake not to use any Funding Rate or, in the case of the Facility Agent, any Reference Bank Quotation for any unlawful purpose.

(b) The Facility Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:

(i) of the circumstances of any disclosure made pursuant to sub-paragraph (ii) of paragraph (c) of Clause 45.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 45 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

45.3 No Event of Default

No Event of Default will occur under Clause 27.4 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 45 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

46 COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12

GOVERNING LAW AND ENFORCEMENT

47 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

48 ENFORCEMENT

48.1 Jurisdiction

(a) Unless specifically provided in another Finance Document in relation to that Finance Document, the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with any Finance Document (including a dispute regarding the existence, validity or termination of any Finance Document or any non-contractual obligation arising out of or in connection with any Finance Document) (a "**Dispute**").

(b) The Obligors accept that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Obligor will argue to the contrary.

(c) This Clause 48.1 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

48.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints Grindrod Shipping Services UK Ltd as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrowers (on behalf of all the Obligors) must immediately (and in any event within three days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another agent for this purpose.

This Agreement has been entered into and amended and restated on the ~~date~~ dates stated at the beginning of this Agreement.

SCHEDULE 1

THE PARTIES

PART A

THE OBLIGORS

Name of Borrower	Place of Incorporation	Registration number (or equivalent, if any)	Address for Communication
IVS Bulk Pte. Ltd.	Singapore	201114306Z	200 Cantonment Road #03-01 Southpoint 089763 Singapore Fax: +65 6323 0046 Attn: Chief Financial Officer
Grindrod Shipping Holdings Ltd.	Singapore	201731497H	

Name of Owner Guarantor	Place of Incorporation	Registration number (or equivalent, if any)	Address for Communication
IVS Bulk 709 Pte. Ltd.	Singapore	201328075E	200 Cantonment Road #03-01 Southpoint
IVS Bulk 5858 Pte. Ltd.	Singapore	201328882C	089763 Singapore
IVS Bulk 543 Pte. Ltd.	Singapore	201322656Z	Fax: +65 6323 0046
IVS Bulk 5855 Pte. Ltd.	Singapore	201325921Z	Attn: Chief Financial Officer
IVS Bulk 541 Pte. Ltd.	Singapore	201322639G	
IVS Bulk 545 Pte. Ltd.	Singapore	201322704H	
IVS Bulk 712 Pte. Ltd.	Singapore	201333600E	
IVS Bulk 1345 Pte. Ltd.	Singapore	201333777E	
IVS Bulk 554 Pte. Ltd.	Singapore	201327439Z	
IVS Bulk 7297 Pte. Ltd.	Singapore	201333601R	
IVS Bulk 3693 Pte. Ltd.	Singapore	201405131D	

PART B

THE ORIGINAL LENDERS

Name of Original Lender	**Address for Communication**	**Initial Sub-Tranche Commitment (US$)**	**Upsize Sub-Tranche Commitment (US$)**	**Commitment (US$)**
Credit Agricole Corporate and Investment Bank, Singapore Branch	Credit Agricole Corporate and Investment Bank 168 Robinson Road #23-00 Capital Tower Singapore 068912 Attn: Sabrina NG / CHANG Chin Ni Tel: (65) 6439 9861 / 6439 9435 Fax: (65) 6439 9875 E-mail: sabrina.ng@ca- cib.com / chinni.chang@ca- cib.com With a copy to: Credit Agricole Corporate and Investment Bank London Ship Finance Broadwalk House 5 Appold Street London EC2A 2DA Fax: +44 (0) 20 7214 6689 Attn: Ship Finance Department	38,869,351.46	11,515,625	50,384,976.46
Hamburg Commercial Bank AG	Hamburg Commercial Bank AG Gerhart-Hauptmann- Platz 50 20095 Hamburg Germany	75,255,648.54	11,515,625	86,771,273.54

For general matters:

Hamburg Commercial Bank AG
BU Shipping
Gerhart-Hauptmann-
Platz 50
20095 Hamburg
Germany

Fax No: +49 40 3333 6 13444 / +49 40 3333 6 15150

Attn: Mr Andreas Rasch /
Mr Matthias Evers

For credit administrative matters:

Hamburg Commercial Bank AG
BU Business Operations Loan & Collateral Operations
Gerhart-Hauptmann-
Platz 50
20095 Hamburg
Germany

Fax No: +49 40 3333 34167

PART C

THE SERVICING PARTIES

Name of Facility Agent	**Address for Communication**
Credit Agricole Corporate and Investment Bank	Credit Agricole Corporate and Investment Bank 9, quai du President Paul Doumer 92920 Paris, La Defense Cedex France Fax No: + 33 1 41 89 2987 Attn: Ship Finance Department With a copy to: Credit Agricole Corporate and Investment Bank London Ship Finance Broadwalk House 5 Appold Street London EC2A 2DA Fax: +44 (0) 20 7214 6689 Attn: Ship Finance Department

Name of Security Agent	**Address for Communication**
Credit Agricole Corporate and Investment Bank	Credit Agricole Corporate and Investment Bank 9, quai du President Paul Doumer 92920 Paris, La Defense Cedex France Fax No: + 33 1 41 89 2987 Attn: Ship Finance Department With a copy to: Credit Agricole Corporate and Investment Bank London Ship Finance Broadwalk House 5 Appold Street London EC2A 2DA Fax: +44 (0) 20 7214 6689 Attn: Ship Finance Department

SCHEDULE 2

CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

PART A

CONDITIONS PRECEDENT TO INITIAL UTILISATION REQUEST

1 Obligors

1.1 A copy of the constitutional documents of each Obligor.

1.2 A copy of a resolution of the board of directors of each Obligor and the shareholder(s) of each Owner Guarantor:

(a) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(b) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;

(c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, a Utilisation Request and each Selection Notice) to be signed and/or despatched by it under, or in connection with, the Finance Documents to which it is a party; and

(d) (if necessary in relation to an Owner Guarantor) evidencing that any provision of the constitutional documents of that Owner Guarantor which could restrict or inhibit any transfer of the shares in that Owner Guarantor upon enforcement of the Transaction Security have been amended.

1.3 An original of the power of attorney of each Obligor (including, for the avoidance of doubt, each Owner Guarantor) authorising a specified person or persons to execute the Finance Documents to which it is a party.

1.4 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.

1.5 A certificate of each Obligor (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on that Obligor to be exceeded.

1.6 A certificate of each Obligor that is incorporated outside the UK (signed by a director) certifying either that (i) it has not delivered particulars of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or (ii) it has a UK Establishment and specifying the name and registered number under which it is registered with the Registrar of Companies.

1.7 A certificate of an authorised signatory of the relevant Obligor certifying that each copy document relating to it specified in this Part A of Schedule 2 (*Conditions Precedent and Conditions Subsequent*) is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2 Finance Documents

2.1 A duly executed original of each Subordination Deed and copies of each Subordination Finance Document.

2.2 A duly executed original of any Finance Document not otherwise referred to in this Schedule 2 (*Conditions Precedent and Conditions Subsequent*).

2.3 A duly executed original of any other document required to be delivered by each Finance Document if not otherwise referred to this Schedule 2 (*Conditions Precedent and Conditions Subsequent*).

3 Legal opinions

3.1 A legal opinion of Watson Farley & Williams, legal advisers to the Mandated Lead Arrangers, the Facility Agent and the Security Agent in England, substantially in the form distributed to the Original Lenders before signing this Agreement.

3.2 If an Obligor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Mandated Lead Arrangers, the Facility Agent and the Security Agent in the relevant jurisdiction, substantially in the form distributed to the Original Lenders before signing this Agreement.

4 Other documents and evidence

4.1 Copies of the Pool Agreements and of all documents signed by the relevant Owner Guarantors in connection with such agreements.

4.2 Evidence that any process agent referred to in Clause 48.2 (*Service of process*), if not an Obligor, has accepted its appointment.

4.3 A copy of any other Authorisation or other document, opinion or assurance which the Facility Agent reasonably considers to be necessary or desirable (and provided if it has notified the Borrowers accordingly but not later than three Business Days prior to the end of the Availability Period) in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Document.

4.4 The Original Financial Statements of each Borrower.

4.5 The original of any mandates or other documents required in connection with the opening or operation of the Accounts.

4.6 Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date.

4.7 Such evidence as the Facility Agent may require for the Finance Parties to be able to satisfy each of their "know your customer" or similar identification procedures in relation to the transactions contemplated by the Finance Documents.

PART B

CONDITIONS PRECEDENT TO UTILISATION

1 Borrower

A certificate of an authorised signatory of each Borrower and each Owner Guarantor certifying that each copy document which it is required to provide under this Part B of Schedule 2 (*Conditions Precedent and Conditions Subsequent*) is correct, complete and in full force and effect as at the Utilisation Date of the Advance.

2 Release of Existing Security

An original of each Deed of Release and of each document to be delivered under or pursuant to either of them, together with evidence satisfactory to the Facility Agent of its due execution by the parties to it.

3 Ship and other security

3.1 A duly executed but undated original of each Mortgage and the Deed of Covenant and General Assignment in respect of each Ship and of each document to be delivered under or pursuant to each of them.

3.2 A duly executed but undated original of the Account Security in relation to each Account in respect of Borrower A and of the Shares Security in respect of each Owner Guarantor (and of each document to be delivered under each of them).

3.3 A duly executed but undated original of each Subordinated Debt Security (and of each document to be delivered under each of them).

3.4 Documentary evidence that each Ship:

(a) is definitively and permanently registered in the name of the relevant Owner Guarantor under the Approved Flag;

(b) is in the absolute and unencumbered ownership of the relevant Owner Guarantor save as contemplated by the Finance Documents;

(c) maintains the Approved Classification with the Approved Classification Society free of all overdue recommendations and conditions of the Approved Classification Society; and

(d) is insured in accordance with the provisions of this Agreement and all requirements in this Agreement in respect of insurances have been complied with.

3.5 Documents establishing that each Ship will, as from the Utilisation Date, be managed commercially by its Approved Commercial Manager and managed technically by its Approved Technical Manager on terms acceptable to the Facility Agent acting with the authorisation of all of the Lenders, together with:

(a) a Manager's Undertaking for each of the Approved Technical Manager and the Approved Commercial Manager; and

(b) copies of the relevant Approved Technical Manager's Document of Compliance and of each Ship's Safety Management Certificate (together with any other details of the applicable Safety Management System which the Facility Agent requires) and of any other documents required under the ISM Code and the ISPS Code in relation to each Ship including without limitation an ISSC.

3.6 An opinion from an independent insurance consultant acceptable to the Facility Agent on such matters relating to the Insurances as the Facility Agent may require.

3.7 A valuation of each Ship, addressed to the Facility Agent on behalf of the Finance Parties, stated to be for the purposes of this Agreement and dated not earlier than 30 days before the Utilisation Date for the Advance from an Approved Valuer.

3.8 In the case of Ship B and Ship K only, a green passport notification (based on the inventory of hazardous materials) for each Ship from the Approved Classification Society.

4 Other documents and evidence

4.1 Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid or will be paid by the Utilisation Date.

4.2 Evidence that the equivalent of three months Debt Service is held in the Debt Service Reserve Account or will be so held upon the making of the Advance.

4.3 A letter of authorisation, addressed to Allen & Gledhill LLP, legal advisers to the Facility Agent in Singapore, from each Transaction Obligor incorporated in Singapore authorising Allen & Gledhill LLP to file the statement containing the particulars of the Transaction Security created by that Transaction Obligor under the relevant Security Documents to which it is a party with the Accounting and Corporate Regulatory Authority of Singapore.

PART C

CONDITIONS SUBSEQUENT TO UTILISATION

1 Legal opinions

Executed legal opinions of the legal advisers to the Mandated Lead Arrangers, the Facility Agent and the Security Agent in England, France, Singapore, the jurisdiction of the Approved Flag of each Ship and such other relevant jurisdictions as the Facility Agent may require

2 Vessel and other security

(a) A duly executed original of each Mortgage and the Deed of Covenant and General Assignment in respect of each Ship and of each document to be delivered under or pursuant to each of them, to be provided on the Utilisation Date (as a same day condition subsequent) together with documentary evidence that the Mortgages in respect of each Ship has been duly registered on the Utilisation Date as a valid first priority ship mortgage in accordance with the laws of the jurisdiction of its Approved Flag.

(b) A duly executed original of the Account Security in relation to each Account in respect of Borrower A and of the Shares Security in respect of each Owner Guarantor (and of each document to be delivered under each of them) to be provided on the Utilisation Date (as a same day condition subsequent).

(c) A duly executed original of each Subordinated Debt Security (and of each document to be delivered under each of them) to be provided on the Utilisation Date (as a same day condition subsequent).

(d) Evidence that the Security Documents have been duly registered or recorded in such jurisdictions as the Facility Agent may require and that all notices of assignment required under or in connection with the relevant Security Documents have been served.

(e) A duly executed original of a Letter of Undertaking from the Approved Brokers in a form acceptable to the Facility Agent.

(f) A duly executed original of a Letter of Undertaking from any protection and indemnity club or war risks association through or with whom any obligatory insurances are placed or effected in a form acceptable to the Facility Agent.

3 Miscellaneous

~~(a) Evidence that ownership of all of the shares in Borrower A held by Regiment has been transferred to GSPL.~~

(a) ~~(b)~~Evidence that all legal fees have been paid within 30 days of the Utilisation Date.

SCHEDULE 3

REQUESTS

PART A

UTILISATION REQUEST

From: IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd.

To: Crédit Agricole Corporate and Investment Bank

[●]

Attn: Transaction and Loan Services

Dated: [●]

Dear Sirs

IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd. – Facility Agreement dated ~~[●] 2020~~ 10 February 2020 (as amended and restated by and amending and restating agreement dated [●] 2021, (the "Agreement")

1 We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2 We wish to borrow the Advance on the following terms:

[[Initial Sub-Tranche A / Initial Sub-Tranche B / Initial Sub-Tranche C / Initial Sub-Tranche D / Initial Sub-Tranche E / Initial Sub-Tranche F / Initial Sub-Tranche G / Initial Sub-Tranche H / Initial Sub-Tranche I / ~~Tranche J /~~ Initial Sub-Tranche J / Initial Sub-Tranche K / Upsize Sub- Tranche A / Upsize Sub-Tranche B / Upsize Sub-Tranche C / Upsize Sub-Tranche D / Upsize Sub-Tranche E / Upsize Sub-Tranche F / Upsize Sub-Tranche G / Upsize Sub-Tranche H / Upsize Sub-Tranche I / Upsize Sub-Tranche J / Upsize Sub-Tranche K]

Proposed Utilisation Date: [●] ~~2020~~ 202[0][1] (or, if that is not a Business Day, the next Business Day)

Amount:

~~Tranche A:~~	~~$~~[●]
~~Tranche B:~~	~~$~~[●]
~~Tranche C:~~	~~$~~[●]
~~Tranche D:~~	~~$~~[●]
~~Tranche E:~~	~~$~~[●]
~~Tranche F:~~	~~$~~[●]
~~Tranche G:~~	~~$~~[●]
~~Tranche H:~~	~~$~~[●]
~~Tranche I:~~	~~$~~[●]
~~Tranche J:~~	~~$~~[●]
~~Tranche K:~~	~~$~~[●]
~~Total:~~	~~$~~[●]

[Initial][Upsize] Tranche A: $[●]
[Initial][Upsize] Tranche B: $[●]
[Initial][Upsize] Tranche C: $[●]
[Initial][Upsize] Tranche D: $[●]
[Initial][Upsize] Tranche E: $[●]
[Initial][Upsize] Tranche F: $[●]
[Initial][Upsize] Tranche G: $[●]
[Initial][Upsize] Tranche H: $[●]
[Initial][Upsize] Tranche I: $[●]
[Initial][Upsize] Tranche J: $[●]
[Initial][Upsize] Tranche K: $[●]
Total: $[●]

or, in each case, if less, the Available Facility in respect of that Tranche.

Interest Period for the first Advance: [●] Months

3 We confirm that each condition specified in Clause 4.1 (*Initial conditions precedent*) and Clause 4.2 (*Further conditions precedent*) of the Agreement as they relate to the Advance to which this Utilisation Request refers is satisfied on the date of this Utilisation Request.

4 The proceeds of this Advance should be credited to [account].

5 This Utilisation Request is irrevocable.

Yours faithfully

[●]
authorised signatory for
IVS BULK PTE. LTD.

[●]
authorised signatory for
GRINDROD SHIPPING HOLDINGS LTD.

PART B

SELECTION NOTICE

From: IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd.

To: Crédit Agricole Corporate and Investment Bank

Dated: [●]

Dear Sirs

IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd.- Facility Agreement dated ~~[ ] 2020~~ 10 February 2020 (as amended and restated by and amending and restating agreement dated [●] 2021, (the "Agreement")

1 We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2 We request that the next Interest Period for the Loan be [●].

3 This Selection Notice is irrevocable.

Yours faithfully

[●]
authorised signatory for
IVS BULK PTE. LTD.

[●]
authorised signatory for
GRINDROD SHIPPING HOLDINGS LTD.

SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

To: Crédit Agricole Corporate and Investment Bank as Facility Agent

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Dated: [●]

Dear Sirs

IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd. – Facility Agreement dated ~~[●] 2020~~ 10 February 2020 (as amended and restated by and amending and restating agreement dated [●] 2021, (the "Agreement")

1 We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2 We refer to Clause 28.5 (*Procedure for transfer*) of the Agreement:

(a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all of the Existing Lender's rights and obligations under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment and participation in the Loan under the Agreement as specified in the Schedule in accordance with Clause 28.5 (*Procedure for transfer*) of the Agreement.

(b) The proposed Transfer Date is [●].

(c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 37.2 (*Addresses*) of the Agreement are set out in the Schedule.

3 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 28.4 (*Limitation of responsibility of Existing Lenders*) of the Agreement.

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

5 This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

6 This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[*insert relevant details*]

[Facility Office address, fax number and attention details

for notices and account details for payments.]

[Existing Lender]

By: [●]

[New Lender]

By: [●]

This Transfer Certificate is accepted by the Facility Agent and the Transfer Date is confirmed as [●].

[Facility Agent]

By: [●]

SCHEDULE 5

FORM OF ASSIGNMENT AGREEMENT

To: Crédit Agricole Corporate and Investment Bank as Facility Agent and IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd. as joint and several Borrowers, for and on behalf of each Transaction Obligor

From: [the Existing Lender] (the "**Existing Lender**") and [the New Lender] (the "**New Lender**")

Dated: [●]

Dear Sirs

IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd.- Facility Agreement dated ~~[●] 2020~~ 10 February 2020 (as amended and restated by and amending and restating agreement dated [●] 2021, (the "Agreement")

1 We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.

2 We refer to Clause 28.6 (*Procedure for assignment*):

(a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitment and participations in the Loan under the Agreement as specified in the Schedule.

(b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in the Loan under the Agreement specified in the Schedule.

(c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

(d) All rights and interests (present, future or contingent) which the Existing Lender has under or by virtue of the Finance Documents are assigned to the New Lender absolutely, free of any defects in the Existing Lender's title and of any rights or equities which any Borrower or any other Transaction Obligor had against the Existing Lender.

3 The proposed Transfer Date is [●].

4 On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.

5 The Facility Office and address, fax, number and attention details for notices of the New Lender for the purposes of Clause 37.2 (*Addresses*) are set out in the Schedule.

6 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 28.4 (*Limitation of responsibility of Existing Lenders*).

7 This Assignment Agreement acts as notice to the Facility Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 28.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrowers*), to the Borrowers (on behalf of each Transaction Obligor) of the assignment referred to in this Assignment Agreement.

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

9 This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

10 This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

Note: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment rights and obligations to be transferred by assignment, release and accession

[*insert relevant details*]

[Facility office address, fax number and attention details

for notices and account details for payments]

[Existing Lender]

By: [●]

[New Lender]

By: [●]

This Assignment Agreement is accepted by the Facility Agent and the Transfer Date is confirmed as [—].

Signature of this Assignment Agreement by the Facility Agent constitutes confirmation by the Facility Agent of receipt of notice of the assignment referred to herein, which notice the Facility Agent receives on behalf of each Finance Party.

[Facility Agent]

By:

SCHEDULE 6

FORMS OF COMPLIANCE CERTIFICATE

PART A

FORM OF BORROWER ~~A~~ B COMPLIANCE CERTIFICATE

To: Crédit Agricole Corporate and Investment Bank as Facility Agent

From: ~~IVS Bulk Pte.~~ Grindrod Shipping Holdings Ltd.

Dated: [●]

Dear Sirs

IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd.– Facility Agreement dated ~~[—] 2020~~ 10 February 2020 (as amended and restated by and amending and restating agreement dated [●] 2021, (the "Agreement")

1 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 We confirm that:

(a) Cash and Cash Equivalents are not less than $9,000,000 unencumbered cash including the ~~minimum cash balance in the Debt Service Reserve Account, evidenced as follows:~~

~~[—];~~

(b) Adjusted Minimum Net Worth is greater than $100,000,000 evidenced as follows:

~~[—]; and~~

(c) the ratio of Borrower A Debt to Market Value Tangible Fixed Assets in relation to the Borrower ~~A Group is less than 70 per cent., evidenced as follows:~~

~~[—].~~

~~*[Note: Borrower A will need to spell out the ratios in (a), (b) and (c) and provide additional computations to support those notified ratios.]*~~

3~~We confirm that no Default is continuing.~~

~~Signed:~~

~~[Chief Financial Officer] [Director]~~
~~of~~
~~IVS Bulk Pte. Ltd.~~

~~Director~~
~~of~~
~~IVS Bulk Pte. Ltd.~~

~~**PART B**~~

~~**FORM OF BORROWER B COMPLIANCE CERTIFICATE**~~

~~To: Crédit Agricole Corporate and Investment Bank as Facility Agent~~

~~From: Grindrod Shipping Holdings Ltd.~~

~~Dear Sirs Dated: [ ]~~

~~**IVS Bulk Pte. Ltd. and Grindrod Shipping Holdings Ltd. - Facility Agreement dated [ ] 2020 (the "Agreement")**~~

~~4 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.~~

~~5We confirm that:~~

(a) The aggregate of ~~$240,000,000~~[$240,000,000][$200,000,000], 25 per cent. of Positive Retained Earnings (accruing from 30 June 2019) and 50 per cent. of each Capital Raise equals $[•].

(b) Book Value Net Worth is not less than the greater lower (i) the aggregate of ~~$240,000,000~~[$240,000,000][$200,000,000], 25 per cent. of Positive Retained Earnings and 50 per cent. of each Capital Raise and (ii) $275,000,000, evidenced as follows:

[•];

(c) Cash and Cash Equivalents are not less than $30,000,000 unencumbered cash including [the minimum cash balance in the Other Facility Debt Service Reserve Account] [the aggregate minimum cash balances on the Group Debt Service Reserve Accounts], evidenced as follows:

[•];

(d) the ratio of Debt to Market Adjusted Tangible Fixed Assets is not more than 75 per cent, evidenced as follows:

[•]; and

(e) Working Capital is positive, evidenced as follows: [•].

[Note: Borrower B will need to spell out the ratios in (a), (b), (c), (d) and (e) and provide additional computations to support those notified ratios.]

3 ~~6~~We confirm that no Default is continuing.

Signed:

[Chief Financial Officer] [Director]
of
Grindrod Shipping Holdings Ltd.

Director
of
Grindrod Shipping Holdings Ltd.

SCHEDULE 7

DETAILS OF THE SHIPS

Ship	Ship name	Name of the Owner Guarantor	Type	DWT	GRT	NRT	Year built	Approved Flag	Approved Classification Society	Approved Classification	Approved Commercial Manager	Approved Technical Manager
A	IVS HIRONO	IVS Bulk 709 Pte. Ltd.	Steel Bulk Carrier	68,280	34,806	19,834	2015	Singapore	Nippon Kaiji Kyokai ("NKK")	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. ("Grindrod Ship Management")
B	IVS WENTWORTH	IVs Bulk 5858 Pte. Ltd.	Steel Bulk Carrier	58,091	32,725	19,100	2015	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
C	IVS PHINDA	IVS Bulk 543 Pte. Ltd.	Steel General Cargo	37,720	23,224	12,282	2014	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
D	IVS SPARROWHAWK	IVS Bulk 5855 Pte. Ltd.	Steel Bulk Carrier	33,421	21,194	11,419	2014	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
E	IVS KESTREL	IVS Bulk 541 Pte. Ltd.	Steel Bulk Carrier	32,600	20,981	11,228	2013	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
F	IVS THANDA	IVS Bulk 545 Pte. Ltd.	Steel General Cargo	37,400	23,224	12,282	2014	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management

Ship	Ship name	Name of the Owner Guarantor	Type	DWT	GRT	NRT	Year built	Approved Flag	Approved Classification Society	Approved Classification	Approved Commercial Manager	Approved Technical Manager
G	IVS BOSCH HOEK	IVS Bulk 712 Pte. Ltd.	Steel Bulk Carrier	60,629	34,806	19,834	2015	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
H	IVS SWINLEY FOREST	IVS Bulk 1345 Pte. Ltd.	Steel Bulk Carrier	60,000	34,157	20,042	2015	Singapore	American Bureau of Shipping ("ABS")	ABS	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
I	IVS TEMBE	IVS Bulk 554 Pte. Ltd.	Steel Bulk Carrier	37,735	23,224	12,282	2014	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
J	IVS SUNBIRD	IVS Bulk 7297 Pte. Ltd.	Steel Bulk Carrier	33,339	21,181	10,765	2015	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management
K	IVS GLENEAGLES	IVS Bulk 3693 Pte. Ltd.	Steel Bulk Carrier	58,017	32,726	19,100	2015	Singapore	NKK	NKK	Grindrod Shipping Pte. Ltd.	Grindrod Ship Management

SCHEDULE 8

TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*)) or a Selection Notice (Clause 9.1 (*Selection of Interest Periods*))	~~Five~~ Three Business Days before the intended Utilisation Date (Clause 5.1 (*Delivery of a Utilisation Request*)) or the expiry of the preceding Interest Period (Clause 9.1 (*Selection of Interest Periods*))
Facility Agent notifies the Lenders of the Advance in accordance with Clause 5.4 (*Lenders' participation*)	~~Three~~ Two Business Days before the intended Utilisation Date.
LIBOR is fixed	Quotation Day as of 11:00 am London time
Reference Bank Rate calculated by reference to available quotations in accordance with Clause 10.2 (*Calculation of Reference Bank Rate*)	Noon on the Quotation Day

~~**BORROWER**~~
BORROWERS

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
GRINDROD SHIPPING HOLDINGS LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

OWNER GUARANTORS

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 709 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 5858 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 543 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 5855 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 541 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 545 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 712 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, **SEALED** and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 1345 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 554 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 7297 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

SIGNED, SEALED and **DELIVERED** as a **DEED** by)
Stephen William Griffiths)
as attorney in fact for and on behalf of)
IVS BULK 3693 PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name: Yvette Kingsley-Wilkins)
Witness' address: 200 Cantonment Road)
#03-01 Southpoint
Singapore 089763

ORIGINAL LENDERS

SIGNED by Dilhan Sebastian)
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK,)
SINGAPORE BRANCH)
in the presence of:)

Witness' signature:)
Witness' name: James Wickham)
Witness' address: 15 Appold Street)
London EC2A 2HB

SIGNED by Nigel Willis)
duly authorised)
for and on behalf of)
HAMBURG COMMERCIAL BANK)
in the presence of:)

Witness' signature:)
Witness' name: James Wickham)
Witness' address: 15 Appold Street)
London EC2A 2HB

MANDATED LEAD ARRANGERS

SIGNED by Dilhan Sebastian)
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:)
Witness' name: James Wickham)
Witness' address: 15 Appold Street)
London EC2A 2HB

SIGNED by Nigel Willis)
duly authorised)
for and on behalf of)
HAMBURG COMMERCIAL BANK AG)
in the presence of:)

Witness' signature:)
Witness' name: James Wickham)
Witness' address: 15 Appold Street)
London EC2A 2HB

ACCOUNT BANK

SIGNED by Dilhan Sebastian)
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:)
Witness' name: James Wickham)
Witness' address: 15 Appold Street)
London EC2A 2HB

FACILITY AGENT

SIGNED by Dilhan Sebastian)
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE AND)
INVESTMENT BANK)
in the presence of:)

Witness' signature:)
Witness' name: James Wickham)
Witness' address: 15 Appold Street)
London EC2A 2HB

SECURITY AGENT

SIGNED by Dilhan Sebastian)
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE AND)
INVESTMENT BANK)
in the presence of:)

Witness' signature:)
Witness' name: James Wickham)
Witness' address: 15 Appold Street)
London EC2A 2HB

Exhibit 4.26(a)

Execution Version

May 21, 2021

Grindrod Shipping Pte. Ltd.
200 Cantonment Road #03-01 Southpoint
Singapore 089763

Re: Payoff Letter

Ladies and Gentlemen:

Reference is made to that certain Financing Agreement, dated as of February 13, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified to date, the "Credit Agreement"), among Grindrod Shipping Pte. Ltd. (Company Registration No. 200407212K), a company incorporated in Singapore (the "Borrower"), having its registered address at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763, Sankaty European Investments III S.Á.R.L., as administrative agent and collateral agent (in such capacities, the "Agent"), and the Lenders party thereto from time to time, and (ii) the other Loan Documents (as defined in the Credit Agreement) (together with the Credit Agreement, collectively, the "Credit Documents"). The Agent hereby acknowledges the receipt of a Prepayment Notice dated May 12, 2021 delivered in accordance with the terms of the Credit Agreement pursuant to Section 2.05(b)(iii) of the Credit Agreement. The Agent understands that at the Payoff Effective Time (as hereinafter defined), the Borrower intends to repay in full all of the Obligations of the Borrower to the Agent and the Lenders under or in respect of the Credit Documents (other than Surviving Obligations (as hereinafter defined)). All undefined capitalized terms used herein shall have the respective meanings set forth in the Credit Agreement.

Upon written confirmation by the Agent or its counsel (which may be by email) of the Agent's receipt (or, in the case of clause (ii), receipt by the Agent's outside counsel) on or around May 19, 2021 (the "Payoff Date") of (i) a federal funds wire transfer to the account specified below in the amount set forth on Schedule I hereto (the "Payoff Amount"), which amount represents all Obligations outstanding under or in respect of the Credit Documents, (ii) a federal funds wire transfer to the applicable account specified below in the amount of (x) $10,000.00 to Kirkland & Ellis LLP (the "K&E Legal Fees") and (y) $2,193.50 to Allen & Gledhill LLP (the "A&G Legal Fees"), which amounts represent the estimated legal fees and expenses of the Agent's outside counsel as of the date hereof and (iii) a fully executed counterpart of this letter agreement (this "Agreement") signed by the Borrower (the time at which all of the conditions in the foregoing clauses (i), (ii) and (iii) shall first be satisfied is herein referred to as the "Payoff Effective Time"), the Payoff Effective Time shall automatically occur. If the Payoff Effective Time has not occurred on or prior to 2:00 pm (Luxembourg time) on May 24, 2021 (the "Expiration Time"), this Agreement shall be of no further force and effect.

As used herein, the term "Surviving Obligations" means (i) those obligations under the Credit Documents (including contingent reimbursement obligations and indemnity obligations) which, by their express terms, survive termination of the Credit Agreement or such other Credit Documents, as the case may be and (ii) to the extent not paid prior to the Payoff Effective Time, the reasonable and documented out-of-pocket fees and expenses of outside counsel to the Agent in connection with the termination of the Credit Documents and release of all Liens thereunder.

Upon the Payoff Effective Time, the Agent (on behalf of itself and the Lenders) agrees and acknowledges that (A) all outstanding indebtedness (including, without limitation, principal, interest and fees) and other obligations of the Borrower under or relating to the Credit Documents (other than the Surviving Obligations) shall be satisfied and considered Paid in Full and irrevocably discharged, terminated and released and the Borrower shall be released and discharged from any guarantees, claims and demands relating to the Credit Documents (other than the Surviving Obligations), (B) all security interests and other Liens granted to or held by the Agent for the benefit of the Lenders in any Property (as hereinafter defined) as security for such indebtedness shall be forever and irrevocably satisfied, released and discharged, (C) the Credit Documents shall terminate and be of no further force or effect other than those provisions therein that specifically survive termination and (D) the Borrower (or its designees) shall be automatically authorized to (x) file the UCC termination statement attached hereto as Exhibit A, (y) file any releases contemplated by the "Deed of Discharge, Release or Reassignment" entered into in connection with the payoff on the date hereof (the "Deed of Release") and (z) subject to the Agent's review and approval, prepare and file other instruments, releases and documents evidencing the release of the Agent's security interests and other Liens in all of the assets and property of the Borrower that secure the Obligations under the Credit Documents (the "Property"). Further, upon and after the Payoff Effective Time, the Agent agrees to take all reasonable additional steps requested by the Borrower as may be necessary to release its security interests in the Property. The Borrower agrees to pay the Agent for all out-of-pocket costs and expenses incurred by the Agent in connection with the matters referred to in the previous sentence, and acknowledges that the Agent's execution of and/or delivery of any documents releasing any security interest or claim in any Property of the Borrower as set forth herein is made without recourse, representation, warranty or other assurance of any kind by the Agent as to the Agent's rights in any collateral security for amounts owing under the Credit Documents, the condition or value of any Collateral, or any other matter.

The Borrower hereby agrees not to request additional Loans under the Credit Agreement on or after the date hereof through the Expiration Time. Furthermore, the Borrower hereby confirms that the commitments of the Lenders and the Agent to make Loans under the Credit Documents are terminated as of the Payoff Effective Time, and, as of the Payoff Effective Time, none of the Lenders or the Agent shall have any further obligation under the Credit Documents to make Loans to the Borrower. Notwithstanding anything to the contrary contained herein or in any of such releases or other documents, the obligations and liabilities of the Borrower to the Lenders and the Agent under or in respect of the Credit Documents insofar as such obligations and liabilities, by their express terms, survive termination of the Credit Documents shall continue in full force and effect in accordance with their terms.

The Payoff Amount referred to above should be sent by federal funds wire transfer to:

Bank Name and Location: ING, Luxembourg
Account No. (USD): LU08 0141 1492 7300 3010
SWIFT BIC: CELLLULL
Account Name: Sankaty European Investments III S.à.r.l.

The K&E Legal Fees should be sent via federal funds wire transfer to:

Bank Name and Location: Citibank
227 W. Monroe St., Suite 200,
Chicago, IL 60606
Account No.: 800418399
Account Name: Kirkland & Ellis LLP
ABA No.: 271070801
Swift Code: CITIUS33
Reference: Invoice No. 1270003776, Matter No. 10301-255

The A&G Legal Fees should be sent via federal funds wire transfer to:

Bank Name and Location: Oversea-Chinese Banking Corporation Limited
OCBC Centre
65 Chulia Street
Singapore 049513
Account No.: 501-053334-002
Account Name: Allen & Gledhill LLP
Swift Code: OCBCSGSG
Reference: Invoice No. P331/21, Matter No. 1021004497

Notwithstanding any terms of this Agreement or the Credit Documents to the contrary, if the Agent determines after the Payoff Effective Time that an amount that was due and payable under the Credit Documents was mistakenly excluded from the Payoff Amount, the Borrower agrees to promptly pay such amount (but without any additional fees, penalties etc. in connection with, if applicable, the late payment of such amount) after the Agent provides evidence reasonably satisfactory to the Borrower that such amount is due and payable.

If at any time on or after the Payoff Effective Time, all or any portion of the Payoff Amount paid to the Agent or Lenders is voided or rescinded or must otherwise be returned by the Agent or any Lender upon the Borrower's insolvency, bankruptcy or reorganization or otherwise, all as though such payment had not been made, the obligation to pay such amount so voided, rescinded or returned shall be reinstated.

In addition, the Borrower agrees that, upon the Payoff Effective Time, the Borrower releases the Agent and the Lenders and their respective affiliates and subsidiaries and their respective officers, directors, employees, shareholders, agents, attorneys and representatives as well as their respective successors and assigns (the "Releasees") from any and all claims, obligations, rights, causes of action, and liabilities, of whatever kind or nature, whether known or unknown, whether foreseen or unforeseen, arising on or before the date hereof, , with respect to the obligations to be performed by the Agent which are based upon, arise under or are related to the Credit Documents (other than obligations of the Agent expressly set forth in this Agreement) (collectively, the "Released Matters") *provided* that the foregoing release shall not apply to any claims, suits, and causes of action arising as a result of noncompliance or other breach of this Agreement and the Deed of Release, or from gross negligence or willful misconduct by the Releasee. The Borrower acknowledges that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters. The Borrower acknowledges that the release contained herein constitutes a material inducement to the Agent to enter into this Agreement and that the Agent would not have done so but for the Agent's and the Lenders' expectation that such release is valid and enforceable in all events.

This Agreement shall be governed by, and construed in accordance with, the law of the State of New York. No party may assign its rights, duties or obligations under this Agreement without the prior written consent of the other parties. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or electronic mail also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The undersigned parties have signed below to indicate their consent to be bound by the terms and conditions of this Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

If you need add itional information,please do not hesitate to contact us.

Very truly yours.

SANKATY EUROPEAN INVESTMENTS III
S.A..R.L.,as Agent

By: /s/ Sally Dornaus
Name: Sally Dornaus
Its: Class A Manager

By: /s/Myleen Tapawan Basilio
Name: Myleen Tapawan Basilio
Its: Class B Manager

ACCEPTED and AGREED:

GRINOROO SHIPPI NG PTE.LTD., as the Borrower

By: /s/ Stephen William Griffiths
Name: Stephen William Griffiths
Title: Director

Schedule I

Payoff Amount as of the Payoff Date

Loans Principal	$	25,833,333.34
Loans Interest	$	263,715.27
Prepayment Premium	$	1,033,333.33
Total Payoff Amount as of the Payoff Date:	$	27,130,381.94

Exhibit A

UCC Termination

[See attached]

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
2020020702 filed on 2/13/2020

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☑ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ PARTY INFORMATION CHANGE:

Check one of these two boxes:
This Change affects ☐ Debtor or ☐ Secured Party of record

AND Check one of these three boxes to:
☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c
☐ ADD name: Complete item 7a or 7b, and item 7c
☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

8. ☐ COLLATERAL CHANGE: Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral

Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
SANKATY EUROPEAN INVESTMENTS III S.Á.R.L.

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
File with DC Recorder of Deeds **Debtor: GRINDROD SHIPPING PTE. LTD.**

ALLEN & GLEDHILL

Execution Version

Dated _____

the person listed as the "Released Party" in Schedule 1

as the Released Party

and

SANKATY EUROPEAN INVESTMENTS III S.Á.R.L.

as the Collateral Agent

DEED OF DISCHARGE, RELEASE AND REASSIGNMENT

Allen & Gledhill LLP
One Marina Boulevard #28-00 Singapore 018989
Tel: +65 6890 7188 | Fax +65 6327 3800

allenandgledhill.com

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This Deed is made on _____ **between:**

(1) The person listed in Schedule 1 (*Released Security Document*), as the released party (the "**Released Party**"); and

(2) **SANKATY EUROPEAN INVESTMENTS III S.Á.R.L.** as the collateral agent (the "**Collateral Agent**").

Whereas:

(A) By the Financing Agreement, the Released Party entered into the Released Security Document.

(B) The Collateral Agent has agreed to release the Released Charged Assets from the Security created by the Released Security Document on the terms of this Deed.

It is agreed as follows:

1. Definitions and interpretation

1.1 Financing Agreement

In this Deed (including the recitals above), defined expressions in the Released Security Document shall have the same meaning when used in this Deed unless the context otherwise requires or unless otherwise defined in this Deed.

1.2 Definitions

In this Deed (including the recitals above):

"**Financing Agreement**" means the financing agreement dated 6 February 2020 and entered into between (1) the Released Party, as borrower, (2) SANKATY EUROPEAN INVESTMENTS III S.Á.R.L., as lender, (3) SANKATY EUROPEAN INVESTMENTS III S.Á.R.L., as administrative agent and (4) the Collateral Agent, as collateral agent.

"**Party**" means a party to this Deed.

"**Released Charged Assets**" means the assets from time to time subject, or expressed to be subject to, the Released Charges or any of those assets.

"**Released Charges**" means all or any of the Security created or expressed to be created by or pursuant to the Released Security Document.

"**Released Security Document**" means the security instrument listed in Schedule 1 entered into in connection with the Financing Agreement.

1.3 Third party rights

(a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Deed.

(b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

(c) Any person referred to in Clause 5 (*Authorisation*) may enforce and/or enjoy the benefit of any term of this Deed which expressly confers rights on it pursuant to the Third Parties Act.

1.4 Construction

Unless a contrary indication appears, any reference in this Deed to the "**Financing Agreement**", the "**Released Security Document**" or any other agreement or instrument is a reference to the Financing Agreement, the Released Security Document or other agreement or instrument as amended, novated, supplemented, extended or restated from time to time (in each case, however fundamental and whether or not more onerous), including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under the Financing Agreement, the Released Security Document or other document or security.

2. Release and revocation

Subject to Clause 3 (*Saving provisions*):

(a) In consideration of the Obligations having been irrevocably paid and satisfied in full, the Collateral Agent hereby:

(i) releases and discharges the Released Charged Assets from the Released Charges;

(ii) retransfers, reassigns and releases to the Released Party all the Released Charged Assets subject to the Released Charges created by the Released Party, freed and discharged from the Released Charges;

(iii) releases and discharges the Released Party from all liabilities, obligations and undertakings under or pursuant to, and from all claims whatsoever under or in respect of the Released Security Document;

(iv) confirms that this Deed also serves as written consent for the revocation and/or amendment of any instructions contained in any and all notices served in connection with the Released Security Document, and authorises the Released Party to give notice (at the Released Party's cost and expense) on behalf of the Collateral Agent of the retransfers, reassignments and/or releases under this Deed to any person on whom notice of any security interest created by the Released Security Document was served; and

(v) agrees that it will, as soon as practicable but in any event no later than 20 Business Days from the date of this Deed (subject to any extension agreed upon by the Released Party in writing), and at the Released Party's cost and expense, return all deliverables, share certificates, stock transfer forms and other documents of title held by it in relation to the Released Security Document and listed in Schedule 2 (*List of deliverables*) to the Released Party (or as they may otherwise direct).

(b) The Released Party, with the consent of the Collateral Agent, hereby revokes each power of attorney contained in the Released Security Document to which it is a party and every power and authority thereby conferred provided that nothing herein shall affect the validity of any act or thing by the Collateral Agent or any other person pursuant to such power of attorney, prior to the execution of this Deed.

3. Saving provisions

(a) No provision of this Deed shall terminate or impair any obligation of any party to a Released Security Document that by its terms expressly survives termination or release of that Released Security Document.

(b) If any payment by the Released Party or any discharge given by the Collateral Agent (whether in respect of the obligations of any person or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

(i) the liability of the Released Party and the Released Charges shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

(ii) the Collateral Agent shall be entitled to recover the value or amount of that Security or payment from the Released Party, as if the payment, discharge, avoidance or reduction had not occurred.

4. Cost and expenses

The Released Party shall, within five Business Days of a written demand by the Collateral Agent, pay to the Collateral Agent, the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by them in connection with the preparation and execution of this Deed and the release of the Released Charges.

5. Authorisation

(a) The Released Party, with the consent of the Collateral Agent, authorises Allen & Gledhill LLP ("**A&G**") or any person designated by A&G to:

(i) lodge with BizFile+, the statement(s) of satisfaction of registered charge relating to the Released Charges with such statement(s) specifying with such statement(s) specifying:

(A) the "Nature of Satisfaction" as "Total Discharge"; and

(B) the “Charge Status” as “Remove from Register”; and

(ii) following the completion of the lodgement of such statement(s) of satisfaction of registered charge, to remove the Released Party from A&G's client list on BizFile+.

(b) Nothing in this Clause 5 shall be construed as creating a client-solicitor relationship between the Released Party and A&G.

6. Counterparts

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

7. Governing law

This Deed shall be governed by Singapore law.

8. Enforcement

Clause 24 (*Enforcement*) of the Released Security Document applies to this Deed *mutatis mutandis* as if it were expressly incorporated herein, and as if references therein to "**this Deed**" are references to this Deed.

Schedule 1

Released Security Document

No.	Description of instrument	Charge No.	Released Party
1.	Security agreement dated 13 February 2020 and entered into between (1) GRINDROD SHIPPING PTE. LTD., as chargor and (2) SANKATY EUROPEAN INVESTMENTS III S.Á.R.L., as collateral agent.	C202001793	GRINDROD SHIPPING PTE. LTD. (UEN: 200407212K)

Schedule 2

List of deliverables

1. Security Agreement

(a) Signed but undated letter of resignation of Finbarr Timothy O'Connor;

(b) Signed but undated letter of resignation of Martyn Richard Wade;

(c) Signed but undated letter of resignation of Sandro Patti;

(d) Signed but undated letter of resignation of Stephen William Griffiths;

(e) Signed but undated letter of resignation of Yvette Renee Kingsley-Wilkins;

(f) Five (5) undated share transfer forms signed by the Released Party;

(g) Undated Proxy signed by Martyn Richard Wade;

(h) Share Certificate no. 1 for 50 Ordinary Shares in the Company dated 25 July 2011;

(i) Share Certificate no. 3 for 50 Ordinary Shares in the Company dated 28 September 2012;

(j) Share Certificate no. 4 for 29,166,500 Ordinary Shares in the Company dated 12 December 2013;

(k) Share Certificate no. 7 for 234,680 Ordinary Shares in the Company dated 28 February 2014;

(l) Share Certificate no. 12 for 129,578 Ordinary Shares in the Company dated 27 March 2014;

(m) Share Certificate no. 13 for 1,215,973 Ordinary Shares in the Company dated 5 May 2014;

(n) Share Certificate no. 16 for 5,037,594 Ordinary Shares in the Company dated 21 May 2014;

(o) Share Certificate no. 19 for 3,126,785 Ordinary Shares in the Company dated 10 March 2015;

(p) Share Certificate no. 22 for 5,211,297 Ordinary Shares in the Company dated 5 August 2015;

(q) Share Certificate no. 25 for 6,253,493 Ordinary Shares in the Company dated 4 September 2015;

(r) Share Certificate no. 28 for 7,705,000 Ordinary Shares in the Company dated 21 October 2015;

(s) Share Certificate no. 31 for 2,010,000 Ordinary Shares in the Company dated 22 January 2016;

(t) Share Certificate no. 37 for 2 "B" Ordinary Shares in the Company dated 13 Feb 2020;

(u) Share Certificate no. 40 for 9,155,550 Preference Shares in the Company dated 14 Feb 2020

(v) Share Certificate no. 41 for 59,642,500 "A" Ordinary Shares in the Company dated 14 Feb 2020; and

(w) Share Certificate no. 42 for 9,087,225 Preference Shares in the Company dated 14 Feb 2020.

IN WITNESS WHEREOF THIS DEED has been executed as a deed by the Parties and is intended to be and is hereby delivered as a deed by the Parties on the date specified above.

The **Released Party**

EXECUTED and **DELIVERED** as a **DEED**

for and on behalf of

GRINDROD SHIPPING PTE. LTD.

by:

/s/ Stephen William Griffiths

Director

Name: Stephen William Griffiths

in the presence of

/s/ Yvette Renee Kingsley-Wilkins

Director / Secretary / Witness*

Name: Yvette Renee Kingsley-Wilkins

* *delete accordingly*

SIGNATURE PAGES – DEED OF DISCHARGE

The Collateral Agent

SIGNED, SEALED and DELIVERED as a DEED
for and on behalf of

SANKATY EUROPEAN INVESTMENTS IIIS.A.R.L

/s/ Sally Dornaus

Designation:Class A Manager

Name: Salty Dornaus

in the presence of

/s/ David Dornaus

Witness

Name David Dornaus

SIGNED.SEALED and OEUVERED as a DEED
for and on behalf of

SANKATY EUROPEAN INVESTMENTS IIIS.A.R.L

/s/ Myleen Tapawan Basilio

Designation: Cllss B Manager

Name: Myleen Tapawan Basilio

in the presence of

/s/ Erwin Basilio
Witness

Name: Erwin Basilio

The Collateral Agent

SIGNED, SEALED and DELIVERED as a DEED
for and on behalf of

SANKATY EUROPEAN INVESTMENTS IIIS.A.R.L.

Designation: Class A Manager

Name: Sally Domaus

in the presence of

witness

Name:

SIGNED, SEALED and DELIVERED as a DEED
for and on behalf of

SANKATY EUROPEAN INVESTMENTS Ill S.A.R.L.

Designation: Class B Manager

Name: Myleen Tapawan Basilio

in the presence of

Witness

Name: Erwin

Exhibit 4.31

ENSafrica

1 Richefond Circle Ridgeside Office Park Umhlanga 4320
P O Box 3052 Durban South Africa 4000
docex 161 Durban
tel +2731 536 8600
court/service address: Suite 2302 23rd floor Durban Bay
House 333 Anton Lembede/Smith Street Durban 4001

info@ENSafrica.com ENSafrica.com

SHARE PURCHASE AGREEMENT

entered into between

SANKATY EUROPEAN INVESTMENTS III S.Á.R.L.

GRINDROD SHIPPING PTE. LTD.

and

IVS BULK PTE. LTD.

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1. **PARTIES**

1.1. Sankaty European Investments III S.Á.R.L., a private limited liability company incorporated in Luxembourg with its registered office at 4 Rue Lou Hemmer, L-1748, Findel, Luxembourg ("**Sankaty**");

1.2. Grindrod Shipping Pte. Ltd., a company incorporated in Singapore with its registered office at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 ("**GSPL**"); and

1.3. IVS Bulk Pte. Ltd., a company incorporated in Singapore with its registered office at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 ("**IVS Bulk**").

2. **INTERPRETATION AND PRELIMINARY**

The headings in this Agreement are for the purpose of convenience and reference only and shall neither be used in the interpretation of nor modify nor amplify the terms of this Agreement nor any of its clauses. Unless a contrary intention clearly appears:

2.1. the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

2.1.1. "**Agreement**" means this written share purchase agreement;

2.1.2. "**A Shares**" means the issued ordinary shares, designated as "A" class shares, in IVS Bulk;

2.1.3. "**B Shares**" means the issued ordinary shares, designated as "B" class shares, in IVS Bulk;

2.1.4. "**Business Day**" means any day (other than a Saturday or Sunday) on which banks are open for business in Luxembourg and Singapore;

2.1.5. "**CACIB Singapore**" means Crédit Agricole Corporate and Investment Bank, Singapore Branch, acting in such capacity through its office at 168 Robinson Road, #23-00 Capital Tower, Singapore;

2.1.6. "**Companies Act**" means the Companies Act, Cap. 50;

2.1.7. "**Encumbrance**" means any mortgage, lien, pledge, encumbrance, security interest, deed of trust, option, pre-emptive right, encroachment, reservation, order, decree, judgment, condition, restriction (including any restriction on voting, use, or transfer), charge, contract, claim, or equity of any kind;

2.1.8. "**First Closing**" means the completion of the transaction steps set out in clause 5.2;

2.1.9. "**First Closing Date**" means the 3rd (third) Business Day following the day on which GSPL issues the GSPL Confirmation;

2.1.10. "**First Closing Meeting**" has the meaning given to it in clause 5.1;

2.1.11. "**GSH**" means Grindrod Shipping Holdings Ltd. (the holding company of GSPL), a company incorporated in Singapore with its registered office at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763;

2.1.12. "**GSPL Account**" means the following bank account operated by GSPL:

Beneficiary Bank:	Credit Agricole Corporate and Investment Bank
Bank SWIFT Code:	BSUIFRPPXXX
Beneficiary Name:	GSPL (Island View Shipping)
Account No.:	00242970062
IBAN code:	FR7631489000100024297006247
Correspondent Bank:	JP Morgan Chase NY
SWIFT Code:	CHASUS33

2.1.13. "**GSPL Confirmation**" has the meaning given to it in clause 4.2;

2.1.14. "**Interest Rate**" means LIBOR plus 3% (three percent);

2.1.15. "**IVS Bulk Confirmation**" has the meaning given to it in clause 4.1.2;

2.1.16. "**IVS Bulk Delivery Documents**" means:

2.1.16.1. a certified copy of the written resolutions passed at a meeting of the directors of IVS Bulk, in terms of which they approved in accordance with the process set out in clause 6.3:

2.1.16.1.1. the registration of the transfer of the Sale Shares to GSPL, subject to them being duly stamped;

2.1.16.1.2. the issue of share certificates in the name of GSPL in respect of the Sale Shares and the affixation of the common seal of IVS Bulk (in accordance with the constitution of IVS Bulk) onto the share certificates; and

2.1.16.1.3. the updating of the electronic register of members of IVS Bulk maintained by the Accounting and Corporate Regulatory Authority of Singapore to reflect the transfer of the Sale Shares to GSPL; and

2.1.16.2. a form E4A and a working sheet for the transfer of shares duly prepared and signed by a director of IVS Bulk, in the form prescribed by the Inland Revenue Authority of Singapore, together with all requisite documents as may be required by the Inland Revenue Authority of Singapore for stamp duty purposes including IVS Bulk's latest audited accounts or management accounts, so as to allow for the sale and transfer of the Sale Shares as contemplated in this Agreement;

2.1.17. "**IVS Bulk Redemption and Dividend Documents**" means:

2.1.17.1. a written resolution of the directors of IVS Bulk, authorising the Pref Redemption, signed by all of the directors of IVS Bulk;

2.1.17.2. a director's solvency statement pursuant to section 7A of the Companies Act, signed by each of the directors of IVS Bulk;

2.1.17.3. a notice of redemption addressed to GSPL and Sankaty (as collectively the holders of all the Prefs), regarding the Pref Redemption and signed by any one director of IVS Bulk; and

2.1.17.4. a written resolution of the directors of IVS Bulk to declare and pay the Ordinary Dividend;

2.1.18. "**LIBOR**" means the 3 (three) month London Interbank Offered Rate for United States Dollars, as publically quoted from time-to-time by ICE Benchmark Limited (or any successor thereto);

2.1.19. "**Loan Facility**" means the term loan facility in place as at the Signature Date with CACIB Singapore, in terms of which IVS Bulk and GSH are joint borrowers;

2.1.20. "**Longstop Date**" means 30 September 2021, provided that GSPL may request a single extension to such date and Sankaty shall not unreasonably withhold its consent thereto, provided further that such consent shall be considered to be reasonably withheld if the requested extension is for a period of longer than 15 (fifteen) Business Days;

2.1.21. "**Losses**" means all losses, damages, liabilities, claims, interest, costs and expenses including fines, penalties, legal and other professional fees and expenses;

2.1.22. "**Ordinary Dividend**" has the meaning given to it in clause 4.1.2.2;

2.1.23. "**Parties**" means the parties to this Agreement, and "**Party**" means any one of them;

2.1.24. "**Pref Redemption**" means the contemplated redemption by IVS Bulk of all of the Prefs;

2.1.25. "**Prefs**" means the issued preference shares in IVS Bulk;

2.1.26. "**Reciprocal Warranties**" means the warranties provided by each of the Parties in terms of clause 2.1.26;

2.1.27. "**Sale Consideration**" means an amount equal to:

2.1.27.1. US$46 306 000 (forty six million three hundred and six thousand United States Dollars) ("**Base Sale Consideration**"); plus

2.1.27.2. interest on such Base Sale Consideration accruing at the Interest Rate from June 24, 2021 until the date upon which the Sale Consideration is paid by GSPL to Sankaty in accordance with the provisions of this Agreement (both dates inclusive); less

2.1.27.3. the aggregate amount received by Sankaty in terms of the Pref Redemption and the Ordinary Dividend;

2.1.28. "**Sale Shares**" means the 59 642 500 (fifty nine million six hundred and forty two thousand five hundred) A Shares of which Sankaty is, and shall be, the registered and beneficial holder as at the Signature Date and the Second Closing Date;

2.1.29. "**Sankaty Account**" means the following bank account operated by Sankaty:

Beneficiary Bank:	ING, Luxembourg
Bank SWIFT Code:	CELLLULL
Beneficiary Name:	Sankaty European Investments III S.à.r.l.
IBAN code:	LU08 0141 1492 7300 3010

2.1.30. "**Sankaty Delivery Documents**" means:

2.1.30.1. a share transfer form in respect of the Sale Shares duly completed by Sankaty and dated as at the Second Closing Date, with GSPL recorded as the transferee;

2.1.30.2. original share certificate/s issued in the name of Sankaty in respect of the Sale Shares;

2.1.30.3. written resignations of each of the directors of IVS Bulk and each subsidiary of IVS Bulk as were nominated for appointment as such by Sankaty, with effect from the Second Closing Date and including acknowledgements by each of such directors in each such written resignation that their resignations are unconditional and that they have no actual or contingent claims against IVS Bulk or subsidiary of IVS Bulk;

2.1.31. "**Second Closing**" means the completion of the transaction steps set out in clause 6.3;

2.1.32. "**Second Closing Date**" means the 3rd (third) Business Day following the First Closing Date;

2.1.33. "**Second Closing Meeting**" has the meaning given to it in clause 6.1;

2.1.34. "**Shareholders' Agreement**" means the shareholders' agreement in force as at the Signature Date in respect of IVS Bulk, between Sankaty, GSPL and IVS Bulk;

2.1.35. "**Signature Date**" means the date of signature of this Agreement by the Party last signing;

2.1.36. "**Vessel**" has the meaning given to it in the Shareholders' Agreement; and

2.1.37. "**Warranties**" means the warranties listed in Annexure A;

2.2. words importing:

2.2.1. any one gender include the other of masculine, feminine and neuter;

2.2.2. the singular include the plural and *vice versa*; and

2.2.3. natural persons include created entities (corporate or unincorporate) and the state and *vice versa*;

2.3. any reference to an enactment is to that enactment as at the Signature Date and as amended or re-enacted from time to time and includes any subordinate legislation made from time to time under such enactment. Any reference to a particular section in an enactment is to that section as at the Signature Date, and as amended or re-enacted from time to time and/or an equivalent measure in an enactment, provided that if as a result of such amendment or re-enactment, the specific requirements of a section referred to in this Agreement are changed, the relevant provision of this Agreement shall be read as if it had also been amended as necessary, without the necessity for a written amendment;

2.4. if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the agreement;

2.5. when any number of days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding Business Day;

2.6. if figures are referred to in numerals and in words in this Agreement and if there is any conflict between the two, the words shall prevail;

2.7. expressions defined in the main body of this Agreement shall bear the same meanings in schedules or annexures to this Agreement which do not themselves contain their own conflicting definitions;

2.8. any reference to a day, month or year in this Agreement shall be construed as a Gregorian calendar day, month or year;

2.9. the use of any expression in this Agreement covering a process available under English law, including winding-up, shall, if any of the Parties is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such other jurisdiction;

2.10. if:

2.10.1. any term is defined in any particular clause in the main body of this Agreement, the term so defined, unless it is clear from the clause in question that the defined term has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this interpretation clause;

2.10.2. any term is defined in any annexure to this Agreement, the term so defined, unless it expressly provides in that annexure that the defined term in question shall bear the meaning ascribed to it for all purposes in the annexure and in the main body of this Agreement, will have limited application to that annexure only;

2.10.3. any annexure to this Agreement contains any rules of interpretation which conflict with the rules of interpretation contained in the main body of this Agreement, the former shall prevail for purposes of the annexure;

2.11. the discharge or termination of this Agreement shall not affect those provisions of this Agreement which expressly provide that they will operate after such discharge or termination or which of necessity must continue to have effect after such discharge or termination, notwithstanding that the clauses themselves do not expressly provide for this;

2.12. the rule of construction that a contract shall be interpreted against the Party responsible for the drafting or preparation of the contract, shall not apply;

2.13. any reference in this Agreement to a Party shall include a reference to that Party's assigns expressly permitted under this Agreement and, if such Party is liquidated, or is sequestrated or business rescue proceedings have commenced in respect of such Party, be applicable also to and binding upon that Party's liquidator, trustee or business rescue practitioner, as the case may be;

2.14. the words following "other", "otherwise", "including", "in particular", or any other similar general term or expression shall not:

2.14.1. be construed as being of the same kind, class or nature with any preceding words; or

2.14.2. limit the generality of any preceding word/s, if a wider construction is possible;

2.15. any reference in this Agreement to any other agreement or document shall be construed as a reference to such other agreement or document as at the Signature Date, and as amended from time to time; and

2.16. terms, acronyms, and phrases not defined and known in general commercial or industry specific practice, shall be interpreted in accordance with their generally accepted meanings.

3. **INTRODUCTION**

3.1. It is recorded and agreed that as at the Signature Date, the issued shares in IVS Bulk are held as follows:

		GSPL	Sankaty	Total
A Shares	number	131 864 435	59 642 500	191 506 935
	percentage	68.86%	31.14%	100%
B Shares	number	2	-	2
	percentage	100%	-	100%
Prefs	number	18 242 775	9 087 225	27 330 000
	percentage	66.75%	33.25%	100%

3.2. The Parties have agreed that:

3.2.1. IVS Bulk shall redeem certain of the Prefs (including all of the Prefs held by Sankaty as at the Signature Date);

3.2.2. IVS Bulk shall declare and pay the Ordinary Dividend; and

3.2.3. GSPL shall acquire the Sale Shares from Sankaty for the Sale Consideration, on the basis set out in this Agreement.

4. **FUNDRAISING**

4.1. In order to facilitate GSPL's purchase of the Sale Shares as contemplated in this Agreement, IVS Bulk shall:

4.1.1. seek to borrow additional funds under the Loan Facility or from GSPL (in which regard, notwithstanding anything to the contrary in the Shareholders' Agreement, GSPL may advance funds to IVS Bulk in terms of an interest free, non-convertible loan that is not repayable prior to the finalisation of the transactions contemplated in this Agreement; provided, however, that if either the First Closing or the Second Closing does not occur, IVS shall immediately repay such advanced funds to GSPL (without any prepayment penalty or other fees) in full satisfaction of such loan agreement); and

4.1.2. once CACIB Singapore has provided written confirmation that IVS Bulk can borrow additional funds under the Loan Facility, or GSPL has agreed to advance funds to IVS Bulk as contemplated in clause 4.1.1, IVS Bulk shall, taking into account such additional funds and such other funds as IVS Bulk has available, notify GSPL and Sankaty in writing ("**IVS Bulk Confirmation**"):

4.1.2.1. that the Pref Redemption can be effected; and

4.1.2.2. as to the ordinary dividend that IVS Bulk can declare and pay in respect of the A Shares ("**Ordinary Dividend**").

4.2. GSPL shall, within 3 (three) Business Days of receipt of the IVS Bulk Confirmation, notify Sankaty and IVS Bulk in writing if the amounts referred to in the IVS Bulk Confirmation will be sufficient to allow GSPL (also utilising its own funds) to purchase the Sale Shares as contemplated in this Agreement (a positive confirmation in that regard constituting the "**GSPL Confirmation**").

4.3. If GSPL has not issued the GSPL Confirmation by the Longstop Date, IVS Bulk shall sell such Vessels as are necessary for it to increase the Ordinary Dividend and allow GSPL to issue the GSPL Confirmation. If GSPL has not issued the GSPL Confirmation within 90 (ninety) days following the Longstop Date, this Agreement (and the obligations of the Parties hereunder) shall automatically terminate and have no further force and effect.

4.4. The Vessel sale process contemplated in clause 4.3 shall, *mutatis mutandis*, follow the process set out in clause 12 of the Shareholders' Agreement, save that:

4.4.1. not all of the Vessels need be sold; and

4.4.2. the proceeds of the sales of Vessels shall all be applied by IVS Bulk in declaring and paying the Ordinary Dividend.

5. **FIRST CLOSING MEETING**

5.1. Subject to clauses 5.4 and 5.5, at 14h00 (Singapore time) on the First Closing Date, duly authorised representatives or agents of each of the Parties shall meet at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763, or on such other time and at such other place as the Parties may agree in writing ("**First Closing Meeting**").

5.2. At the First Closing Meeting:

5.2.1. GSPL and Sankaty (as collectively the holders of all the Prefs) shall deliver to IVS Bulk consent to short notice for the redemption of the relevant Prefs in terms of the Pref Redemption, executed by GSPL and Sankaty respectively;

5.2.2. Sankaty shall deliver to IVS Bulk the original share certificate/s for the 9 087 225 (nine million eighty seven thousand two hundred and twenty five) Prefs held by Sankaty and that that are to be redeemed in terms of the Pref Redemption;

5.2.3. GSPL shall deliver to IVS Bulk the original share certificate/s for the 18 242 775 (eighteen million two hundred and forty two thousand seven hundred and seventy five) Prefs held by GSPL that are to be redeemed in terms of the Pref Redemption;

5.2.4. IVS Bulk shall table the IVS Bulk Redemption and Dividend Documents;

5.2.5. IVS Bulk shall:

5.2.5.1. effect the Pref Redemption by making all necessary filings with the Accounting and Corporate Regulatory Authority of Singapore with respect to the Pref Redemption, deliver an updated electronic register of members of IVS Bulk reflecting that the Pref Redemption has been effected, with GSPL and Sankaty (as collectively the holders of all the Prefs) hereby irrevocably and entirely waiving the notice period that would otherwise be required for such redemption in terms of the constitution of IVS Bulk, and make payment to GSPL and Sankaty in accordance with their respective holdings of Pref Shares; and

5.2.5.2. declare the Ordinary Divided, and make payment thereof to GSPL and Sankaty in accordance with their respective holdings of A Shares,

in each case on the basis set out in the IVS Bulk Confirmation (including any increase in the amount of the Ordinary Dividend as contemplated in clause 4.3, if applicable); and

5.2.6. IVS Bulk shall cancel the shares certificates referred to in clauses 5.2.2 and 5.2.3.

5.3. The amounts that are due to each of GSPL and Sankaty, in terms of the Pref Redemption and the Ordinary Divided, shall be paid by IVS Bulk into the GSPL Account and the Sankaty Account respectively.

5.4. The First Closing Meeting may be conducted entirely by electronic communication or one or all of the Parties may participate in the First Closing Meeting by electronic communication.

5.5. The Parties may, by written agreement, dispense with the First Closing Meeting and ensure that the documents and payments referred to in clause 5.2 are exchanged and made in such other manner as the Parties may agree in writing.

6. **SECOND CLOSING MEETING**

6.1. The Sale Shares are hereby sold by Sankaty to GSPL, with effect from the Second Closing Date and provided that the Sale Consideration is paid.

6.2. Subject to clauses 6.4 and 6.5, at 14h00 (Singapore time) on the Second Closing Date, duly authorised representatives or agents of each of the Parties shall meet at 200 Cantonment Road, #03-01 Southpoint, Singapore 089763, or on such other time and at such other place as the Parties may agree in writing ("**Second Closing Meeting**").

6.3. At the Second Closing Meeting:

6.3.1. IVS Bulk shall deliver the IVS Bulk Delivery Documents to GSPL;

6.3.2. Sankaty shall table the Sankaty Delivery Documents but not release them to GSPL;

6.3.3. provided that GSPL has received into the GSPL Account its share of the proceeds of the Pref Redemption and the Ordinary Dividend, GSPL shall deliver to Sankaty proof that irrevocable instructions have been given for the payment of the Sale Consideration into the Sankaty Account;

6.3.4. or as soon as Sankaty has received the Sale Consideration into the Sankaty Account, Sankaty shall release the Sankaty Delivery Documents to GSPL; and

6.3.5. as soon as Sankaty has released the Sankaty Delivery Documents to GSPL, IVS Bulk shall issue to GSPL share certificates in respect of the Sale Shares and affix the common seal of IVS Bulk (in accordance with the constitution of IVS Bulk) onto the share certificates.

6.4. The Second Closing Meeting may be conducted entirely by electronic communication or one or all of the Parties may participate in the Second Closing Meeting by electronic communication.

6.5. The Parties may, by written agreement, dispense with the Second Closing Meeting and ensure that the documents and payments referred to in clause 6.3 are exchanged and made in such other manner as the Parties may agree in writing.

6.6. The stamp duty in respect of the sale of the Sale Shares shall be paid by IVS Bulk.

7. **PAYMENTS**

7.1. All payments to be made in terms of this Agreement shall be made:

7.1.1. without any deduction or set-off;

7.1.2. in immediately cleared and available funds; and

7.1.3. by way of electronic transfer into the bank account specified in this Agreement for purposes of such payment.

8. **RISK AND BENEFIT**

Provided that the Sale Consideration has been received by Sankaty into the Sankaty Account, possession and effective control, and, all risk in and all benefit attaching to the Sale Shares shall be deemed to have passed to GSPL with effect from the Second Closing Date.

9. **SALE SHARES WARRANTIES**

9.1. Sankaty hereby gives to GSPL the Warranties, and GSPL enters into this Agreement on the strength of those Warranties.

9.2. Sankaty warrants and represents to GSPL that each of the Warranties is true and accurate in all respects and not misleading as at the Signature Date and shall continue to remain true and accurate in all respects and not misleading at all times subsequent to such date up to and including the Second Closing Date (save, with regard to dates, to the extent specified otherwise in Annexure A).

9.3. Neither GSPL nor IVS Bulk shall, once all of the transactions contemplated in this Agreement have been fully implemented, have any claim of any nature, actual or contingent, against Sankaty save in respect of a breach of any of the Warranties or the Reciprocal Warranties. Sankaty shall not, once all of the transactions contemplated in this Agreement have been fully implemented, have any claim of any nature, actual or contingent, against IVS Bulk or GSPL, save in respect of a breach of any of the Reciprocal Warranties.

10. **INDEMNITIES**

Without prejudice to any of GSPL's rights arising from any other provision of this Agreement, Sankaty hereby indemnifies and holds GSPL harmless from and against any Losses which GSPL, directly and/or indirectly, may suffer resulting from, arising out of, or relating to a failure of any of the Warranties to be true and accurate in all respects and not misleading.

11. **RECIPROCAL WARRANTIES**

11.1. The Parties warrant and represent to each other that they have taken or caused to be taken all steps, actions and corporate proceedings necessary to cause this Agreement to be binding on themselves. Any Party shall, if requested by any other Party, furnish to the latter sufficient evidence of the authority of the person or persons who shall, on behalf of the Party so requested, take any action or execute any documents required or permitted to be taken or executed by such person under this Agreement.

11.2. Each Party hereby warrants and represents to and in favour of the other Parties that:

11.2.1. it has the legal capacity and has taken all necessary corporate action required to empower and authorise it to enter into this Agreement;

11.2.2. this Agreement constitutes an agreement valid and binding on it and enforceable against it in accordance with its terms;

11.2.3. it is fully aware of and acquainted with the provisions of this Agreement and the meaning and effect of all of such provisions; and

11.2.4. the execution of this Agreement and the performance of its obligations hereunder does not and shall not:

11.2.4.1. contravene any law or regulation to which that Party is subject;

11.2.4.2. contravene any provision of that Party's constitutional documents; or

11.2.4.3. conflict with, or constitute a breach of any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it.

11.3. Each of the representations and warranties given by the Parties in terms of this clause 11, shall:

11.3.1. be a separate warranty and shall in no way be limited or restricted by inference from the terms of any other warranty or by any other words in this Agreement;

11.3.2. continue and remain in force, notwithstanding the completion of any or all of the transactions contemplated in this Agreement, for a period of thirty six (36) months following the Second Closing Date (and shall thereafter terminate in all respects); and

11.3.3. *prima facie* be deemed to be material and to be a material representation inducing the other Parties to enter into this Agreement.

11.4. Each of the Warranties given by Sankaty shall continue and remain in force, notwithstanding the completion of any or all of the transactions contemplated in this Agreement, for a period of thirty six (36) months following the Second Closing Date (and shall thereafter terminate in all respects).

12. **NOTICES**

12.1. The Parties choose as their addresses for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature, the addresses set out below:

12.1.1. **Sankaty**

Physical:	Sankaty European Investments III S.Á.R.L. 4 Rue Lou Hemmer L-1748 Luxembourg Luxembourg
Attention:	Myleen Basilio
Email:	mbasilio@baincapital.com

with a copy (which shall not constitute notice) to:

Bain Capital Credit, Ltd.
Devonshire House, Mayfair Place London W1J 8AJ
United Kingdom Attention: Jessica Yeager
Email: j.yeager@baincapital.com

12.1.2. **GSPL**
Physical: 200 Cantonment Road, #03-01 Southpoint, Singapore 089763
E-mail: yvetteb@grindrodshipping.com
Attention: Yvette Kingsley-Wilkins

12.1.3. **IVS Bulk**
Physical: 200 Cantonment Road, #03-01 Southpoint, Singapore 089763
E-mail: yvetteb@grindrodshipping.com
Attention: Yvette Kingsley-Wilkins

12.2. A notice or communication given in terms of this Agreement shall be valid and effective only if in writing, but it shall be competent to give notice by e-mail.

12.3. Any Party may by notice to any other Party change its chosen physical or e-mail address to another address, provided that the change shall become effective on the 1st (first) Business Day after the deemed receipt of the notice by the addressee.

12.4. Any notice to a Party:

12.4.1. delivered by hand to a responsible person during ordinary business hours at the Party's chosen physical address shall be deemed to have been received on the day of delivery; or

12.4.2. sent by e-mail to the Party's chosen e-mail address, shall be deemed to have been received on the date of despatch (unless the contrary is proved).

12.5. Notwithstanding anything to the contrary herein contained a written notice actually received by a Party shall be an adequate written notice to it notwithstanding that it was not sent to or delivered at its chosen chosen physical or e-mail address.

13. **ANNOUNCEMENTS AND FILINGS BY GSH**

13.1. It is recorded and agreed that GSH, shall be entitled to make all announcements and filings in relation to this Agreement and any of the transactions in terms thereof, that are required due to the shares of GSH being listed on the NASDAQ Global Select Market (primary listing) and on the main board of the stock exchange operated by JSE Limited (secondary listing).

13.2. The provisions of this clause 13 constitute a stipulation in favour of GSH capable of acceptance by it at any time. GSH shall be entitled in terms of the Contracts (Rights of Third Parties) Act 1999, to enjoy the benefit of the provisions of this clause 13.

14. **ASSIGNMENT**

No Party may, without the prior written consent of each of the other Parties, assign any of its rights or obligations in terms of this Agreement to any other person.

15. **GOVERNING LAW**

15.1. Notwithstanding the conflict of law principles which might otherwise have governed, this Agreement shall be governed by and interpreted in accordance with the laws of England and Wales.

15.2. The Parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement, and that accordingly any suit, action or proceeding arising out of or in connection with this Agreement, including the existence, validity or termination thereof, shall be brought in such courts and each Party hereby irrevocably submits to the jurisdiction of such courts.

16. **WHOLE AGREEMENT, NO AMENDMENT**

16.1. This Agreement, together with the Shareholders' Agreement, constitute the whole agreement between the Parties relating to the subject matter hereof and supersedes all previous discussions, agreements and/or understandings (whether written or oral), regarding the subject matter hereof.

16.2. No amendment or consensual cancellation of this Agreement or any provision or term hereof or of any agreement, bill of exchange or other document issued or executed pursuant to or in terms of this Agreement and no settlement of any disputes arising under this Agreement and no extension of time, waiver or relaxation or suspension of or agreement not to enforce or to suspend or postpone the enforcement of any of the provisions or terms of this Agreement or of any agreement, bill of exchange or other document issued pursuant to or in terms of this Agreement shall be binding unless recorded in a document signed by the Parties (or in the case of an extension of time, waiver, relaxation or suspension, a document signed by the Party granting such extension, waiver, relaxation or suspension). Any such extension, waiver, relaxation or suspension which is so given or made shall be strictly construed as relating only to the matter in respect of which it was made or given. For the purposes of this clause 16, "signed" shall mean a signature executed by hand on paper containing the document.

16.3. No extension of time or waiver or relaxation of any of the provisions or terms of this Agreement or any agreement, bill of exchange or other document issued or executed pursuant to or in terms of this Agreement shall operate as an estoppel against a Party in respect of its rights under this Agreement, nor shall it operate so as to preclude such Party (save as to any extension, waiver or relaxation actually given) thereafter from exercising its rights strictly in accordance with this Agreement.

16.4. To the extent permissible by law a Party shall not be bound by any express or implied or tacit term, representation, warranty, promise or the like not recorded in this Agreement, whether it induced the agreement and/or whether it was negligent or not.

17. **SEVERABILITY**

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

18. **COSTS**

18.1. Subject to clause 18.2, each Party shall bear its own costs incurred in respect of the negotiation and preparation of this Agreement (including prior drafts and consultations).

18.2. IVS Bulk shall reimburse Sankaty for its legal costs in respect of the negotiation and preparation of this Agreement (including prior drafts and consultations), upon receipt of invoices evidencing such costs and up to a maximum of US$ 30 000 (thirty thousand United States Dollars).

19. **EXECUTION IN COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall together constitute one and the same instrument.

20. **SIGNATURE**

The Parties record that it is not required for this Agreement to be valid and enforceable that a Party shall initial the pages of this Agreement and/or have its signature of this Agreement verified by a witness.

[SIGNATURE PAGE TO FOLLOW]

For:	**Sankaty**	/s/ Sally Fassler	/s/ Myleen Basilio
Signature:			
	who warrants that he / she is duly authorised thereto		
Name:	Sally Fassler		
Date:	7/20/2021	7/21/2021	
Place:	Boston MA	Luxembourg	
Signature of Witness:	/s/ Megan McCarthy		
Name of Witness:	Megan McCarthy		
For:	**GSPL** /s/Martyn Richard Wade		
Signature:			
Date:	21 July 2021		
Place:	Singapore		
Signature of Witness:	/s/ Yvette Renee Kingsley-Wilkins		
Name of Witness:	Yvette Renee Kingsley-Wilkins		

For: **IVS Bulk**

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Date: _____

Place: _____

Signature of Witness: _____

Name of Witness: _____

1. **SALE SHARES**

1.1. Sankaty is the sole registered and beneficial holder of the Sale Shares.

1.2. No person, other than GSPL, shall have any right whatsoever (whether pursuant to any option, right of first refusal or otherwise) to purchase or otherwise obtain any right in and to the Sale Shares or any part thereof.

1.3. The Sale Shares are sold to GSPL free of any Encumbrances.

1.4. Sankaty does not hold, or have any rights in or to, any shares in IVS Bulk other than the Sale Shares.

2. **SANKATY PREFS**

2.1. As at the Signature Date Sankaty is, and until the First Closing Date shall remain, the sole registered and beneficial holder of 9 087 225 (nine million eighty seven thousand two hundred and twenty five) Prefs.

2.2. No person, other than IVS Bulk, shall have any right whatsoever (whether pursuant to any option, right of first refusal or otherwise) to purchase or otherwise obtain any right in and to the Prefs referred to in paragraph 2.1 of this Annexure A, or any part thereof.

2.3. The Prefs referred to in paragraph 2.1 of this Annexure A are free of any Encumbrances.

Exhibit 8.1 (b)

List of Grindrod Shipping Holdings Ltd. Subsidiaries[1]

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Comshipco Schiffahrtsagentur GmBH	Germany
Grindrod Maritime LLC (formerly known as York Maritime Holdings. V. LLC)	Marshall Islands
Grindrod Shipping Pte. Ltd.	Singapore
Grindrod Shipping Services UK Limited	United Kingdom
Grindrod Shipping Services Hong Kong Limited	Hong Kong
Grindrod Shipping (South Africa) (Pty) Ltd	South Africa
IM Shipping Pte. Ltd.	Singapore
Island Bulk Carriers Pte. Ltd.	Singapore
IVS Bulk Pte. Ltd.	Singapore
IVS Bulk 475 Pte. Ltd.	Singapore
IVS Bulk 541 Pte. Ltd.	Singapore
IVS Bulk 543 Pte. Ltd.	Singapore
IVS Bulk 545 Pte. Ltd.	Singapore
IVS Bulk 554 Pte. Ltd.	Singapore
IVS Bulk 603 Pte. Ltd.	Singapore
IVS Bulk 609 Pte. Ltd.	Singapore
IVS Bulk 611 Pte. Ltd.	Singapore
IVS Bulk 612 Pte. Ltd.	Singapore
IVS Bulk 709 Pte. Ltd.	Singapore
IVS Bulk 712 Pte. Ltd.	Singapore
IVS Bulk 1345 Pte. Ltd.	Singapore
IVS Bulk 3693 Pte. Ltd.	Singapore
IVS Bulk 3708 Pte. Ltd.	Singapore
IVS Bulk 3720 Pte. Ltd.	Singapore
IVS Bulk 5855 Pte. Ltd.	Singapore
IVS Bulk 5858 Pte. Ltd.	Singapore
IVS Bulk 7297 Pte. Ltd.	Singapore
IVS Bulk 10824 Pte. Ltd.	Singapore
Unicorn Tankers (International) Ltd	British Virgin Islands

(1) Excludes 23 dormant or otherwise inactive subsidiaries, four of which are incorporated in the British Virgin Islands (of which three have Unicorn Tankers International Ltd as the parent company), 18 of which are incorporated in Singapore, and one of which is incorporated in South Africa.

Exhibit 12.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Martyn Wade, certify that:

1. I have reviewed this annual report on Form 20-F of Grindrod Shipping Holdings Ltd. (the "Company");

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 Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) 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)) for the Company 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 Company, 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) Evaluated the effectiveness of the Company'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

c) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: March 25, 2022

By: /s/ Martyn Wade
Name: Martyn Wade
Title: Chief Executive Officer

Exhibit 12.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen Griffiths, certify that:

1. I have reviewed this annual report on Form 20-F of Grindrod Shipping Holdings Ltd. (the "Company");

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 Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) 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)) for the Company 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 Company, 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) Evaluated the effectiveness of the Company'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

c) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: March 25, 2022

By: /s/ Stephen Griffiths
Name: Stephen Griffiths
Title: Chief Financial Officer

Exhibit 13.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002, U.S.C. SECTION 1350

I, Martyn Wade, Chief Executive Officer of Grindrod Shipping Holdings Ltd. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report on Form 20-F of the Company for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 25, 2022

By: /s/ Martyn Wade
Name: Martyn Wade
Title: Chief Executive Officer

Exhibit 13.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002, U.S.C. SECTION 1350

I, Stephen Griffiths, Chief Financial Officer of Grindrod Shipping Holdings Ltd. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report on Form 20-F of the Company for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 25, 2022

By: /s/ Stephen Griffiths
Name: Stephen Griffiths
Title: Chief Financial Officer

Exhibit 15.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-259019 on Form F-3 and Registration Statement No. 333-263494 on Form S-8 of our report dated March 24, 2022, relating to the consolidated financial statements of Grindrod Shipping Holdings Ltd., appearing in this Annual Report on Form 20-F for the year ended December 31, 2021.

/s/ Deloitte & Touche, LLP

Singapore
March 25, 2022