
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

OR

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

Date of event requiring this shell company report _____

Commission File Number 001-36588

Höegh LNG Partners LP
(Exact name of Registrant as specified in its charter)

Republic of the Marshall Islands
(Jurisdiction of incorporation or organization)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common units representing limited partner interests	HMLP	New York Stock Exchange
Series A cumulative redeemable preferred units representing limited partner interests	HMLP PRA	New York Stock Exchange

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

[Table of Contents](#)

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.

33,373,002 common units representing limited partner interests
7,089,325 Series A cumulative redeemable preferred units representing limited partner interests

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

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, a non-accelerated filer or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

[Table of Contents](#)

**HØEGH LNG PARTNERS LP
INDEX TO FORM 20-F**

Presentation of Information in this Report	4
Forward-Looking Statements	5
Part I	8
Item 1. Identity of Directors, Senior Management and Advisers	8
Item 2. Offer Statistics and Expected Timetable	8
Item 3. Key Information	8
A. Reserved	8
B. Capitalization and Indebtedness	8
C. Reasons for the Offer and Use of Proceeds	8
D. Risk Factors	8
Item 4. Information on the Partnership	53
A. History and Development of the Partnership	53
B. Business Overview	54
C. Organizational Structure	105
D. Property, Plant and Equipment	106
Item 4A. Unresolved Staff Comment	106
Item 5. Operating and Financial Review and Prospects	107
A. Operating Results	118
B. Liquidity and Capital Resources	128
C. Research and Development, Patents and Licenses, Etc.	142
D. Trend Information	143
E. Critical Accounting Estimates	145
Item 6. Directors, Senior Management and Employees	148
A. Directors and Senior Management	148
B. Compensation	150
C. Board Practices	153
D. Employees	154
E. Unit Ownership	155
Item 7. Major Unitholders and Related Party Transactions	155
A. Major Unitholders	155
B. Related Party Transactions	156
C. Interests of Experts and Counsel	165
Item 8. Financial Information	165
A. Consolidated Statements and Other Financial Information	165
B. Significant changes	169
Item 9. The Offer and Listing	169
A. Offer and Listing Details	169
B. Plan of Distribution	169
C. Markets	169
D. Selling Unitholders	169
E. Dilution	169
F. Expenses of the Issue	169
Item 10. Additional Information	169
A. Share Capital	169
B. Memorandum and Articles of Association	170
C. Material Contracts	170
D. Exchange Controls	174
E. Taxation	175
F. Dividends and Paying Agents	181
G. Statement by Experts	182

Table of Contents

<u>H.</u>	<u>Documents on Display</u>	182
<u>I.</u>	<u>Subsidiary Information</u>	182
<u>Item 11.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	182
<u>Item 12.</u>	<u>Description of Securities Other than Equity Securities</u>	183
<u>Part II</u>		184
<u>Item 13.</u>	<u>Defaults, Dividend Arrearages and Delinquencies</u>	184
<u>Item 14.</u>	<u>Material Modifications to the Rights of Securities Holders and Use of Proceeds</u>	184
<u>Item 15.</u>	<u>Controls and Procedures</u>	184
<u>Item 16A.</u>	<u>Audit Committee Financial Expert</u>	186
<u>Item 16B.</u>	<u>Code of Ethics</u>	186
<u>Item 16C.</u>	<u>Principal Accountant Fees and Services</u>	186
<u>Item 16D.</u>	<u>Exemptions from the Listing Standards for Audit Committees</u>	187
<u>Item 16E.</u>	<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	187
<u>Item 16F.</u>	<u>Change in Registrant's Certifying Accountant</u>	187
<u>Item 16G.</u>	<u>Corporate Governance</u>	187
<u>Item 16H.</u>	<u>Mine Safety Disclosure</u>	188
<u>Part III</u>		189
<u>Item 17.</u>	<u>Financial Statements</u>	189
<u>Item 18.</u>	<u>Financial Statements</u>	189
<u>Item 19.</u>	<u>Exhibits</u>	189
<u>SIGNATURE</u>		197
<u>Index to Financial Statements of Höegh LNG Partners LP</u>		F-1

PRESENTATION OF INFORMATION IN THIS REPORT

This annual report on Form 20-F for the year ended December 31, 2021 (this “Annual Report”) should be read in conjunction with the consolidated financial statements and accompanying notes included in this Annual Report. Unless we otherwise specify, references in this Annual Report to “Höegh LNG Partners,” “we,” “our,” “us” and “the Partnership” refer to Höegh LNG Partners LP or any one or more of its subsidiaries, or to all such entities unless the context otherwise indicates. References in this Annual Report to “our general partner” refer to Höegh LNG GP LLC, the general partner of Höegh LNG Partners. References in this Annual Report to “our operating company” refer to Höegh LNG Partners Operating LLC, a wholly owned subsidiary of the Partnership. References in this Annual Report to “Höegh Lampung” refer to Höegh LNG Lampung Pte Ltd., a wholly owned subsidiary of our operating company. References in this Annual Report to “Höegh FSRU III” refer to Höegh LNG FSRU III Ltd., a wholly owned subsidiary of our operating company (which was formally dissolved on May 4, 2020). References in this Annual Report to “PT Höegh” refer to PT Höegh LNG Lampung, the owner of the *PGN FSRU Lampung*. References in this Annual Report to “Höegh Cyprus” refer to Höegh LNG Cyprus Limited including its wholly owned branch, Höegh LNG Cyprus Limited Egypt Branch (“Egypt Branch”), a wholly owned subsidiary of our operating company and the owner of the *Höegh Gallant*. References in this Annual Report to “Höegh Colombia Holding” refer to Höegh LNG Colombia Holding Ltd., a wholly owned subsidiary of our operating company. References in this Annual Report to “Höegh FSRU IV” refer to Höegh LNG FSRU IV Ltd., a wholly owned subsidiary of Höegh Colombia Holding and the owner of the *Höegh Grace*. References in this Annual Report to “Höegh Colombia” refer to Höegh LNG Colombia S.A.S., a wholly owned subsidiary of Höegh Colombia Holding. References in this Annual Report to “Höegh Jamaica” refer to Höegh LNG Jamaica Limited, a wholly owned subsidiary of our operating company. References in this Annual Report to our or the “joint ventures” refer to SRV Joint Gas Ltd. and/or SRV Joint Gas Two Ltd., the joint ventures that own two of the vessels in our fleet, the *Neptune* and the *Cape Ann*, respectively. References in this Annual Report to “Global LNG Supply” refer to Global LNG Supply S.A., and references to “Total Gas & Power” refer to TotalEnergies Gas & Power Limited, a subsidiary of TotalEnergies SE (“Total”). References in this Annual Report to “PGN LNG” refer to PT PGN LNG Indonesia, a subsidiary of PT Perusahaan Gas Negara (Persero) Tbk (“PGN”), a subsidiary of PT Pertamina. References in this Annual Report to “SPEC” refer to Sociedad Portuaria El Cayao S.A. E.S.P. References in this Annual Report to “New Fortress” refer to New Fortress Energy Inc. References in this Annual Report to the “NFE Subsidiaries” refer to NFE South Holdings Limited and NFE International Shipping LLC, subsidiaries of New Fortress.

References in this Annual Report to “Höegh LNG” refer, depending on the context, to Höegh LNG Holdings Ltd. and to any one or more of its direct and indirect subsidiaries, other than us. References in this Annual Report to “EgyptCo” refer to Höegh LNG Egypt LLC, a wholly owned subsidiary of Höegh LNG. References in this Annual Report to “CharterCo” refer to Höegh LNG Chartering LLC, a wholly owned subsidiary of Höegh LNG. References in this Annual Report to “Höegh LNG Management” refer to Höegh LNG Fleet Management AS, a wholly owned subsidiary of Höegh LNG. References in this Annual Report to “Höegh Maritime Management” refer to Höegh LNG Maritime Management Pte. Ltd., a wholly owned subsidiary of Höegh LNG. References in this Annual Report to “Höegh Norway” refer to Höegh LNG AS, a wholly owned subsidiary of Höegh LNG. References in this Annual Report to “Höegh Asia” refer to Höegh LNG Asia Pte. Ltd., a wholly owned subsidiary of Höegh LNG. References in this Annual Report to “Höegh Shipping” refer to Höegh LNG Shipping Services Pte Ltd, a wholly owned subsidiary of Höegh LNG. References in this Annual Report to “Leif Höegh UK” refer to Leif Höegh (U.K.) Limited, a wholly owned subsidiary of Höegh LNG.

FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements concerning future events and our operations, performance and financial condition. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words “believe,” “anticipate,” “expect,” “estimate,” “future,” “project,” “will be,” “will continue,” “will likely result,” “plan,” “intend” or words or phrases of similar meanings. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to:

- the effects of outbreaks of pandemic or contagious diseases, including the length and severity of the recent worldwide outbreak of COVID-19, including its impact on our business liquidity, cash flows and operations as well as operations of our customers, suppliers and lenders;
- market conditions and trends for floating storage and regasification units (“FSRUs”) and liquefied natural gas (“LNG”) carriers, including hire rates, vessel valuations, technological advancements, market preferences and factors affecting supply and demand of LNG, LNG carriers, and FSRUs;
- our distribution policy and ability to make cash distributions on our units or any changes in the quarterly distributions on our common units;
- restrictions in our debt agreements and pursuant to local laws on our joint ventures’ and our subsidiaries’ ability to make distributions;
- the ability of Höegh LNG to meet its financial obligations to us pursuant to the Suspension and Make-Whole Agreements and the Suspended Gallant Charter (each, as defined below) and its guarantee and indemnification obligations;
- the change in the ability of Höegh LNG to compete with us as a result of its completion of the Amalgamation (as defined below);
- our ability to compete successfully for future chartering and newbuilding opportunities;
- the response to Höegh LNG’s non-binding proposal to acquire all of the Partnership’s publicly held common units;
- demand in the FSRU sector or the LNG shipping sector, including demand for our vessels;
- our ability to purchase additional vessels from Höegh LNG in the future;
- our ability to integrate and realize the anticipated benefits from acquisitions;
- our anticipated growth strategies, including the acquisition of vessels;
- our anticipated receipt of dividends and repayment of indebtedness from subsidiaries and joint ventures;
- effects of volatility in global prices for crude oil and natural gas;
- the effect of the worldwide economic environment;
- turmoil in the global financial markets;

[Table of Contents](#)

- fluctuations in currencies and interest rates;
- general market conditions, including fluctuations in hire rates and vessel values;
- changes in our operating expenses, including drydocking, on-water class surveys, insurance costs and bunker costs;
- our ability to comply with financing agreements and the expected effect of restrictions and covenants in such agreements;
- the financial condition liquidity and creditworthiness of our existing or future customers and their ability to satisfy their obligations under our contracts;
- our ability to replace existing borrowings, make additional borrowings and to access public equity and debt capital markets;
- the ability of our joint venture to close the new Cape Ann facility;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- the exercise of purchase options by our customers;
- our ability to perform under our contracts and maintain long-term relationships with our customers;
- our ability to leverage Höegh LNG's relationships and reputation in the shipping industry;
- our continued ability to enter into long-term, fixed-rate charters and the hire rate thereof;
- the operating performance of our vessels and any related claims by Total, PGN LNG or other customers;
- our ability to maximize the use of our vessels, including the redeployment or disposition of vessels no longer under long-term charters;
- the results of the arbitration with the charterer of the *PGN FSRU Lampung*;
- timely acceptance of our vessels by their charterers;
- termination dates and extensions of charters;
- the impact of the recent Russian invasion of Ukraine;
- our ability to successfully remediate the material weakness in our internal control over financial reporting and our disclosure controls and procedures;
- the cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;
- economic substance laws and regulations adopted or considered by various jurisdictions of formation or incorporation of us and certain of our subsidiaries;
- availability and cost of skilled labor, vessel crews and management, including possible disruptions, including but not limited to the supply chain of spare parts and service engineers, caused by the COVID-19 outbreak;

[Table of Contents](#)

- the number of off-hire days and drydocking requirements, including our ability to complete scheduled drydocking on time and within budget;
- our general and administrative expenses as a publicly traded limited partnership and our fees and expenses payable under our ship management agreements, the technical information and services agreement and the administrative services agreement;
- the anticipated taxation of the Partnership, our subsidiaries and affiliates and distributions to our unitholders;
- estimated future maintenance and replacement capital expenditures;
- our ability to hire or retain key employees;
- customers' increasing emphasis on environmental and safety concerns;
- potential liability from any pending or future litigation;
- risks inherent in the operation of our vessels including potential disruption due to accidents, political events, piracy or acts by terrorists;
- future sales of our common units, Series A preferred units or other securities in the public market;
- our business strategy and other plans and objectives for future operations; and
- our ability to maintain effective internal control over financial reporting and effective disclosure controls and procedures.

Forward-looking statements in this Annual Report are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties, including those risks discussed in "Item 3.D. Risk Factors." The risks, uncertainties and assumptions involve known and unknown risks and are inherently subject to significant uncertainties and contingencies, many of which are beyond our control.

We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. We make no prediction or statement about the performance of our common units. The various disclosures included in this Annual Report and in our other filings made with the Securities and Exchange Commission (the "SEC") that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations should be carefully reviewed and considered.

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

A. Reserved

Not applicable.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The risk factors summarized and detailed below could materially and adversely affect our business, our financial condition, our operating results, cash available for distribution and the trading price of our preferred and common units. These material risks include, but are not limited to, those relating to:

- Any limitation on the availability or operation of our vessels could have a material adverse effect on our business, financial condition and results of operations and could significantly reduce our ability to make distributions to our unitholders.
- We are dependent on four customers as the sole customers for our vessels. A deterioration of the financial viability of, or our relationship with, or the loss of any of these customers, would have a material adverse effect.
- The inability of Höegh LNG to meet its financial obligations to us would have a material adverse effect.
- The reduction in our quarterly cash distribution to \$0.01 may impact our ability to raise capital.
- Our growth depends on our ability to expand relationships with existing customers and obtain new customers.
- Höegh LNG and its affiliates may compete with us.
- We may not be able to redeploy FSRUs on favorable terms.
- Hire rates for FSRUs may fluctuate substantially.
- Fluctuations in overall LNG supply and demand growth could adversely affect our ability to secure future charters.
- The agreements governing certain of our indebtedness contain cross default provisions.
- If the *PGN FSRU Lampung* lease and maintenance agreement (“LOM”) is terminated, we may incur an impairment charge on the *PGN FSRU Lampung* financing lease.
- The unfavorable outcome of pending or future litigation could have an adverse impact on us.
- Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect our business.
- PGN LNG and SPEC have options to purchase the *PGN FSRU Lampung* and *Höegh Grace*, respectively.
- Due to our lack of diversification, adverse developments in our LNG transportation, storage and regasification businesses could reduce our ability to make distributions to our unitholders.

[Table of Contents](#)

- We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses to enable us to pay distributions on our Series A preferred units or our common units.
- Our ability to grow and to meet our financial needs may be adversely affected by our cash distribution policy.
- We cannot require our joint ventures to act in our best interests.
- We must make substantial capital expenditures to maintain and replace the operating capacity of our fleet.
- The drydocking or on-water surveys of our vessels could be more expensive and time consuming than expected.
- Operational problems could reduce our revenues, increase costs or lead to termination of our charters.
- If capital expenditures are financed through cash from operations or by issuing securities, our ability to make cash distributions may be diminished, our financial leverage could increase, or our unitholders may be diluted.
- We may be unable to make or realize expected benefits from acquisitions.
- Our future performance and growth depend on continued growth in demand for the services we provide.
- Growth of the LNG market may be limited by many factors, including infrastructure constraints and community and political group resistance to new LNG infrastructure over concerns about environmental, safety and terrorism.
- Demand for FSRUs or LNG shipping could be affected by natural gas prices and the demand for natural gas.
- The debt levels of us and our joint ventures may limit our and their flexibility in obtaining additional financing, refinancing credit facilities upon maturity, pursuing other opportunities or paying distributions.
- Our financing arrangements of us and our joint ventures contain operating and financial restrictions and other covenants.
- Restrictions in our debt agreements and local laws may prevent us from paying distributions to our unitholders.
- Høegh LNG entered into a new pledge agreement in March 2022, pledging all its common units in us.
- An increase in the global supply or capacities of FSRUs or LNG carriers, including conversion of vessels, without a commensurate increase in demand may adversely affect hire rates and the vessel values.
- Vessel values may fluctuate substantially, and a decline in vessel values may result in impairment charges, the breach of our financial covenants or a loss on the sale.
- We depend on Høegh LNG and its affiliates for fleet management and to assist us in operating our business.
- An incident involving loss of life or property or environmental consequences involving any of our vessels could harm us.
- Our insurance may be insufficient to cover losses that may occur to our property or result from our operations.
- An increase in operating expenses could adversely affect our financial performance.
- A shortage of qualified officers and crew, including possible disruptions caused by the COVID-19 outbreak, could harm us.
- We may be unable to attract and retain key management personnel.
- Exposure to currency exchange rate fluctuations could result in fluctuations in our cash flows and operating results.
- Acts of piracy on any of our vessels or on oceangoing vessels could adversely affect us.
- Terrorist attacks, increased hostilities, piracy or war could lead to economic instability and increased costs.
- We are exposed to political, regulatory, and economic risks associated with doing business in different countries.
- Our vessels operating in international waters, now or in the future, will be subject to various international conventions and flag state laws and regulations relating to protection of the environment.
- Our operations are subject to environmental and other regulations, which may significantly increase our expenses.
- Changes to existing environmental laws may adversely affect us.
- Climate change concerns and greenhouse gas regulations may adversely impact our operations and markets.
- Maritime claimants could arrest our vessels, which could interrupt our cash flows.
- Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.
- Compliance with safety and other vessel requirements imposed by classification societies may adversely affect us.
- Failure to comply with anti-corruption and anti-bribery legislation could adversely affect our business.

[Table of Contents](#)

- If in the future our business activities involve countries, entities and individuals that are subject to restrictions imposed by the U.S. or other governments, we could be subject to enforcement action and our reputation could be adversely affected.
- We face risks relating to our ineffective internal control over financial reporting.
- A cyber-attack could materially disrupt our business.
- Changing laws and evolving reporting requirements could have an adverse effect on our business.
- We are exposed to market risks relating to the phase-out of the London Interbank Offered Rate (“LIBOR”).
- Unitholders have limited voting rights.
- Our general partner and its other affiliates own a significant interest in us and have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to your detriment.
- The transaction proposed by Höegh LNG may not occur, may increase the volatility of the market price of our common units and will result in certain costs and expenses.
- Our officers may face conflicts in the allocation of their time to our business.
- Our partnership agreement limits our general partner’s and our directors’ fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.
- Fees and expenses, which Höegh LNG determines for services provided to us and our joint ventures, are substantial.
- Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner.
- The control of our general partner may be transferred to a third party without unitholder consent.
- Substantial future sales of our common units in the public market could cause the price of our common units to fall.
- Our operations are subject to local economic substance regulations required by the European Union.
- Marshall Islands law lacks a bankruptcy statute or general statutory mechanism for insolvency proceedings.
- Our partnership agreement designates the Court of Chancery of the State of Delaware as the exclusive forum for certain types of actions and proceedings unless otherwise provided for under the laws of the Marshall Islands.
- We rely on the master limited partnership (“MLP”) structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt.
- The Republic of the Marshall Islands does not have a well-developed body of partnership law.
- It may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.
- Höegh LNG may elect to cause us to issue additional common units to it in connection with a resetting of the incentive distribution rights’ target distribution levels.
- We may issue additional equity securities, including securities senior to the common units.
- Our board of directors may reduce the amount of cash available for distribution to unitholders.
- Our general partner’s limited call right may require unitholders to sell common units at an undesirable time or price.
- Unitholders may not have limited liability if a court finds that unitholder action constitutes control of our business.
- We can borrow money to make cash distributions, which would reduce the amount of credit available to us.
- Increases in interest rates may cause the market price of our units to decline.
- Unitholders may have liability to repay distributions.
- The Series A preferred units represent perpetual equity interests.
- The Series A preferred units have not been rated.
- Our Series A preferred units are subordinated to our debt obligations, and the interests of holders of Series A preferred units could be diluted by the issuance of additional limited partner interests and by other transactions.
- The Series A preferred units rank junior to any Senior Securities and pari passu with any Parity Securities.
- The Series A preferred units do not have an established trading market.
- The Series A preferred units are redeemable at our option.
- We are subject to taxes, which reduces our cash available for distribution to you.
- A change in tax laws in any country in which we operate could adversely affect us.

[Table of Contents](#)

- U.S. tax authorities could treat us as a “passive foreign investment company.”
- We may have to pay tax on U.S. source income, which would reduce our cash flow.
- You may be subject to income tax in one or more non-U.S. jurisdictions as a result of owning our common units.

Risks Inherent in Our Business

Our fleet consists of five vessels as of March 31, 2022. Any limitation on the availability or operation of those vessels could have a material adverse effect on our business, financial condition and results of operations and could significantly reduce our ability to make distributions to our unitholders.

Our fleet consists of five vessels. If any of these vessels is unable to generate revenues as a result of off-hire time, early termination of the applicable time charter, purchase of the vessel by the charterer or otherwise, our financial condition and ability to make distributions to unitholders could be materially and adversely affected.

The charters relating to our vessels permit the charterer to terminate the charter in the event that the vessel is off-hire for any extended period. The charters also allow the charterer to terminate the charter upon the occurrence of specified defaults by us or in certain other cases, including termination without cause, due to force majeure or disruptions caused by war. Furthermore, PGN LNG was granted an option to purchase the *PGN FSRU Lampung* at specified prices commencing in June 2018 and SPEC has the option to purchase the *Höegh Grace* in year 10, year 15 and year 20 of its charter. The termination of any of our charters could have a material adverse effect on our business, financial condition and results of operations and could significantly reduce our ability to make cash distributions to our unitholders. For further details regarding termination of our charters, please read “Item 4.B. Business Overview—Vessel Time Charters—*Neptune* Time Charter—Termination,” “—*PGN FSRU Lampung* Time Charter—Termination and —Purchase Option,” “—*Höegh Gallant* Time Charter—Term and Termination,” “—*Höegh Grace* Charter—Term and Termination and —Purchase Option.” We may be unable to charter the applicable vessel, or replacement vessel, on terms as favorable to us as those of the terminated charter.

We are dependent on Total Gas & Power, PGN LNG, subsidiaries of New Fortress and SPEC as the sole customers for our vessels. A deterioration of the financial viability of such customers or our relationship with such customers or the loss of such customers, would have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

During the years ended December 31, 2021, 2020 and 2019, PGN LNG, Höegh LNG, New Fortress and SPEC accounted for all of the revenues in our consolidated income statement. On September 23, 2021, we entered into agreements with subsidiaries of New Fortress to charter the *Höegh Gallant* primarily for FSRU operations for a period of ten years, with FSRU operations commencing on March 20, 2022 (the “NFE Charter”). From November 26, 2021 until FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations. We have entered into an agreement to suspend the prior charter for the *Höegh Gallant* with a subsidiary of Höegh LNG, with effect from the commencement of the NFE Charter, and a make-whole agreement (together, the “Suspension and Make-Whole Agreements”), pursuant to which Höegh LNG’s subsidiary will compensate us monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the prior charter with the addition of a modest increase until July 31, 2025, the original expiration date of the charter with a subsidiary of Höegh LNG. In addition, pursuant to the Suspension and Make-Whole Agreements, certain capital expenditures incurred to ready and relocate the *Höegh Gallant* for performance under the NFE Charter will be shared 50/50 between Höegh LNG and the Partnership, subject to a maximum obligation of the Partnership.

For each of the years ended December 31, 2021, 2020 and 2019, Total Gas & Power or Global LNG Supply accounted for all of the revenues of our joint ventures from which we derived all of our equity in earnings of joint ventures. Our joint ventures’ time charters were novated from Global LNG Supply to Total Gas & Power in February 2020. A deterioration in the financial viability of any of our customers or the loss of any of our customers, or a decline in payments under any of the related charters or the Suspension and Make-Whole Agreements, would have a greater adverse effect on us than for a company with a more diverse customer base, and could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

[Table of Contents](#)

We or our joint ventures could lose a customer or the benefits of a charter as a result of a breach by the customer of a charter or other unanticipated developments, such as:

- the customer failing to make charter payments or reducing charter payments because of its financial inability, disagreements with us or our joint venture partners or otherwise;
- the insolvency, bankruptcy or liquidation of a customer or termination of the charter as a result thereof;
- the customer exercising its right to terminate the charter in certain circumstances, such as: (i) defaults of our or our joint ventures' obligations under the applicable charter, including breaches of performance standards or prolonged periods of off-hire; (ii) with respect to the *Neptune* and the *Cape Ann*, in the event of war that would materially interrupt the performance of the time charter; or (iii) with respect to the *PGN FSRU Lampung*, in the event of specified types of force majeure;
- the charter terminating automatically if the vessel is lost or deemed a constructive loss;
- with respect to the *Höegh Gallant*, the inability of Höegh LNG to perform under the Suspension and Make-Whole Agreements or, if the NFE Charter were to be terminated, the lease and maintenance agreement entered on April 30, 2020 with CharterCo, a subsidiary of Höegh LNG, to charter the *Höegh Gallant* from May 1, 2020 until July 31, 2025 (the "Suspended Gallant Charter")
- with respect to the *PGN FSRU Lampung* or the *Höegh Grace*, the charterer exercising its option to purchase the vessel; or
- a prolonged force majeure event that materially interrupts the performance of the time charter.

If any charter is terminated, we or our joint ventures, as applicable, may be unable to re-deploy the related vessel on terms as favorable as the current charters or at all. In addition, any termination fee payable to us may not adequately compensate us for the loss of the charter. Furthermore, if there was a premature termination of our joint venture charters that does not result in termination fees, it would result in mandatory repayments of the outstanding balances under the loan facilities for the *Neptune* and the *Cape Ann*.

Any event, whether in our industry or otherwise, that adversely affects a customer's financial condition, leverage, results of operations, cash flows or demand for our services may adversely affect our ability to sustain or increase cash distributions to our unitholders. Accordingly, we are indirectly subject to the business risks of our customers, including their level of indebtedness and the economic conditions and government policies in their areas of operation. Further, not all of our charters have parent company guarantees. For example, Total Gas & Power's obligations under the *Neptune* and the *Cape Ann* charters are not guaranteed by its parent, Total.

The ability of each of our customers to perform its obligations under its applicable charter depends on its future financial condition and economic performance, which, in turn, will depend on prevailing economic conditions and financial, business and other factors, many of which are beyond its control.

Höegh LNG has financial obligations to us pursuant to the Suspension and Make-Whole Agreements, the Suspended Gallant Charter and its guarantee and indemnification obligations. The inability of Höegh LNG to meet its financial obligations to us would have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

Pursuant to an option agreement, we had the right to cause Höegh LNG to charter the *Höegh Gallant* from the expiration or termination of its prior charter until July 2025. On February 27, 2020, we exercised our option pursuant to the option agreement and we entered into the Suspended Gallant Charter with Höegh LNG for the *Höegh Gallant*. On September 23, 2021, we entered into the NFE Charter to charter the *Höegh Gallant* primarily for FSRU operations for a period of ten years, with FSRU operations commencing on March 20, 2022. We have entered into the Suspension and Make-

[Table of Contents](#)

Whole Agreements to suspend the Suspended Gallant Charter, with effect from the commencement of the NFE Charter, and pursuant to which Höegh LNG's subsidiary will compensate us monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. In addition, pursuant to the Suspension and Make-Whole Agreements, certain capital expenditures incurred to ready and relocate the *Höegh Gallant* for performance under the NFE Charter will be shared 50/50 between Höegh LNG and the Partnership, subject to a maximum obligation of the Partnership.

We are indemnified by Höegh LNG for our 50% share of the cash impact of the settlement agreements, effective April 1, 2020, related to the boil-off claims against the joint ventures, the arbitration costs and any legal expenses, the technical modifications of the vessels and any prospective boil-off claims or other direct impacts of the settlement agreements.

Höegh LNG's ability to make payments to us under the Suspension and Make-Whole Agreements or, if the NFE Charter were to be terminated, the Suspended Gallant Charter may be affected by events beyond either of the control of Höegh LNG or us, including opportunities to obtain new employment for the vessel, and prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, Höegh LNG's ability to meet its obligations to us may be impaired. If Höegh LNG is unable to meet its obligations to us under the Suspension and Make-Whole Agreements or, if the NFE Charter were to be terminated, the Suspended Gallant Charter or pursuant to its indemnification obligations, our financial condition, results of operations and ability to make cash distributions to unitholders could be materially adversely affected.

In 2021, we reduced our quarterly cash distribution rate on our common units to \$0.01 per unit. We maintained this distribution rate throughout 2021 and may continue to do so for the foreseeable future; future distributions may remain at this level for an indefinite period or be eliminated entirely, which could impact our ability to raise capital.

Starting with the second quarter of 2021, we reduced our quarterly cash distributions on our common units to \$0.01 per unit. We expect to use our internally generated cash flow to reduce our debt levels and strengthen our balance sheet. This could have a negative impact on our unit price. Any negative impact on our unit price could ultimately impact our ability to raise capital.

Our growth depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition.

One of our principal objectives is to enter into additional long-term charters for FSRUs, LNG carriers and other LNG infrastructure assets. The process of obtaining long-term charters for FSRUs, LNG carriers and other LNG infrastructure assets is competitive and generally involves an intensive screening process and competitive bids, and then often extends for several months. We believe FSRU and LNG carriers time charters are awarded based upon a variety of factors relating to the vessel operator, including:

- FSRU or LNG carrier experience and quality of ship operations;
- quality of vessels;
- cost effectiveness;
- shipping industry relationships and reputation for customer service and safety;
- technical ability and reputation for operation of highly specialized vessels;
- quality and experience of seafaring crew;
- safety record;

[Table of Contents](#)

- the ability to finance vessels at competitive rates and financial stability generally;
- relationships with shipyards and the ability to get suitable berths;
- construction management experience, including the ability to obtain on-time delivery of new FSRUs, LNG carriers and other LNG infrastructure assets according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

We face substantial competition for providing floating storage and regasification services and marine transportation services for potential LNG projects from a number of experienced companies, including state-sponsored entities and major energy companies. As the FSRU market continues to grow and mature there are new competitors entering the market. Many of these competitors have significantly greater financial resources and larger fleets than we do. In particular, expectations of rapid growth in the FSRU market has given owners the confidence to place orders for FSRUs before securing charters. This has led to more competition for mid- and long-term FSRU charters. We anticipate that an increasing number of marine transportation companies—including many with strong reputations and extensive resources and experience—will enter the FSRU or LNG carrier markets. This increased competition has already and may in the future cause greater price competition for time charters. As a result of these factors, we may be unable to expand our relationships with existing customers or to obtain new customers on a profitable basis, if at all, which would have a material adverse effect on our financial condition, results of operations and ability to make cash distributions to our unitholders.

Höegh LNG and its affiliates may compete with us.

Pursuant to the omnibus agreement that we and Höegh LNG entered into in connection with the closing of the IPO, Höegh LNG and its controlled affiliates (other than us, our general partner and our subsidiaries) generally agreed not to acquire, own, operate or charter certain FSRUs and LNG carriers operating under charters of five or more years (“Five-Year Vessels”).

On March 8, 2021, Höegh LNG announced a recommended offer by Leif Höegh & Co. Ltd. (“LHC”) and funds managed by Morgan Stanley Infrastructure Partners (“MSIP”) through a 50/50 joint venture, Larus Holding Limited (“JVCo”), to acquire the remaining issued and outstanding shares of Höegh LNG not currently owned by LHC or its affiliates (the “Amalgamation”). The Amalgamation was approved by Höegh LNG’s shareholders and bondholders and closed on May 4, 2021. Höegh LNG is now wholly owned by JVCo, and the common shares of Höegh LNG have been delisted from the Oslo Stock Exchange.

Following the consummation of the Amalgamation, some provisions of the omnibus agreement that we entered into with Höegh LNG in connection with the closing of the IPO terminated by their terms, including (i) the prohibition on Höegh LNG from acquiring, owning, operating or chartering any Five-Year Vessels, (ii) the prohibition on us from acquiring, owning, operating or chartering any Non-Five-Year Vessels, and (iii) the rights of first offer associated with those rights. As a consequence, following the consummation of the Amalgamation, Höegh LNG is not required to offer us Five-Year Vessels and is permitted to compete with us. Please read “Item 7.B. Related Party Transactions—Omnibus Agreement.”

We may not be able to redeploy our FSRUs on terms as favorable as our or our joint venture’s current FSRU time charters or at all.

Due to increased competition and the limitations on demand for FSRUs, in the event that any of the time charters on our vessels are terminated, we may be unable to recharter such vessel as an FSRU. While we may be able to employ such vessel as a traditional LNG carrier, the hire rates and/or other charter terms may not be as favorable to us as those in the existing time charter. If we acquire additional FSRUs and they are not, as a result of time charter termination or

[Table of Contents](#)

otherwise, subject to a long-term, profitable time charter, we may be required to bid for projects at unattractive rates in order to reduce our losses relating to the vessels.

Requirements for some new LNG projects continue to be provided on a long-term basis, though the use of medium term charters of up to five years has increased in recent years. More frequent changes to vessel sizes and propulsion technology together with an increasing desire by charterers to access modern vessels could also reduce the appetite of charterers to commit to long-term charters that match their full requirement period, or to exercise options to extend their current charters. As a result, the duration of long-term charters could also decrease over time. We may also face increased difficulty entering into long-term time charters upon the expiration or early termination of our existing charters or of charters for any vessels that we acquire in the future. If as a result we contract our vessels on shorter term contracts, our earnings from these vessels are likely to become more volatile.

Hire rates for FSRUs may fluctuate substantially. If rates are lower when we are seeking a new charter, our earnings and ability to make distributions to our unitholders may decline.

Hire rates for FSRUs fluctuate over time as a result of changes in the supply-demand balance relating to current and future vessel supply. This supply-demand relationship largely depends on a number of factors outside our control. For example, driven in part by an increase in LNG production capacity, the market supply of FSRUs has been increasing as a result of the construction of new vessels before FSRU projects have matured to the point of entering FSRU contracts. The increase in supply has resulted in increased competition for FSRU contracts resulting in lower FSRU prices for recent contracts awarded.

As of December 31, 2021, the FSRU order book totaled 8 vessels and the delivered FSRU fleet stood at 40 vessels. We believe any future expansion of the FSRU fleet may have a negative impact on charter hire rates, vessel utilization and vessel values, which impact could be amplified if the expansion of LNG production capacity or the approval of FSRU projects does not keep pace with the growth of the global fleet. The LNG market is also closely connected to world natural gas prices and energy markets, which we cannot predict. An extended decline in natural gas prices that leads to reduced investment in new liquefaction facilities could adversely affect our ability to re-charter our vessels at acceptable rates or to acquire and profitably operate new FSRUs. Accordingly, this could have a material adverse effect on our earnings and our ability to make distributions to our unitholders.

Fluctuations in overall LNG supply and demand growth could adversely affect our ability to secure future charters.

Demand for LNG depends on a number of factors, including economic growth, the cost effectiveness of LNG compared to alternative fuels, environmental policy and the perceived need to diversify fuel mix for energy security reasons. The cost effectiveness of LNG compared to alternative fuels is also dependent on supply. A change in any of the factors influencing LNG demand, or an imbalance between supply and demand, could adversely affect the need for LNG infrastructure and our ability to secure additional charters. Volatility in natural gas prices globally may limit the willingness and ability of developers of new LNG infrastructure projects to approve the development of such new projects. Delayed development decisions may materially adversely affect our growth prospects and results of operations.

The agreements governing certain of our indebtedness contain cross default provisions.

Our \$85 million revolving credit facility with Höegh LNG, the facility financing the *PGN FSRU Lampung* (“Lampung facility”) and our \$385 million credit facility contain cross default and cross acceleration provisions relating to other indebtedness of us or our subsidiaries, and any default under such indebtedness would also result in an event of default or declaration of acceleration of borrowings outstanding under the Lampung facility, the \$85 million revolving credit facility and the \$385 million credit facility. In the event that some or all of our or our subsidiaries’ indebtedness is accelerated and becomes immediately due and payable, we may not have sufficient funds available to repay such obligations or the ability to renegotiate or refinance such obligations, and our liquidity and financial position and ability to make distributions to unitholders would be materially adversely affected. For more information, please read “Item 5.B. “Operating and Financial Review and Prospects — Liquidity and Capital Resources — Liquidity and Cash Needs — Borrowing Activities.”

[Table of Contents](#)

Furthermore, if we suspend payment of our debts, are unable to pay our debts or are otherwise insolvent or enter into bankruptcy or liquidation, our charterparties may terminate their charters. For further details regarding termination of our charters, please read “Item 4.B. Business Overview—Vessel Time Charters—Neptune Time Charter—Termination,” “—PGN FSRU Lampung Time Charter—Termination”, “Höegh Gallant Time Charter—Termination,” “—Höegh Grace Charter—Term and Termination.”

If the PGN FSRU Lampung lease and maintenance agreement (“LOM”) is terminated, we may incur an impairment charge on the PGN FSRU Lampung financing lease.

The charterer of the *PGN FSRU Lampung* served a notice of arbitration on August 2, 2021 to declare the lease and maintenance agreement for the *PGN FSRU Lampung* (“LOM”) related to the *PGN FSRU Lampung* null and void, and/or terminate the LOM, and/or seek damages. Should the LOM for the *PGN FSRU Lampung* terminate prematurely for any reason (including if the arbitration is resolved unfavorably to us and the charterer terminates the LOM), we could incur an impairment charge on the *PGN FSRU Lampung* financing lease.

The unfavorable outcome of pending or future litigation could have an adverse impact on our operations and financial condition.

We are parties to several legal proceedings arising out of various aspects of our businesses, including the arbitration with the charterer of the *PGN FSRU Lampung* and the Securities Class Action (as defined below), and we may also in the future become subject to other disputes, arbitration, claims and litigation. The outcome of these proceedings may not be favorable, and one or more unfavorable outcomes could have an adverse impact on our operations and financial condition.

Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect our business.

Our operations are subject to risks related to outbreaks of infectious diseases. The COVID-19 outbreak has negatively affected economic conditions, in many parts of the world, which may impact our operations and the operations of our customers and suppliers. Governments in affected countries have imposed travel bans, quarantines and other emergency public health measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus’ outbreak. As a result of these measures, our vessels may not be able to call on ports or may be restricted from embarking and disembarking from ports, located in regions affected by COVID-19.

Although our operations have not been materially affected by the COVID-19 outbreak to date, the ultimate length and severity of the COVID-19 outbreak and its potential impact on our operations and financial condition is uncertain at this time which could be material and adverse.

We believe our primary risk and exposure related to uncertainty of cash flows from our long-term time charter contracts is due to the credit risk and counterparty risk associated with the individual charterers. Payments are due under time charter contracts regardless of the demand for the charterers’ gas output or the utilization of the FSRU. It is therefore possible that charterers may not make payments for time charter invoices in times of reduced demand. Furthermore, should there be an outbreak of COVID-19 on board one of our FSRUs or an inability to replace critical supplies or replacement parts due to disruptions to third-party suppliers, adequate crewing or supplies may not be available to fulfill our obligations under our time charter contracts. This could result in off-hire or warranty payments under performance guarantees which would reduce revenues for the impacted period. In addition, if financial institutions providing our interest rate swaps or lenders under our revolving credit facility are unable to meet their obligations, we could experience higher interest expense or be unable to obtain funding. If our charterers or lenders are unable to meet their obligations to us under their respective contracts or if we are unable to fulfill our obligations under our time charter contracts, our financial condition, results of operations and ability to make cash distributions to unitholders could be materially adversely affected.

[Table of Contents](#)

Failure to control the continued spread of COVID-19 could significantly impact economic activity and demand for our vessels, which could further negatively affect our business, financial condition, results of operations and cash available for distribution and could result in declines in our unit price.

PGN LNG and SPEC have options to purchase the PGN FSRU Lampung and Höegh Grace, respectively. If either charterer exercises its option, it could have a material adverse effect on our operating cash flows and our ability to make cash distributions to our unitholders.

PGN LNG currently has the option to purchase the *PGN FSRU Lampung* on June 1st of each year, at a price specified in the time charter. SPEC also has the option to purchase the *Höegh Grace* at a price specified in the *Höegh Grace* charter in year 10, year 15 and year 20 of such charter. Any compensation we receive for the purchase of the *PGN FSRU Lampung* or the *Höegh Grace* may not adequately compensate us for both the loss of the applicable vessel and related time charter. If either charterer exercises its option, it would significantly reduce the size of our fleet, and we may be unable to identify or acquire suitable replacement vessel(s) with the proceeds of the option exercise because, among other things that are beyond our control, there may be no replacement vessel(s) that are readily available for purchase at a price that is equal to or less than the proceeds from the option exercise and on terms acceptable to us. Even if we find suitable replacement vessel(s), the hire rate(s) of such vessel(s) may be significantly lower than the hire rate under the current time charters. Our inability to find suitable replacement vessel(s) or the chartering of replacement vessel(s) at lower hire rate(s) would have a material adverse effect on our results of operations, cash flows and ability to make cash distributions to our unitholders. Please read “Item 4.B. Business Overview—Vessel Time Charters—*PGN FSRU Lampung* Time Charter—Purchase Option” and “—Vessel Time Charters—*Höegh Grace* Charter—Purchase Option.”

Due to our lack of diversification, adverse developments in our LNG transportation, storage and regasification businesses could reduce our ability to make cash distributions to our unitholders.

We rely exclusively on the cash flows generated from our FSRUs. Due to our lack of diversification, an adverse development in the LNG transportation, storage and regasification industry could have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets or lines of business.

We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses to enable us to pay quarterly distribution on our Series A preferred units or the current distribution on our common units.

We may not have sufficient cash from operations to pay the quarterly distributions on our Series A preferred units or our common units. The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations. On July 27, 2021, we reduced our quarterly common unit distribution to \$0.01 per unit for the second quarter of 2021. We maintained this distribution rate throughout 2021 and may continue to do so for the foreseeable future. We generate cash from our operations and through distributions from our joint ventures, and as such our cash from operations is dependent on our operations and the cash distributions and operations of our joint ventures, each of which may fluctuate based on the risks described herein, including, among other things:

- the hire rates we and our joint ventures obtain from charters;
- the level of operating costs and other expenses, such as the cost of crews, insurance, performance guarantees and liquidated damages;
- demand for LNG;
- supply and capacities of FSRUs and LNG carriers;
- prevailing global and regional economic and political conditions;
- currency exchange rate fluctuations;

[Table of Contents](#)

- interest rate fluctuations; and
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business.

In addition, the actual amount of cash we will have available for distribution on our units will depend on other factors, including:

- the level of capital expenditures we and our joint ventures make, including for maintaining or replacing vessels, building new vessels, acquiring existing vessels and complying with regulations;
- the number of off-hire or reduced-hire days for our fleet and the timing of, and number of days required for, scheduled drydocking of our vessels;
- our and our joint ventures' debt service requirements, minimum free liquid asset requirements under debt covenants, and restrictions on distributions contained in our and our joint ventures' current and future debt instruments;
- fluctuations in interest rates;
- fluctuations in working capital needs;
- variable corporate income tax rates, payroll taxes, value added taxes and withholding taxes and to the extent applicable, the ability to recover under charters;
- our ability to make, and the level of, working capital borrowings; and
- the amount of any cash reserves established by our board of directors.

In addition, each quarter we are required by our partnership agreement to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted. Our ability to pay distributions will also be limited to the extent that we have sufficient cash after establishment of cash reserves.

The amount of cash we generate from our operations and the cash distributions received from our joint ventures may differ materially from our or their profit or loss for the period, which will be affected by non-cash items. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record net income.

At present, we have limited sources of available working capital borrowings. As of March 31, 2022, the Partnership has fully drawn on the \$63 million revolving credit tranche of the \$385 million facility and has an undrawn balance of \$60.1 million on the \$85 million revolving credit facility from Höegh LNG. However, we have received notice from Höegh LNG that it will not extend the \$85 million revolving credit facility when it matures on January 1, 2023, and that it will have very limited capacity to extend any additional advances to us beyond what is currently drawn under such facility. Also, further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the Notice of Arbitration ("NOA") received from the charterer of *PGN FSRU Lampung* on August 2, 2021. With these recent changes, our liquidity and financial flexibility were reduced. Höegh LNG's ability to make loans under the revolving credit facility may be further affected by events beyond its and our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our and their ability to comply with the terms of the revolving credit facility may be impaired. If we request a borrowing under the revolving credit facility, Höegh LNG may not have, or be able to obtain, sufficient funds to make loans under the revolving credit facility. In the event that Höegh LNG is unable to make loans to us pursuant to the revolving credit facility, or a default or other

[Table of Contents](#)

circumstance prohibits us from borrowing loans thereunder our financial condition, results of operations and ability to make cash distributions to our unitholders could be materially adversely affected.

If Höegh LNG is unable to meet its obligations under the Suspension and Make-Whole Agreements or meet funding requests or indemnification obligations, our financial condition, results of operations and ability to make cash distributions to unitholders could be materially adversely affected.

Our ability to grow and to meet our financial needs may be adversely affected by our cash distribution policy.

Our cash distribution policy, which is consistent with our partnership agreement, requires us to pay the distribution on our Series A preferred units, which rank senior to our common units, and then distribute all of our available cash (as defined in our partnership agreement) to our common units each quarter. Accordingly, our growth may not be as fast as businesses that reinvest their available cash to expand ongoing operations.

In determining the amount of cash available for distribution, our board of directors approves the amount of cash reserves to set aside, including reserves for future maintenance and replacement capital expenditures, working capital and other matters. We may also rely upon external financing sources, including commercial borrowings, to fund our capital expenditures. Accordingly, to the extent we do not have sufficient cash reserves or are unable to obtain financing, our cash distribution policy may significantly impair our ability to meet our financial needs or to grow.

We are a holding entity that has historically derived a portion of our income from equity interests in our joint ventures. Neither we nor our joint venture partners exercise affirmative control over our joint ventures. Accordingly, we cannot require our joint ventures to act in our best interests. Furthermore, our joint venture partners may prevent our joint ventures from taking action that may otherwise be beneficial to us, including making cash distributions to us. A deadlock between us and our joint venture partners could result in our exchanging equity interests in one of our joint ventures for the equity interests in our other joint venture held by our joint venture counterparties or in us or our joint venture partner selling shares in a joint venture to a third party.

We are a holding entity and conduct our operations and businesses through subsidiaries. We have historically derived a portion of our income from our 50% equity interests in our joint ventures that own the *Neptune* and the *Cape Ann*. Please read “Item 4.B. Business Overview—Shareholder Agreements” for a description of the shareholders’ agreements governing our joint ventures. Our ability to make cash distributions to our unitholders will depend on the performance of our joint ventures, subsidiaries and other investments. If our joint venture partners do not approve cash distributions or if they are not sufficient, we will not be able to make cash distributions unless we obtain funds from other sources. We may not be able to obtain the necessary funds from other sources on terms acceptable to us. The approval of a majority of the members of the board of directors is required to consent to any proposed action by such joint ventures and, as a result, we will be unable to cause our joint venture to act in our best interests over the objection of our joint venture partners or make cash distributions to us. Our inability to require our joint ventures to act in our best interests may cause us to fail to realize expected benefits from our equity interests and could adversely affect our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

Our joint venture partners for our joint ventures that own the *Neptune* and the *Cape Ann* are Mitsui O.S.K. Lines, Ltd (“MOL”) and Tokyo LNG Tanker Co., Ltd (“TLT”), whom we refer to in this Annual Report as our joint venture partners. These entities together exercise one half of the voting power on the board of directors of each joint venture. As such, our joint venture partners may prevent our joint ventures from making cash distributions to us or may act in a manner that would otherwise not be in our best interests.

If the directors nominated by us and our joint venture partner are unable to reach agreement on any decision or action, then the issue will be resolved in accordance with the procedures set forth in the shareholders’ agreement. After the board of directors has met a second time to consider the decision or action, if the deadlock persists, one or more of our senior executives will meet with their counterpart(s) from our joint venture partners. Should, after no more than 60 days, these efforts be unsuccessful and we and our joint venture partners, on a combined basis, each own 50% of the shares in each joint venture or, when the shareholdings in each joint venture are aggregated by party, we and our joint venture partners, on a combined basis, each own 50% of the aggregate shares, we and our joint venture partners will attempt to

[Table of Contents](#)

agree within 30 days that our shareholdings be exchanged so that we own 100% of one joint venture and our joint venture partners own 100% of the other joint venture. If, however, the shareholdings are not as described in the previous sentence or we and our joint venture partners cannot agree within the specified time, we or our joint venture partners may sell our shares, including to a third party, in accordance with the procedures set forth in the shareholders' agreement. If any of these forms of resolution were to occur, the diversity of our fleet would be reduced, and our business, financial condition, results of operations and ability to make cash distributions to our unitholders may be adversely affected.

We must make substantial capital expenditures to maintain and replace the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter we will be required, pursuant to our partnership agreement, to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less cash available for distribution to unitholders than if actual maintenance and replacement capital expenditures were deducted.

We must make substantial capital expenditures to maintain and replace, over the long-term, the operating capacity of our fleet. Maintenance and replacement capital expenditures include capital expenditures associated with drydocking a vessel, including costs for inspection, maintenance and repair, modifying an existing vessel, acquiring a new vessel or otherwise replacing current vessels at the end of their useful lives to the extent these expenditures are incurred to maintain or replace the operating capacity of our fleet. These expenditures could vary significantly from quarter to quarter and could increase as a result of changes in:

- the cost of labor and materials;
- customer requirements;
- fleet size;
- length of charters;
- vessel useful life;
- the cost of replacement vessels;
- re-investment rate of return;
- resale or scrap value of existing vessels;
- governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment; and
- competitive standards.

Our partnership agreement requires our board of directors to deduct estimated maintenance and replacement capital expenditures, instead of actual maintenance and replacement capital expenditures, from operating surplus each quarter in an effort to reduce fluctuations in operating surplus as a result of significant variations in actual maintenance and replacement capital expenditures each quarter. The amount of estimated maintenance and replacement capital expenditures deducted from operating surplus is subject to review and change by our board of directors at least once a year (with the approval of the conflicts committee of our board of directors). In years when estimated maintenance and replacement capital expenditures are higher than actual maintenance and replacement capital expenditures, the amount of cash available for distribution to unitholders will be lower than if actual maintenance and replacement capital expenditures were deducted from operating surplus. If our board of directors underestimates the appropriate level of estimated maintenance and replacement capital expenditures, we may have less cash available for distribution in periods when actual capital expenditures exceed our previous estimates. Refer to "Item 8.A. Consolidated Statements and Other

[Table of Contents](#)

Financial Information—The Partnership’s Cash Distribution Policy—Estimated Maintenance and Replacement Capital Expenditures” for a description of our estimated annual maintenance and replacement capital expenditures.

The required drydocking or on-water surveys of our vessels could be more expensive and time consuming than we anticipate, which could adversely affect our cash available for distribution.

The drydocking or on-water survey of our vessels could become longer and more costly than we expect, and in the case of the *Neptune* and the *Cape Ann* could be drydocked for longer than the allowable period under the time charters. Although the *Neptune* and *Cape Ann* time charters, require the charterer to pay the hire rate for up to a specified number of days of scheduled drydocking and reimburse us for anticipated drydocking costs, any significant increase in the number of days of drydocking beyond the specified number of days during which the hire rate remains payable could have a material adverse effect on our ability to make cash distributions to our unitholders. Furthermore, under the *PGN FSRU Lampung* time charter, the vessel will be deemed to be off-hire if drydocking exceeds designated allowances, and under the *Höegh Grace* and the *Höegh Gallant* time charters, the vessels will be deemed to be off-hire during drydocking. There are no pass-through provisions for drydocking or on-water expenses for the *PGN FSRU Lampung*, the *Höegh Grace* or the *Höegh Gallant*. A significant increase in the cost of repairs during drydocking could also adversely affect our cash available for distribution. We may underestimate the time required to drydock or perform on-water surveys of any of our vessels or unanticipated problems may arise. If more than one of our vessels is required to be out of service at the same time, if a vessel is drydocked longer than the permitted duration or if the cost of repairs during drydocking is greater than budgeted, our cash available for distribution could be adversely affected.

We may experience operational problems with vessels that could reduce revenue, increase costs or lead to termination of our time charters.

FSRUs are complex and their operations are technically challenging. The operations of our vessels may be subject to mechanical risks. Operational problems may lead to loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Moreover, pursuant to each time charter, the vessels in our fleet must maintain certain specified performance standards, which may include a guaranteed speed or delivery rate of regasified natural gas, consumption of no more than a specified amount of fuel, not exceed a maximum average daily boil-off or energy balance, loss of earnings and certain liquidated damages payable under the charterer's charter and other performance failures. For example, we received and subsequently settled the boil-off performance claims related to the *Neptune* and the *Cape Ann* described in note 17 of our consolidated financial statements under “Joint ventures boil-off settlement.” Please read “Item 4.B. Business Overview—Vessel Time Charters.” If we fail to maintain these standards, we may be liable to our customers for reduced hire, damages, loss of earnings and certain liquidated damages payable. Under the charterer’s charter and, in certain circumstances, our customers may terminate their respective time charters. Any of these results could harm our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

If capital expenditures are financed through cash from operations or by issuing debt or equity securities, our ability to make cash distributions may be diminished, our financial leverage could increase, or our unitholders may be diluted.

Use of cash from operations to expand our fleet will reduce cash available for distribution to unitholders. Our ability to obtain bank financing or to access the capital markets may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions, changes in the LNG industry and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for future capital expenditures could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders. Even if we are successful in obtaining necessary funds, the terms of any debt financings could limit our ability to pay cash distributions to unitholders. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional equity securities may result in significant unitholder dilution and would increase the aggregate amount of cash required to pay distributions to our unitholders.

[Table of Contents](#)

We may be unable to make or realize expected benefits from acquisitions, which could have an adverse effect on any future plans for growth.

The Partnership monitors the market for any new potential growth opportunity, including selectively acquiring FSRUs, LNG carriers and other LNG infrastructure assets that are operating under long-term charters with stable cash flows. Any acquisition of a vessel or business may not be profitable to us at or after the time we acquire such vessel or business and may not generate cash flows sufficient to justify our investment. In addition, any acquisition exposes us to risks that may harm our business, financial condition and results of operations, including risks that we may:

- fail to realize anticipated benefits, such as new customer relationships, or cash flows enhancements;
- be unable to hire, train or retain qualified onshore and seafaring personnel to manage and operate our growing business and fleet;
- decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- incur or assume unanticipated liabilities, losses or costs associated with the business or vessels acquired; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Our future performance and growth depend on continued growth in demand for the services we provide.

Our future performance and growth depend on expansion in the floating storage and regasification sector and the maritime transportation sector, each within the LNG transportation, storage and regasification industry. The rate of LNG growth has fluctuated due to several reasons, including global economic conditions, natural gas production from unconventional sources in certain regions, the relative competitiveness of alternative fossil fuels such as oil and coal, improvements in the competitiveness of renewable energy sources and the highly complex and capital intensive nature of new or expanded LNG projects. Accordingly, our growth depends on continued growth in world and regional demand for LNG, FSRUs, LNG carriers and other LNG infrastructure assets, which could be negatively affected by a number of factors, including:

- increases in the cost of LNG;
- increases in interest rates or other events that may affect the availability of sufficient financing for LNG projects on commercially reasonable terms;
- increases in the production levels of low-cost natural gas in domestic, natural gas-consuming markets, which could further depress prices for natural gas in those markets and make LNG uneconomical;
- decreases in the cost, or increases in the demand for, conventional land-based regasification systems, which could occur if providers or users of regasification services seek greater economies of scale than FSRUs can provide or if the economic, regulatory or political challenges associated with land-based activities improve;
- decreases in the cost of alternative technologies or development of alternative technologies for vessel-based LNG regasification;

[Table of Contents](#)

- increases in the production of 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-natural gas pipelines to natural gas pipelines in those markets;
- decreases in the consumption of natural gas due to increases in its price relative to other energy sources, regulation or other factors making consumption of natural gas less attractive;
- availability of new, alternative energy sources, including compressed natural gas and renewables; and
- negative global or regional economic or political conditions, particularly in LNG consuming regions, which could reduce energy consumption or its growth.

Reduced demand for LNG, FSRUs or LNG carriers would have a material adverse effect on our future growth and could harm our business, financial condition and results of operations.

Growth of the LNG market may be limited by many factors, including infrastructure constraints and community and political group resistance to new LNG infrastructure over concerns about environmental, safety and terrorism.

A complete LNG project includes production, liquefaction, regasification, storage and distribution facilities and FSRUs or LNG carriers. Existing LNG projects and infrastructure are limited, and new or expanded LNG projects are highly complex and capital intensive, with new projects often costing several billion dollars. Many factors could negatively affect continued development of LNG infrastructure and related alternatives, including floating storage and regasification, or disrupt the supply of LNG, including:

- the availability of sufficient financing for LNG projects on commercially reasonable terms;
- the availability of long-term contracts that can support such financing;
- decreases in the price of LNG, which might decrease the expected returns relating to investments in LNG projects;
- the inability of project owners or operators to obtain governmental approvals to construct or operate LNG facilities;
- local community resistance to proposed or existing LNG facilities based on safety, environmental or security concerns;
- any significant explosion, spill or similar incident involving an LNG facility or vessel involved in the LNG transportation, storage and regasification industry, including an FSRU or LNG carrier; and
- labor or political unrest affecting existing or proposed areas of LNG production and regasification.

We expect that, in the event any of the factors discussed above negatively affect us, some of the proposals to expand existing or develop new LNG liquefaction and regasification facilities may be abandoned or significantly delayed. If the LNG supply chain is disrupted or does not continue to grow, or if a significant explosion, spill or similar incident occurs within the LNG transportation, storage and regasification industry, it could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

[Table of Contents](#)

Demand for FSRUs or LNG shipping could be significantly affected by volatile natural gas prices and the overall demand for natural gas.

LNG prices are volatile and affected by numerous factors beyond our control, including, but not limited to, the following:

- worldwide demand for natural gas and LNG;
- the cost of exploration, development, production, transportation and distribution of natural gas;
- expectations regarding future energy prices for both natural gas and other sources of energy;
- the level of worldwide LNG production and exports;
- government laws and regulations, including but not limited to environmental protection laws and regulations;
- local and international political, economic and weather conditions;
- political and military conflicts; and
- the availability and cost of alternative energy sources, including alternate sources of natural gas.

Weakness in the LNG market may adversely affect our future business, results of operations and financial condition and our ability to make cash distributions, as a result of, among other things:

- lower demand for LNG carriers, reducing available charter rates and revenue to us from short term redeployment of our vessels between FSRU projects or following expiration or termination of existing contracts;
- customers potentially seeking to renegotiate or terminate existing vessel contracts, or failing to extend or renew contracts upon expiration; or
- the inability or refusal of customers to make charter payments to us due to financial constraints or otherwise.

Weakness in demand for FSRUs or LNG carriers could come about because of excess capacity in the market, newly built vessels entering the market and existing vessels coming off contract.

In general, reduced demand for LNG, FSRUs or LNG carriers would have a material adverse effect on our future growth and could harm our business, results of operations and financial condition.

The debt levels of us and our joint ventures may limit our and their flexibility in obtaining additional financing, refinancing credit facilities upon maturity or pursuing other business opportunities or our paying distributions to you.

As of December 31, 2021, we had outstanding principal on long-term bank debt of \$391.8 million, and revolving credit due to owners and affiliates of \$24.9 million and our joint ventures had outstanding principal on long-term debt of \$330.8 million, of which 50% is our share.

As of March 31, 2022, we had outstanding principal on long-term bank debt of \$378.2 million and revolving credit due to owners and affiliates of \$24.9 million and our 50% share of our joint ventures had outstanding principal on long-term debt of \$323.6 million. As of March 31, 2022, the \$63 million revolving credit tranche of the \$385 million facility is fully drawn and we have no ability to incur additional debt on this facility. In July 2021, we received notice from Höegh LNG that the \$85 million revolving credit facility will not be extended when it matures on January 1, 2023, and that

[Table of Contents](#)

Höegh LNG will have very limited capacity to extend any additional advances to us beyond what is currently drawn under such facility. Also, further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the NOA received from the charterer of *PGN FSRU Lampung*.

If we acquire additional vessels or businesses, our consolidated debt may significantly increase. We may incur additional debt under these or future credit facilities. A portion of the \$385 million facility secured by the *Höegh Gallant* and the *Höegh Grace* will mature in 2026, and requires that an aggregate principal amount of \$136.1 million be refinanced. If the principal repayment is not refinanced, the export credit tranche secured by the *Höegh Gallant* and the *Höegh Grace* financing, that will have an outstanding balance of \$9.5 million may be accelerated. Please read "Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Long-term Debt—Lampung Facility" and "—\$385 million Facility."

Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be limited, or such financing may not be available on favorable terms;
- we will need a substantial portion of our cash flows to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations, future business opportunities and distributions to unitholders;
- our debt level will make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally;
- our debt level may limit our flexibility in responding to changing business and economic conditions; and
- if we are unable to satisfy the restrictions included in any of our financing arrangements or are otherwise in default under any of those arrangements, as a result of our debt levels or otherwise, we will not be able to make cash distributions to you, notwithstanding our stated cash distribution policy.

Our ability to service or refinance our debt will depend on, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service or refinance our current or future indebtedness, we will be forced to take actions such as reducing distributions, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to affect any of these remedies on satisfactory terms, or at all. Additionally, our customers may also fail to timely execute consents or other documents that may be required for financing or refinancing of our vessels, which may have a negative impact on our ability to refinance our debt or issue new debt.

The financing arrangements of us and our joint ventures are secured by our vessels and contain operating and financial restrictions and other covenants that may restrict our business and financing activities as well as our ability to make cash distributions to our unitholders.

The operating and financial restrictions and covenants in the financing arrangements of us and our joint ventures, including lease agreements and any future financing agreements, could adversely affect our and their ability to finance future operations or capital needs or to engage, expand or pursue our business activities. For example, the financing agreements may restrict the ability of us and our subsidiaries to:

- incur or guarantee indebtedness;
- change ownership or structure, including mergers, consolidations, liquidations and dissolutions;
- make dividends or distributions;

[Table of Contents](#)

- make certain negative pledges and grant certain liens;
- sell, transfer, assign or convey assets;
- make certain investments; and
- enter into a new line of business.

In addition, our financing agreements require us and Höegh LNG to comply with certain financial ratios and tests, including maintaining a minimum liquidity and a minimum book equity ratio and require that our current assets exceed current liabilities, as defined by the financing agreements, and that our subsidiaries maintain minimum EBITDA to debt service ratios. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Long-term Debt—Lampung Facility” and “—\$385 million Facility.”

Our joint ventures’, Höegh LNG’s and our ability to comply with covenants and restrictions contained in financing arrangements may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our and their ability to comply with these covenants may be impaired. If restrictions, covenants, ratios or tests in debt instruments are breached, a significant portion of the obligations may become immediately due and payable, and the lenders’ commitment to make further loans may terminate. We and/or our joint ventures or Höegh LNG may not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, obligations under our and our joint ventures’ financing arrangements are secured by our vessels and the Lampung facility is guaranteed by Höegh LNG, and if they are unable to repay debt under our financing arrangements, the lenders could seek to foreclose on those assets. Please read “Item 5.B. Liquidity and Capital Resources.”

Restrictions in our debt agreements and local laws may prevent us from paying distributions to our unitholders.

The payment of principal and interest on our debt will reduce our cash available for distribution. Our and our joint ventures’ financing arrangements prohibit the payment of distributions upon the occurrence of certain events, including, but not limited to:

- failure to pay any principal, interest, fees, expenses or other amounts when due;
- certain material environmental incidents;
- breach or lapse of insurance with respect to vessels securing the facilities;
- breach of certain financial covenants;
- failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;
- default under other indebtedness (including certain hedging arrangements or other material agreements);
- bankruptcy or insolvency events;
- inaccuracy of any representation or warranty;
- a change of ownership of the vessel-owning subsidiary, as defined in the applicable agreement; and
- a material adverse change, as defined in the applicable agreement.

[Table of Contents](#)

Furthermore, our financing arrangements require that we maintain minimum amounts of free liquid assets and our subsidiaries and joint ventures to hold cash reserves that are, in certain cases, held for specifically designated uses, including working capital, operations and maintenance and debt service reserves, and are generally subject to “waterfall” provisions that allocate project revenues to specified priorities of use (such as operating expenses, scheduled debt service, targeted debt service reserves and any other reserves) and the remaining cash is distributable to us only on certain dates and subject to satisfaction of certain conditions, including meeting a 1.20 historical and in some cases, projected, debt service coverage ratio.

On December 24, 2021, we closed a refinancing of the Lampung facility’s commercial tranche’s outstanding amount of \$15.5 million in full. The refinanced facility includes certain restrictions on the use of cash generated by the *PGN FSRU Lampung* as well as a cash sweep mechanism. Until the pending arbitration with the charterer of *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved, no shareholder loans may be serviced and no dividends may be paid to the Partnership by the subsidiary borrowing under the Lampung facility, PT Höegh. Furthermore, each quarter, 50% of the *PGN FSRU Lampung*’s generated cash flow after debt service must be applied to pre-pay outstanding loan amounts under the refinanced Lampung facility, applied pro rata across the commercial and export credit tranches. The remaining 50% will be retained by PT Höegh and pledged in favor of the lenders until the pending arbitration with the charterer of *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved. As a consequence, no cash flow from the *PGN FSRU Lampung* will be available for the Partnership until the pending arbitration has been terminated, cancelled or favorably resolved.

In addition, the laws governing our joint ventures and subsidiaries may prevent us from making dividend distributions. Our joint ventures are subject to restrictions under the laws of the Cayman Islands and may only pay distributions out of profits or capital reserves if the joint venture entity is solvent after the distribution, Höegh Lampung is subject to Singapore laws and may make dividend distributions only out of profits. Dividends may only be paid by PT Höegh if its retained earnings are positive under Indonesian law and requirements are fulfilled under the Lampung facility. In addition, PT Höegh as an Indonesian incorporated company is required to establish a statutory reserve equal to 20% of its paid up capital. The dividend can only be distributed if PT Höegh’s retained earnings are positive after deducting the statutory reserve. PT Höegh is in the process of establishing the required statutory reserves as of December 31, 2021 and therefore cannot make dividend payments to us under Indonesia law. Under Cayman Islands law, Höegh FSRU IV and Höegh Colombia Holding may only pay distributions out of profits or capital reserves if the entity is solvent after the distribution. Dividends from Höegh Cyprus may only be distributed out of profits and not from the share capital of the company. Dividends and other distributions from Höegh Cyprus, Höegh Colombia and Höegh FSRU IV may only be distributed if after the dividend payment, the Partnership would remain in compliance with the financial covenants under the \$385 million facility. Please read “Item 8.A. Consolidated Statements and Other Financial Information—The Partnership’s Cash Distribution Policy—Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy.”

Höegh LNG has pledged as collateral under certain of its Norwegian Kroner (“NOK”) bonds all of its common units as security for the bonds. A default by Höegh LNG under the bonds which causes the collateral trustee to foreclose on such collateral would have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

On March 22, 2022, Höegh LNG pledged all 15,257,498 of our common units that are owned by Höegh LNG as collateral under certain of its NOK bonds. A default by Höegh LNG under these bonds which causes the collateral trustee to foreclose on the collateral would cause an event of default under all of our long-term credit facilities and our joint venture shareholder agreements. Our long-term credit facilities and our joint venture shareholder agreements require Höegh LNG to own at least 25% of our common units. Höegh LNG’s ability to comply with the terms of these bonds may be affected by events beyond the control of Höegh LNG or us, including decreases in the trading price of our common units, our ability to maintain employment for our vessels and prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate and the trading price of our common units falls, Höegh LNG’s ability to meet its obligations under the bonds may be impaired. A default by Höegh LNG under the bonds which causes the collateral trustee to foreclose on the collateral and the corresponding default under our long-term credit facilities and joint venture shareholder agreements would have a material adverse effect on our financial condition, results of operations and ability to make cash distributions to unitholders.

[Table of Contents](#)

An increase in the global supply or aggregate capacities of FSRUs or LNG carriers, including conversion of existing tonnage, without a commensurate increase in demand may have an adverse effect on hire rates and the values of our vessels, which could have a material adverse effect on our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

The supply of FSRUs, LNG carriers and other LNG infrastructure assets in the industry is affected by, among other things, assessments of the demand for these vessels by charterers. Any over-estimation of demand for vessels may result in an excess supply of new vessels. This may, in the long term when existing contracts expire, result in lower hire rates and depress the values of our vessels. If hire rates are lower when we are seeking new time charters upon expiration or early termination of our current time charters, or for any new vessels we acquire, our business, financial condition, results of operations and ability to make cash distributions to our unitholders may be adversely affected.

During periods of high utilization and high hire rates, industry participants may increase the supply of FSRUs and/or LNG carriers by ordering the construction of new vessels. This may result in an over-supply and may cause a subsequent decline in utilization and hire rates when the vessels enter the market. Lower utilization and hire rates could adversely affect revenues and profitability. Prolonged periods of low utilization and hire rates could also result in the recognition of impairment charges on our vessels if future cash flow estimates, based upon information available at the time, indicate that the carrying value of these vessels may not be recoverable. Such impairment charges may cause lenders to accelerate loan payments under our or our joint ventures' financing agreements, which could adversely affect our business, financial condition, results of operations and ability to make cash distributions to our unitholders.

Vessel values may fluctuate substantially, and a decline in vessel values may result in impairment charges, the breach of our financial covenants or, if these values are lower at a time when we are attempting to dispose of vessels, a loss on the sale.

Vessel values for FSRUs and LNG carriers can fluctuate substantially over time due to a number of different factors, including:

- prevailing economic conditions in the natural gas and energy markets;
- a substantial or extended decline in demand for LNG;
- increases in the supply of vessel capacity;
- the size and age of a vessel;
- the remaining term on existing time charters; 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.

As our vessels age, the expenses associated with maintaining and operating them are expected to increase, which could have an adverse effect on our business and operations if we do not maintain sufficient cash reserves for maintenance and replacement capital expenditures. Moreover, the cost of a replacement vessel would be significant.

If a charter terminates, we may be unable to re-deploy the affected vessel at attractive rates and, rather than continue to incur costs to maintain and finance the vessel, we may seek to dispose of the vessel. Our inability to dispose of a vessel at a reasonable value could result in a loss on the sale and adversely affect our ability to purchase a replacement vessel, financial condition, results of operations and ability to make cash distributions to our unitholders. A decline in the value of our vessels may also result in impairment charges or the breach of certain of the ratios and financial covenants we are required to comply with in our credit facilities.

[Table of Contents](#)

We depend on Höegh LNG and its affiliates for the management of our fleet and to assist us in operating and expanding our business.

Our ability to enter into new charters and expand our customer relationships will depend largely on our ability to leverage our relationship with Höegh LNG and its reputation and relationships in the shipping industry. If Höegh LNG suffers material damage to its reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards;
- obtain financing on commercially acceptable terms;
- maintain access to capital under the revolving credit facility; or
- maintain satisfactory relationships with suppliers and other third parties.

In addition, all our vessels are subject to management and services agreements with affiliates of Höegh LNG. Moreover, pursuant to an administrative services agreement, Höegh Norway provides us and our operating company with certain administrative, financial and other support services. Our operational success and ability to grow our business will depend significantly upon the satisfactory performance of these services. Our business will be harmed if our service providers fail to perform these services satisfactorily, if they cancel their agreements with us or if they stop providing these services to us. Please read “Item 7.B. Related Party Transactions.”

The operation of FSRUs, LNG carriers and other LNG infrastructure assets is inherently risky, and an incident involving significant loss of life or property or environmental consequences involving any of our vessels could harm our reputation, business and financial condition.

Our vessels and their cargoes are at risk of being damaged or lost because of events such as:

- marine disasters;
- piracy;
- environmental accidents;
- bad weather;
- mechanical failures;
- grounding, fire, explosions and collisions;
- human error; and
- war and terrorism.

An accident involving any of our vessels could result in any of the following:

- death or injury to persons, loss of property or damage to the environment, natural resources or protected species, and associated costs;

[Table of Contents](#)

- delays in taking delivery of cargo or discharging LNG or regasified LNG, as applicable;
- loss of revenues from or termination of time charters;
- governmental fines, penalties or restrictions on conducting business;
- higher insurance rates; and
- damage to our reputation and customer relationships generally.

Any of these results could have a material adverse effect on our business, financial condition and results of operations.

If our vessels suffer damage, they may need to be repaired. The costs of vessel repairs are unpredictable and can be substantial. We may have to pay repair costs that our insurance policies do not cover, for example, due to insufficient coverage amounts or the refusal by our insurance provider to pay a claim. The loss of earnings while these vessels are being repaired, as well as the actual cost of these repairs not otherwise covered by insurance, would decrease our results of operations. If any of our vessels are involved in an accident with the potential risk of environmental consequences, the resulting media coverage could have a material adverse effect on our business, our results of operations and cash flows, weaken our financial condition and negatively affect our ability to make cash distributions to our unitholders.

Our insurance may be insufficient to cover losses that may occur to our property or result from our operations.

The operating of FSRUs, LNG carriers and other LNG infrastructure assets is inherently risky. Although we carry protection and indemnity insurance consistent with industry standards, all of the risks associated with operating FSRUs, LNG carriers and other LNG infrastructure assets may not be adequately insured against, and any particular claim may not be paid. 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. Certain of our insurance coverage is maintained through mutual protection and indemnity associations, and as a member of such associations we may be required to make additional payments over and above budgeted premiums if member claims exceed association reserves.

We may be unable to procure adequate insurance coverage at commercially reasonable rates 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, insurance against risks of environmental damage or pollution. A marine disaster could exceed our insurance coverage, which could harm our business, financial condition, results of operations, cash flows and ability to make cash distributions to our unitholders. Any uninsured or underinsured loss could harm our business and financial condition. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our ships failing to maintain certification with applicable maritime self-regulatory organizations.

Changes in the insurance markets attributable to terrorist attacks may also make certain types of insurance more difficult for us to obtain. In addition, upon renewal or expiration of our current policies, the insurance that may be available to us may be significantly more expensive than our existing coverage.

An increase in operating expenses could adversely affect our financial performance.

Our operating expenses, on water survey costs and drydock capital expenditures depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and shipyard costs, many of which are beyond our control and affect the entire shipping industry. While many of these costs are borne by the charterers under our time charters, there are some circumstance where this is not the case. For example, we bear the cost of fuel (bunkers) for the *Höegh Grace* time charter, and fuel is a significant expense in our operations when our vessels are, for example, moving to or from drydock or when off-hire. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries and other oil and gas

[Table of Contents](#)

producers, war and unrest in oil-producing countries and regions, regional production patterns and environmental concerns. These may increase vessel operating costs further. If costs continue to rise, they could materially and adversely affect our results of operations.

A shortage of qualified officers and crew, including possible disruptions caused by the COVID-19 outbreak, could have an adverse effect on our business and financial condition.

FSRUs and LNG carriers require a technically skilled officer staff with specialized training. As the global FSRU fleet and LNG carrier fleet continues to grow, the demand for technically skilled officers and crew has been increasing, which has led to a more competitive recruiting market. Increases in our historical vessel operating expenses have been attributable primarily to the rising costs of recruiting and retaining officers for our fleet. Furthermore, each key officer crewing an FSRU or LNG carrier must receive specialized training related to the operation and maintenance of the regasification equipment. If Høegh LNG Management and Høegh Maritime Management are unable to recruit and employ technically skilled staff and crew, they will not be able to adequately staff our vessels. Furthermore, should there be an outbreak of COVID-19 on board, adequate crewing may not be available to fulfill the obligations under the contract. In addition, the officers and crew work on a rotating schedule. Due to COVID-19, we could face (i) difficulty in finding healthy qualified replacement officers and crew; (ii) local quarantine restrictions limiting the ability to transfer infected crew members off the vessel or bring new crew on board, or (iii) restrictions in availability of supplies needed on board due to disruptions to third-party suppliers or transportation alternatives. A material decrease in the supply of technically skilled officers or an inability of Høegh LNG Management or Høegh Maritime Management to attract and retain such qualified officers, or rotate and replace virus infected crew, including as a result of the invasion of Ukraine by Russia and government responses thereto, could impair our ability to operate or increase the cost of crewing our vessels, which would materially adversely affect our business, financial condition and results of operations and significantly reduce our ability to make cash distributions to our unitholders.

We may be unable to attract and retain key management personnel, which may negatively impact our growth, the effectiveness of our management and our results of operations.

Our success depends to a significant extent upon the abilities and the efforts of our senior executives. While we believe that we have an experienced management team, the loss or unavailability of one or more of our senior executives for any extended period of time could have an adverse effect on our growth, business and results of operations.

Exposure to currency exchange rate fluctuations could result in fluctuations in our cash flows and operating results.

Currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations from quarter to quarter. Historically, the substantial majority of our revenue has been generated in U.S. Dollars, but we incur a minority of our operating expenses in other currencies. All of our long-term debt is U.S. dollar denominated, but we incur a minority of short-term liabilities in other currencies. Please read “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Risk.”

Acts of piracy on any of our vessels or on oceangoing vessels could adversely affect our business, financial condition and results of operations.

Acts of piracy have historically affected oceangoing vessels trading in regions of the world such as the South China Sea, the Gulf of Aden off the coast of Somalia and the Gulf of Guinea. If such piracy attacks result in regions in which our vessels are deployed being named on the Joint War Committee Listed Areas, war-risk insurance premiums payable for such insurance coverage could increase significantly and such insurance coverage might become more difficult to obtain. In addition, crew costs, including costs that may be incurred to the extent we employ onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, hijacking as a result of an act of piracy against our vessels, or an increase in cost or unavailability of insurance for our vessels, could have a material adverse impact on our business, financial condition and results of operations.

[Table of Contents](#)

Terrorist attacks, increased hostilities, piracy or war could lead to further economic instability, increased costs and disruption of business.

Terrorist attacks, piracy and the current conflicts in Ukraine, the Middle East and elsewhere may adversely affect our business, financial condition, results of operations, ability to raise capital and future growth.

The recent Russian invasion of Ukraine may lead to further regional and international conflicts or armed action. It is possible that such conflict could disrupt supply chains and cause instability in the global economy. Additionally, the ongoing conflict could result in the imposition of further economic sanctions by the United States and the European Union against Russia. While much uncertainty remains regarding the global impact of the invasion, it is possible that such tensions could adversely affect our business, financial condition, results of operation and cash flows. Furthermore, it is possible that third parties with whom we have charter contracts may be impacted by events in Russia and Ukraine, which could adversely affect our operations.

Continuing hostilities in the Middle East may lead to additional armed conflicts or to further acts of terrorism and civil disturbance in the United States or elsewhere, which may contribute further to economic instability and disruption of production and distribution of LNG, which could result in reduced demand for our services.

Terrorist attacks on vessels may in the future adversely affect our business, financial condition and results of operation. In addition, LNG facilities, shipyards, vessels, pipelines and natural gas fields could be targets of future terrorist attacks. Any such attacks could lead to, among other things, bodily injury or loss of life, vessel or other property damage, increased vessel operational costs, including insurance costs, and the inability to transport LNG to or from certain locations. Terrorist attacks, piracy, war or other events beyond our control that adversely affect the distribution, production or transportation of LNG to be shipped by us could entitle customers to terminate our charters, which would harm our cash flows and business. Terrorist attacks, or the perception that LNG facilities, FSRUs and LNG carriers are potential terrorist targets, could materially and adversely affect expansion of LNG infrastructure and the continued supply of LNG. Concern that LNG facilities may be targeted for attack by terrorists has contributed to a community and environmental resistance to the construction of a number of LNG facilities. In addition, the loss of a vessel as a result of terrorism or piracy would have a material adverse effect on our business, financial condition and results of operations.

We are exposed to political, regulatory, and economic risks associated with doing business in different countries, including in emerging market countries.

We conduct all of our operations outside of the United States and expect to continue to do so for the foreseeable future. Some of the countries in which we are engaged in business or where our vessels are registered, for example, Indonesia, Colombia and Jamaica, are historically less developed and stable than the United States. We are affected by economic, political, and governmental conditions in the countries where we are engaged in business or where our vessels are registered. We are also affected by policies related to labor and the crewing of FSRUs. Any disruption caused by these factors could harm our business. Further, we derive a substantial portion of our revenues from shipping and regasifying LNG from politically unstable regions. Future hostilities or other political instability where we operate or may operate could have a material adverse effect on the growth of our business, financial condition, results of operations and ability to make cash distributions to our unitholders. The recent Russian invasion of Ukraine, in addition to sanctions announced by President Biden and several European leaders against Russia and any forthcoming sanctions, may also adversely impact our business, given Russia's role as a major global exporter of crude oil and natural gas. In addition, tariffs, trade embargoes and other economic sanctions by the United States or other countries against countries in the Middle East, Southeast Asia, South America or elsewhere as a result of terrorist attacks, hostilities or otherwise may limit trading activities with those countries, which could harm our business and ability to make cash distributions to our unitholders.

Our vessels operating in international waters, now or in the future, will be subject to various international conventions and flag state laws and regulations relating to protection of the environment.

Our vessels traveling in international waters are subject to various existing regulations published by the International Maritime Organization ("IMO"), as well as marine pollution and prevention requirements imposed by the IMO

[Table of Contents](#)

International Convention for the Prevention of Pollution from Ships of 1975, as from time to time has been or may be amended (the “MARPOL Convention”). In addition, our FSRUs may become subject to the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, as amended by the April 2010 Protocol to the HNS Convention (the “2010 HNS Convention”), if it is entered into force. In July 2019, South Africa became the 5th state to ratify the protocol, which must be ratified or acceded to by at least 7 more states to enter into effect. In 2020, the EU Ministers signed a declaration highlighting the importance of ratifying the 2010 HNS Convention. At least 6 states reported on significant progress toward implementation and ratification of the 2010 HNS Convention at the 2020 and 2021 sessions of the International Oil Pollution Compensation Funds. The 2010 HNS Convention is intended to put in place a comprehensive regime to address the risks of fire and explosion and to cover pollution damage from hazardous and noxious substances carried by ships, including loss of life, personal injury, and property loss of damage. If the 2010 HNS Convention were to enter into force, we cannot estimate with any certainty at this time the costs that may be needed to comply with any such requirements that may be adopted. Please read “Item 4.B. Business Overview—Environmental and Other Regulation” for a more detailed discussion on these topics.

Our operations are subject to substantial environmental and other regulations, which may significantly increase our expenses.

Our operations are materially affected by extensive and changing international, national and local environmental protection laws, regulations, treaties, conventions and standards in force in international waters, the jurisdictional waters of the countries in which our vessels operate, as well as the countries of our vessels’ registration, including those relating to equipping and operating FSRUs and LNG carriers, providing security and minimizing the potential for adverse impacts to the environment, natural resources and protected species from their operations. These include regulations of the IMO, including the International Convention on Civil Liability for Oil Pollution Damage of 1969, as from time to time amended, the MARPOL Convention, the International Convention for the Prevention of Marine Pollution of 1973, the IMO International Convention for the Safety of Life at Sea of 1974, as from time to time amended (“SOLAS”), the IMO International Convention on Load Lines of 1966, as from time to time amended, and the International Management Code for the Safe Operation of Ships and for Pollution Prevention (the “ISM Code”) and national laws such as the U.S. Oil Pollution Act of 1990 (“OPA 90”), the U.S. Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), the U.S. Clean Water Act (the “CWA”), and the U.S. Maritime Transportation Security Act of 2002 and any counterpart laws in other jurisdictions with laws governing our operations. We may become subject to additional laws and regulations if we enter new markets or trades.

Many of these requirements are designed to reduce the risk of oil spills and other pollution. In addition, we believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will lead to additional regulatory requirements, including enhanced risk assessment and security requirements and greater inspection and safety requirements on vessels. We have incurred, and expect to continue to incur, substantial expenses in complying with these laws and regulations, including expenses for vessel modifications and changes in operating procedures.

The design, construction, and operation of FSRUs and interconnecting pipelines and the transportation of LNG are also subject to governmental approvals and permits. The permitting rules, and the interpretations of those rules, are complex, change frequently and are often subject to discretionary interpretations by regulators, all of which may make compliance more difficult or impractical and may increase the time it takes to secure needed approvals. The length of time it takes to receive regulatory approval for offshore LNG operations is one factor that has affected our industry, including through increased expenses.

Environmental and other regulatory requirements can affect the resale value or useful lives of our vessels, require ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in, certain ports. Under local and national laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations, in the event that there is a release of oil or hazardous substances from our vessels or otherwise in connection with our operations. We could also become subject to personal injury, property or natural resource damage claims relating to the release of or exposure to hazardous materials associated with our operations. In

[Table of Contents](#)

addition, failure to comply with applicable laws and regulations may result in administrative or civil penalties, criminal sanctions or the suspension or termination of our operations, including, in certain instances, seizure or detention of our vessels.

Please read “Item 4.B. Business Overview—Environmental and Other Regulation.”

Further changes to existing environmental laws applicable to international and national maritime trade may have an adverse effect on our business.

We believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will generally lead to additional regulatory requirements, including enhanced risk assessment and security requirements and greater inspection and safety requirements on all vessels in the marine LNG transportation markets and offshore LNG terminals. These requirements are likely to add incremental costs to our operations and the failure to comply with these requirements may affect the ability of our vessels to obtain and, possibly, collect on insurance or to obtain the required certificates for entry into the different ports where we operate.

Further legislation, or amendments to existing legislation, applicable to international and national maritime trade are expected over the coming years in areas such as ship recycling, sewage systems, emission control (including emissions of greenhouse gases) and ballast treatment and handling. Such legislation or regulations may require additional capital expenditures or operating expenses for us to maintain our vessels’ compliance with international and/or national regulations.

Climate change concerns and greenhouse gas regulations and impacts may adversely impact our operations and markets.

Due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions from vessels. 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. Although the emissions of greenhouse gases from international shipping currently are not subject to the international treaty on climate change known as the Paris Agreement, a new treaty or IMO regulations may be adopted in the future that includes restrictions on shipping emissions. In 2016, the IMO reaffirmed its strong commitment to continue to work to address greenhouse gas emissions from ships engaged in international trade. The IMO adopted an initial GHG reduction strategy in 2018 as a framework for further action with adoption of a revised IMO strategy targeted for 2023 (the “IMO GHG Strategy”). Consistent with the IMO GHG Strategy target of a 40% carbon reduction for international shipping by 2030, as compared to 2018, IMO’s Marine Environment Protection Committee (“MEPC”) agreed upon draft amendments to MARPOL Annex VI that would establish an enforceable regulatory framework to reduce greenhouse gas emissions from international shipping, consisting of technical and operational carbon reduction measures, including use of an Energy Efficiency Existing Ship Index, an operational Carbon Intensity Indicator and an enhanced Ship Energy Efficiency Management Plan.

These amendments were adopted at the June 2021 MEPC session and, are expected to enter into force on January 1, 2023. The relatively slow progress of the IMO in addressing emissions of greenhouse gases from shipping prompted the EU to proceed on a parallel path of regulation. In July 2021, the European Commission announced proposals that would put in place measures to address greenhouse gas emissions from shipping. Compliance with changes in laws and regulations relating to climate change could increase our costs of operating and maintaining our vessels and could require us to make significant financial expenditures that we cannot predict with certainty at this time. Further, our business may be adversely affected to the extent that climate change results in sea level changes or more intense weather events.

Maritime claimants could arrest our vessels, which could interrupt our cash flows.

Crew members, suppliers of goods and services to our vessels, owners of cargo or other parties may be entitled to a maritime lien against one or more of our vessels for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. In a few jurisdictions,

[Table of Contents](#)

claimants could try to assert “sister ship” liability against one vessel in our fleet for claims relating to another of our vessels. The arrest or attachment of one or more of our vessels could interrupt our cash flows and require us to pay to have the arrest lifted.

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

The government of a jurisdiction where one or more of our vessels are registered could requisition for title or seize our vessels. Requisition for title or seizure occurs when a government takes control of a vessel and becomes her owner. Also, a government could requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated hire rates. Generally, requisitions occur during a period of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would expect to be entitled to government compensation in the event of a requisition of one or more of our vessels, the amount and timing of payments, if any, would be uncertain. A government requisition of one or more of our vessels would result in off-hire days under our time charters and may cause us to breach covenants in certain of our credit facilities. Furthermore, a requisition for title of either the *Neptune* or the *Cape Ann* constitutes a total loss under the terms of the related facility agreements, in which case we would have to repay all loans. If a government requisition of one or more of our vessels were to occur, it could have a material adverse effect on our business, financial condition, results of operations and cash flows, including cash available for distribution to our unitholders.

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

The hull and machinery of every large, oceangoing commercial vessel must be classed by a classification society authorized by her 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. Each of our vessels is certified by Det Norske Veritas, compliant with the ISM Code and “in class.” In order to maintain valid certificates from the classification society, a vessel must undergo annual surveys, intermediate surveys and renewal surveys. A vessel’s machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Each of the vessels in our fleet has implemented a certified planned maintenance system. The classification society attends onboard once every year to verify that the maintenance of the equipment onboard is done correctly. For each of the *Neptune* and the *Cape Ann*, a renewal survey is conducted every five years and an intermediate survey is conducted within 30 months after a renewal survey. During the first 15 years of operation, the vessels have an extended drydock interval which allow them to be drydocked every 7.5 years, while intermediate surveys and certain renewal surveys occur while they are afloat, using an approved diving company in the presence of a surveyor from the classification society. After these vessels are 15 years old, they are expected to be drydocked every five years or, if required by the charterers, every 30 months. We do not anticipate drydocking of the *PGN FSRU Lampung* for the first 20 years as all the required surveys can be done afloat. In the first 15 years after its delivery from the shipyard, we expect the *Höegh Gallant* to have a renewal survey every five years and to be drydocked every 7.5 years. The *Höegh Grace* is also designed to carry out renewal surveys afloat which is conducted every five years and is not expected to go into drydocking for the duration of its current charter. The *Höegh Grace* is scheduled to carry out renewal survey afloat before the end of the second quarter of 2026. If any vessel does not maintain her class or fails any annual survey, renewal survey, intermediate survey or special survey, the vessel will be unable to trade between ports and will be unemployable. We would lose revenue while the vessel was off-hire and incur costs of compliance. This would negatively impact our revenues and reduce our cash available for distribution to unitholders.

Failure to comply with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, the anti-corruption provisions in the Norwegian Criminal Code and other anti-bribery legislation in other jurisdictions could result in fines, criminal penalties, contract termination and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”), the Bribery Act 2010 of the Parliament of the United Kingdom (the “UK Bribery Act”) and the anti-corruption provisions of the Norwegian Criminal Code of 1902 (the “Norwegian Criminal Code”), respectively.

[Table of Contents](#)

We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA, the UK Bribery Act and the Norwegian Criminal Code. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

If in the future our business activities involve countries, entities and individuals that are subject to restrictions imposed by the U.S. or other governments, we could be subject to enforcement action and our reputation and the market for our preferred and common units could be adversely affected.

The tightening of U.S. sanctions in recent years has affected non-U.S. companies. In particular, sanctions against Iran and the recent sanctions against Russia have been significantly expanded. In 2012, for example, the U.S. signed into law the Iran Threat Reduction and Syria Human Rights Act of 2012 (“TRA”), which placed further restrictions on the ability of non-U.S. companies to do business or trade with Iran and Syria. A major provision in the TRA is that issuers of securities must disclose to the SEC in their annual and quarterly reports filed after February 6, 2013 if the issuer or “any affiliate” has “knowingly” engaged in certain activities involving Iran during the timeframe covered by the report. This disclosure obligation is broad in scope in that it requires the reporting of activity that would not be considered a violation of U.S. sanctions as well as violative conduct and is not subject to a materiality threshold. The SEC publishes these disclosures on its website and the President of the United States must initiate an investigation in response to all disclosures.

In addition to the sanctions against Iran, the U.S. also has sanctions that target other countries, entities and individuals. These sanctions have certain extraterritorial effects that need to be considered by non-U.S. companies. It should also be noted that other governments have implemented versions of U.S. sanctions. We believe that we are in compliance with all applicable sanctions and embargo laws and regulations imposed by the U.S., the United Nations or European Union (the “EU”) countries and intend to maintain such compliance. However, 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 fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in our units. Additionally, some investors may decide to divest their interest, or not to invest, in our units simply because we may do business with companies that do business in sanctioned countries. Investor perception of the value of our units may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

We face risks relating to our ineffective internal control over financial reporting.

As of December 31, 2021, we had control deficiencies related to information technology general controls, which constituted a material weakness in internal control over financial reporting. See “Item 15. Controls and Procedures.” Under standards established by the Public Company Accounting Oversight Board, a material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected or corrected on a timely basis. While we are working to remediate the material weakness, we cannot at this time estimate how long it will take, and our initiatives may not prove to be successful in remediating our material weakness. If our remedial measures are insufficient to address the material weakness, or if additional material weaknesses are discovered or occur in the future, then there is a risk that our financial statements may contain material misstatements that are unknown to us at that time, and such misstatements could require us to restate our financial results.

A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks, which are provided by Høegh LNG, in our operations and the administration of our business, to collect payments from customers and to pay agents, vendors and employees. Our data protection measures and measures taken by our customers, agents and vendors may not prevent unauthorized access of information technology systems. Threats to our information technology systems and the systems of our customers,

[Table of Contents](#)

agents and vendors associated with cybersecurity risks or attacks continue to grow. Threats to our systems and our customers', agents' and vendors' systems may derive from human error, fraud or malice or may be the result of accidental technological failure. Our operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt our operations, including the safety of our operations and the availability of our vessels, or lead to unauthorized release of information or alteration of information on our systems. In addition, breaches to our systems and systems of our customers, agents and vendors could go unnoticed for some period of time. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and results of operations.

Most recently, the Russian invasion of Ukraine has been accompanied by cyber-attacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect the Partnership's operations. Further, we or our customers or suppliers may be subject to retaliatory cyberattacks perpetrated by Russia or others at its direction in response to economic sanctions and other actions taken against Russia as a result of its invasion of Ukraine. It is difficult to assess the likelihood of such threat and any potential impact at this time.

Changing laws and evolving reporting requirements could have an adverse effect on our business.

We are subject to laws, directives, and regulations relating to the collection, use, retention, disclosure, security and transfer of personal data. These laws, directives, and regulations, and their interpretation and enforcement continue to evolve and may be inconsistent from jurisdiction to jurisdiction. For example, the General Data Protection Regulation ("GDPR"), which regulates the use of personally identifiable information, went into effect in the EU on May 25, 2018 and applies globally to all of our activities conducted from an establishment in the EU, to related products and services that we offer to EU customers and to non-EU customers which offer services in the EU. GDPR requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. Complying with GDPR and similar emerging and changing privacy and data protection requirements may cause us to incur substantial costs or require us to change our business practices. Noncompliance with our legal obligations relating to privacy and data protection could result in penalties, fines, legal proceedings by governmental entities or others, loss of reputation, legal claims by individuals and customers and significant legal and financial exposure and could affect our ability to retain and attract customers, which could have an adverse effect on our business, financial conditions, results of operations, cash flows and ability to pay distributions.

We are exposed to market risks relating to the phase-out of LIBOR.

We have floating rate debt, the interest rate of which is determined based on LIBOR. LIBOR and other "benchmark" rates are subject to ongoing national and international regulatory scrutiny and reform. For example, on July 27, 2017, the United Kingdom Financial Conduct Authority ("FCA") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR rates after 2021 (the "FCA Announcement"). On November 30, 2020, the administrator of LIBOR announced a delay in the phase out of a majority of the U.S. dollar LIBOR publications until June 30, 2023, although the remainder of LIBOR publications phased out at the end of 2021. The foregoing announcements indicate that the continuation of LIBOR on the current basis is not guaranteed after 2023. The impact of such transition away from LIBOR could be significant for us because of our substantial indebtedness based on LIBOR.

Various alternative reference rates are being considered in the financial community. The Secured Overnight Financing Rate has been proposed by the Alternative Reference Rates Committee, a committee convened by the U.S. Federal Reserve that includes major market participants and on which regulators participate, as an alternative rate to replace U.S. dollar LIBOR. However, it is not possible at this time to know the ultimate impact a phase-out of LIBOR may have. The changes may adversely affect the trading market for LIBOR based agreements, including our credit facilities and interest rate swaps. We may need to negotiate the replacement benchmark rate on our credit facilities and interest rate swaps and the use of an alternative rate or benchmark, may negatively impact our interest rate expense. Any other contracts entered into in the ordinary course of business which currently refer to, use or include LIBOR, may also be impacted.

[Table of Contents](#)

Further, if a LIBOR rate is not available on a determination date during the floating rate period for any of our LIBOR based agreements, the terms of such agreements will require alternative determination procedures which may result in interest payments differing from expectations and could affect our profit.

In addition, any changes announced by the FCA, the ICE Benchmark Administration Limited (the independent administrator of LIBOR) or any other successor governance or oversight body, or future changes adopted by such body, in the method pursuant to which LIBOR rates are determined may result in sudden or prolonged increase or decrease in reported LIBOR rates. If that were to occur, the level of interest during the floating rate period for our LIBOR based agreements would be affected and could affect our profit.

Risks Inherent in an Investment in Us

Unitholders have limited voting rights, and our partnership agreement restricts the voting rights of the unitholders owning more than 4.9% of our common units.

Unlike the holders of common stock in a corporation, holders of common units have only limited voting rights on matters affecting our business. We will hold a meeting of the limited partners every year to elect one or more members of our board of directors and to vote on any other matters that are properly brought before the meeting. Common unitholders are entitled to elect only four of the seven members of our board of directors. The elected directors are elected on a staggered basis and will serve for staggered terms. Our general partner in its sole discretion appoints the remaining three directors and set the terms for which those directors will serve. Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management. Unitholders will have no right to elect our general partner, and our general partner may not be removed except by a vote of the holders of at least 75% of the outstanding common units, including any units owned by our general partner and its affiliates, voting together as a single class.

Our partnership agreement further restricts unitholders' voting rights by providing that if any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes (except for purposes of nominating a person for election to our board of directors), determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors. Holders of the Series A preferred units generally have no voting rights. However, in the event that six quarterly dividends, whether consecutive or not, payable on Series A preferred units or any other class or series of limited partner interests or other equity securities established after the original issue date of the Series A preferred units that is not expressly subordinated or senior to the Series A preferred units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary ("Parity Securities") are in arrears, the holders of Series A preferred units will have the right, voting together as a class with all other classes or series of Parity Securities upon which like voting rights have been conferred and are exercisable, to replace one of the members of our board of directors appointed by our general partner with a person nominated by such holders (unless the holders of Series A preferred units and Parity Securities upon which like voting rights have been conferred, voting as a class, have previously elected a member of our board of directors, and such director continues then to serve on the board of directors). The right of such holders of Series A preferred units to elect a member of our board of directors will continue until such time as all accumulated and unpaid dividends on the Series A preferred units have been paid in full.

Our general partner and its other affiliates own a significant interest in us and have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to your detriment.

As of March 31, 2022, Höegh LNG owns approximately 45.7% of our common units. Certain of our directors will also serve as directors of Höegh LNG or its affiliates and, as such, they will have fiduciary duties to Höegh LNG that may

[Table of Contents](#)

cause them to pursue business strategies that disproportionately benefit Höegh LNG or its affiliates or which otherwise are not in the best interests of us or our unitholders.

Conflicts of interest may arise between Höegh LNG and its affiliates (including our general partner) on the one hand, and us and our unitholders, on the other hand. As a result of these conflicts, our general partner and its affiliates may favor their own interests over the interests of our unitholders. These conflicts include, among others, the following situations:

- neither our partnership agreement nor any other agreement requires our general partner or Höegh LNG or its affiliates to pursue a business strategy that favors us or utilizes our assets, and Höegh LNG's officers and directors have a fiduciary duty to make decisions in the best interests of the shareholders of Höegh LNG, which may be contrary to our interests;
- our partnership agreement permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. Specifically, our general partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights or registration rights, consents or withholds consent to any merger or consolidation of the Partnership, appoints any directors or votes for the election of any director, votes or refrains from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraws from the Partnership, transfers (to the extent permitted under our partnership agreement) or refrains from transferring its units or general partner interest or votes upon the dissolution of the Partnership;
- our general partner and our directors have limited their liabilities and restricted their fiduciary duties under the laws of the Marshall Islands, while also restricting the remedies available to our unitholders, and, as a result of purchasing common units, unitholders are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by our general partner and our directors, all as set forth in our partnership agreement;
- our general partner is entitled to reimbursement of all reasonable costs incurred by it and its affiliates for our benefit;
- our partnership agreement does not restrict us from paying our general partner or its affiliates for any services rendered to us on terms that are fair and reasonable or entering into additional contractual arrangements with any of these entities on our behalf;
- our general partner may exercise its right to call and purchase our common units if it and its affiliates own more than 80% of our common units; and
- our general partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon the exercise of its limited call right.

Although a majority of our directors are elected by common unitholders, our general partner will likely have substantial influence on decisions made by our board of directors.

Furthermore, following the consummation of the Amalgamation, some provisions of the omnibus agreement that we entered into with Höegh LNG in connection with the IPO terminated by their terms, including (i) the prohibition on Höegh LNG from acquiring, owning, operating or chartering any Five-Year Vessels, (ii) the prohibition on us from acquiring, owning, operating or chartering any Non-Five-Year Vessels, and (iii) the rights of first offer associated with those rights. As a consequence, following the consummation of the Amalgamation, Höegh LNG is not required to offer us Five-Year Vessels and is permitted to compete with us.

[Table of Contents](#)

The transaction proposed by Höegh LNG may not occur, may increase the volatility of the market price of our common units and will result in certain costs and expenses.

On December 6, 2021, we announced that the board of directors of the Partnership (the “HMLP Board”) received an unsolicited non-binding proposal, dated December 3, 2021, from Höegh LNG pursuant to which Höegh LNG would acquire through a wholly owned subsidiary all our publicly held common units in exchange for \$4.25 in cash per common unit. Höegh LNG has proposed that a transaction would be effectuated through a merger between the Partnership and a subsidiary of Höegh LNG (the “Offer”). The HMLP Board has authorized the Conflicts Committee of the HMLP Board, comprised only of non-Höegh LNG affiliated directors, to review and evaluate the Offer. The Conflicts Committee has retained advisors and discussions regarding a potential transaction are ongoing.

The proposed transaction is subject to a number of contingencies, including the approval by the Conflicts Committee, the HMLP Board and the Höegh LNG board of directors of any definitive agreement and, if a definitive agreement is reached, the approval by the holders of a majority of outstanding common units in the Partnership. The transaction would also be subject to customary closing conditions. There can be no assurance that definitive documentation will be executed or that any transaction will materialize.

The market price of our common units may reflect various assumptions as to whether the proposed transaction with Höegh LNG will occur. Variations in the market price of our common units may occur as a result of changing assumptions regarding the proposed transaction, independent of changes in our business, financial condition or prospects or changes in general market or economic conditions. As a result, a definitive agreement regarding a transaction, or a failure to reach a definitive agreement regarding a transaction, could result in a significant change in the market price of our common units.

We expect to incur costs in connection with the consideration of Höegh LNG’s proposal, including costs of financial and legal advisors to the Conflicts Committee of the HMLP Board. Mergers such as the one proposed in the Offer often attract litigation. If any litigation is commenced regarding the Offer, the Partnership will be required to expend additional resources defending such litigation. It is difficult to estimate the aggregate amount of such costs, although they could be substantial. In addition, uncertainty associated with the potential transaction could adversely affect our ability to attract, retain and motivate key employees, which could have a negative effect on our operations and business plans.

Our officers may face conflicts in the allocation of their time to our business.

Håvard Furu, our Chief Executive Officer and Chief Financial Officer also serves as the chief financial officer of Höegh LNG. He and any future officers may face conflicts in the allocation of their time to our business. The affiliates of our general partner, including Höegh LNG, conduct substantial businesses and activities of their own in which we have no economic interest. As a result, there could be material competition for the time and effort of our officers who also provide services to our general partner’s affiliates, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, while our Chief Executive Officer and Chief Financial Officer is expected to devote substantial time to our business, he may participate in activities for Höegh LNG that are linked to opportunities or challenges for us.

Our partnership agreement limits our general partner’s and our directors’ fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.

Our partnership agreement provides that our general partner has irrevocably delegated to our board of directors the authority to oversee and direct our operations, management and policies on an exclusive basis, and such delegation will be binding on any successor general partner of the Partnership. Our partnership agreement also contains provisions that reduce the standards to which our general partner and directors may otherwise be held by Marshall Islands law. For example, our partnership agreement:

- provides that our general partner may make determinations or take or decline to take actions without regard to our or our unitholders’ interests. Our general partner may consider only the interests and factors that it desires,

[Table of Contents](#)

and it has no duty or obligation to give any consideration to any interest of, or factors affecting us, our affiliates or our unitholders. Decisions made by our general partner will be made by its sole owner. Specifically, our general partner may decide to exercise its right to make a determination to receive common units in exchange for resetting the target distribution levels related to the incentive distribution rights, call right, pre-emptive rights or registration rights, consent or withhold consent to any merger or consolidation of the Partnership, appoint any directors or vote for the election of any director, vote or refrain from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraw from the Partnership, transfer (to the extent permitted under our partnership agreement) or refrain from transferring its units, the general partner interest or incentive distribution rights or vote upon the dissolution of the Partnership;

- provides that our general partner and our directors are entitled to make other decisions in “good faith” if they believe that the decision is in our best interests;
- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of our board of directors and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be “fair and reasonable” to us and that, in determining whether a transaction or resolution is “fair and reasonable,” our board of directors may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; and
- provides that neither our general partner nor our officers or our directors will be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or directors or its officers or directors or those other persons engaged in actual fraud or willful misconduct.

By purchasing a common unit, a common unitholder is deemed to have agreed to become bound by the provisions of our partnership agreement, including the provisions discussed above.

Fees and expenses, which Høegh LNG determines for services provided to us and our joint ventures, are substantial, are payable regardless of our profitability and will reduce our cash available for distribution to you.

Pursuant to the ship management agreements and related agreements, we and our joint ventures pay fees for services provided directly or indirectly by Høegh LNG Management, and we and our joint ventures reimburse Høegh LNG Management for all expenses incurred on our behalf. These fees and expenses include all costs and expenses incurred in providing certain crewing and technical management services to the *Neptune*, the *Cape Ann*, the *Høegh Gallant* and the *Høegh Grace*. In addition, pursuant to a technical information and services agreement for the *PGN FSRU Lampung*, we reimburse Høegh Norway for expenses Høegh Norway incurs pursuant to the sub-technical support agreement that it is party to with Høegh LNG Management.

Moreover, pursuant to an administrative services agreement, Høegh Norway provides us and our operating company with certain administrative, financial and other support services. We reimburse Høegh Norway for their reasonable costs and expenses incurred in connection with the provision of these services. In addition, under our administrative services agreement, we pay Høegh Norway a service fee equal to 3.0% of its costs and expenses incurred in connection with providing services to us.

For a description of the ship management agreements, the technical information and services agreement and the administrative services agreement, please read “Item 7.B. Related Party Transactions.” The fees and expenses payable pursuant to the ship management agreements, the technical information and services agreement and the administrative services agreement are payable without regard to our financial condition or results of operations. The payment of fees to and the reimbursement of expenses of Høegh LNG Management, and Høegh Norway could adversely affect our ability to pay cash distributions to you.

[Table of Contents](#)

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if public unitholders are dissatisfied, they will be unable to remove our general partner without Höegh LNG's consent, unless Höegh LNG's ownership interest in us is decreased, all of which could diminish the trading price of our common units.

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner.

- The unitholders are unable to remove our general partner without its consent because our general partner and its affiliates own sufficient units to be able to prevent its removal. The vote of the holders of at least 75% of all outstanding common units is required to remove the general partner. Höegh LNG owns approximately 45.7% of the outstanding common units. Additionally, during the term of the SRV Joint Gas shareholders' agreement, Höegh LNG has agreed to continue to own common units representing a greater than 25% limited partner interest in us in the aggregate.
- Common unitholders are entitled to elect only four of the seven members of our board of directors. Our general partner in its sole discretion appoints the remaining three directors.
- Election of the four directors elected by unitholders is staggered, meaning that the members of only one of four classes of our elected directors will be selected each year. In addition, the directors appointed by our general partner will serve for terms determined by our general partner.
- Our partnership agreement contains provisions limiting the ability of unitholders to call meetings of unitholders, to nominate directors and to acquire information about our operations as well as other provisions limiting the unitholders' ability to influence the manner or direction of management.
- Unitholders' voting rights are further restricted by our partnership agreement provision providing that if any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes (except for purposes of nominating a person for election to our board of directors), determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates (including Höegh LNG) and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.
- There are no restrictions in our partnership agreement on our ability to issue equity securities, including securities senior to the common units.

The effect of these provisions may be to diminish the price at which the common units will trade.

The control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its non-economic general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. In addition, our partnership agreement does not restrict the ability of the members of our general partner from transferring their respective membership interests in our general partner to a third party.

Substantial future sales of our common units in the public market could cause the price of our common units to fall.

We have granted registration rights to Höegh LNG and certain of its affiliates. These unitholders have the right, subject to some conditions, to require us to file registration statements covering any of our common or other equity securities

[Table of Contents](#)

owned by them or to include those securities in registration statements that we may file for ourselves or other unitholders. As of March 31, 2022, Höegh LNG owns 15,257,498 common units and all of the incentive distribution rights. Following their registration and sale under the applicable registration statement, those securities will become freely tradable. By exercising their registration rights and selling a large number of common units or other securities, these unitholders could cause the price of our common units to decline.

As a Marshall Islands partnership with principal executive offices in Bermuda, and also having subsidiaries in the Marshall Islands and the Cayman Islands, our operations are subject to local economic substance regulations required by the European Union, which could harm our business.

We are a Marshall Islands limited partnership with principal executive offices in Bermuda. Our operating company is also a Marshall Islands entity and several of our subsidiaries are organized in the Cayman Islands.

In December 1997, the Council of the EU (“Council”) adopted a resolution on a Code of Conduct for business taxation, with the objective of counteracting the effects of zero tax and preferential tax regimes around the world. In 2017 the Code of Conduct Group (“Code Group”) investigated the tax policies of both EU member states and third countries, assessing practices in the areas of: (i) tax transparency; (ii) fair taxation; and (iii) implementation of anti-base erosion and profit shifting measures. On December 5, 2017, following an assessment of the tax policies of various countries by the Code Group, the Council approved and published Council conclusions containing a list of “non-cooperative jurisdictions” for tax purposes. On February 18, 2020, the Council adopted a revised list of non-cooperative jurisdictions for tax purposes. This revised list included the Cayman Islands. EU member states have agreed upon a set of measures, which they can choose to apply against the listed countries, including increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. The EU list of non-cooperative jurisdictions is reconsidered at least once a year, and generally at six monthly intervals. The Council also confirmed on February 18, 2020 that Bermuda and the Marshall Islands had implemented all the necessary reforms to comply with the Council’s tax good governance principles ahead of the agreed deadline and were therefore moved to the list of cooperative tax jurisdictions. The effect of the Cayman Islands or the Marshall Islands being included in the list of non-cooperative jurisdictions could have a material adverse effect on our business, financial conditions and operating results.

In addition, the Marshall Islands, Bermuda and the Cayman Islands have enacted economic substance laws and regulations with which we are obligated to comply. Bermuda has adopted the Economic Substance Act 2018 (as amended) (the “Economic Substance Act”), and the Economic Substance Regulations 2018 (as amended) (“Economic Substance Regulations”). The Economic Substance Act requires each registered entity to maintain a substantial economic presence in Bermuda and provides that a registered entity that carries on a relevant activity complies with economic substance requirements if (i) it is directed and managed in Bermuda, (ii) its core income-generating activities (as are prescribed in the Economic Substance Regulations) are undertaken in Bermuda with respect to the relevant activity, (iii) it maintains adequate physical presence in Bermuda, (iv) it has adequate full time employees in Bermuda with suitable qualifications and (v) it incurs adequate operating expenditure in Bermuda in relation to the relevant activity. Due to our officers’ and directors’ inability to travel to Bermuda for meetings because of COVID-19 travel restrictions, it is possible that we did not fully comply with the Economic Substance Act in 2020 and 2021. We are seeking clarification from Bermuda as to whether we complied with the Economic Substance Act in such years and, if not, whether any exemption or dispensation can be provided due to COVID-19. Additionally, legislation has been adopted in the Cayman Islands (which came into force on January 1, 2019) which requires certain entities that carry out particular activities to comply with an economic substance test whereby the entity must show that it (i) carries out activities that are of central importance to the entity from the Cayman Islands, (ii) has held an adequate number of its board meetings in the Cayman Islands when judged against the level of decision-making required and (iii) has an adequate (a) amount of operating expenditures in the Cayman Islands, (b) physical presence in the Cayman Islands and (c) number of full-time employees in the Cayman Islands. Marshall Islands regulations require certain entities that carry out particular activities to comply with an economic substance test whereby the entity must show that it (i) is directed and managed in the Marshall Islands in relation to that relevant activity, (ii) carries out core income-generating activity in relation to that relevant activity in the Marshall Islands (although it is being understood and acknowledged by the regulators that income-generated activities for shipping companies will generally occur in international waters) and (iii) having regard to the level of relevant activity carried out in the Marshall Islands has (a) an adequate amount of

[Table of Contents](#)

expenditures in the Marshall Islands, (b) adequate physical presence in the Marshall Islands and (c) an adequate number of qualified employees in the Marshall Islands.

If we fail to comply with our obligations under this legislation or any similar law or regulations applicable to us in any other jurisdictions, we could be subject to financial penalties and spontaneous disclosure of information to foreign tax officials, or could be struck from the register of companies, in related jurisdictions. Any of the foregoing could be disruptive to our business and could have a material adverse effect on our business, financial conditions and operating results.

We are subject to Marshall Islands law, which lacks a bankruptcy statute or general statutory mechanism for insolvency proceedings.

We are a Marshall Islands limited partnership, and we have limited operations in the United States and maintain limited assets in the United States. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us, bankruptcy laws other than those of the United States could apply. The Republic of the Marshall Islands does not have a bankruptcy statute or general statutory mechanism for insolvency proceedings. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction, if any other bankruptcy court would determine it had jurisdiction. These factors may delay or prevent us from entering bankruptcy in the United States and may affect the ability of our unitholders to receive any recovery following our bankruptcy.

Our partnership agreement designates the Court of Chancery of the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our unitholders unless otherwise provided for under the laws of the Marshall Islands. This limits our unitholders' ability to choose the judicial forum for disputes with us or our directors, officers or other employees.

Our partnership agreement provides that, with certain limited exceptions, the Court of Chancery of the State of Delaware is the exclusive forum for any claims, suits, actions or proceedings (1) arising out of or relating in any way to our partnership agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of our partnership agreement or the duties, obligations or liabilities among limited partners or of limited partners to us, or the rights or powers of, or restrictions on, our limited partners or us); (2) brought in a derivative manner on our behalf; (3) asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of us or our general partner, or owed by our general partner, to us or our limited partners; (4) asserting a claim arising pursuant to any provision of the Marshall Islands Act; and (5) asserting a claim governed by the internal affairs doctrine. This exclusive forum provision does not apply to actions arising under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Any person or entity purchasing or otherwise acquiring any interest in our units is deemed to have received notice of and consented to the foregoing provisions.

Although we believe these provisions will benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar forum selection provisions in other companies' certificates of incorporation or similar governing documents have been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could find that the forum selection provision contained in our partnership agreement is inapplicable or unenforceable in such action or actions. Limited partners will not be deemed, by operation of the forum selection provision alone, to have waived claims arising under the federal securities laws and the rules and regulations thereunder. If a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our financial position, results of operations and ability to make cash distributions to our unitholders.

[Table of Contents](#)

We rely on the master limited partnership (“MLP”) structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt. The volatility in energy prices over the past few years has, among other factors, caused increased volatility and contributed to a dislocation in pricing for MLPs.

The volatility in energy prices and, in particular, the price of oil, among other factors, has contributed to increased volatility in the pricing of MLPs and the energy debt markets, as a number of MLPs and other energy companies may be adversely affected by a lower energy prices environment. A number of MLPs, including certain maritime MLPs, have reduced or eliminated their distributions to unitholders.

We rely on our ability to obtain financing and to raise capital in the equity and debt markets to fund our capital replacement, growth and investment expenditures, and to refinance our debt. A protracted deterioration in the valuation of our common units would increase our cost of capital, make any equity issuance significantly dilutive and may affect our ability to access capital markets and, as a result, our capacity to pay distributions to our unitholders and service or refinance our debt.

We have been organized as a limited partnership under the laws of the Republic of the Marshall Islands, which does not have a well-developed body of partnership law.

The Partnership’s affairs are governed by our partnership agreement and by the Marshall Island Limited Partnership Act (the “Marshall Islands Act”). The provisions of the Marshall Islands Act resemble provisions of the limited partnership laws of a number of states in the United States, most notably Delaware. The Marshall Islands Act also provides that it is to be applied and construed to make the laws of the Marshall Islands, with respect to the subject matter of the Marshall Islands Act, uniform with the laws of the State of Delaware and, so long as it does not conflict with the Marshall Islands Act or decisions of the High and Supreme Courts of the Marshall Islands, the non-statutory law (“case law”) of the State of Delaware is adopted as the law of the Marshall Islands, with respect to non-resident limited partnerships like us. There have been, however, few, if any, court cases in the Marshall Islands interpreting the Marshall Islands Act, in contrast to Delaware, which has a fairly well-developed body of case law interpreting its limited partnership statute. Accordingly, we cannot predict whether Marshall Islands courts would reach the same conclusions as the courts in Delaware. For example, the rights of our unitholders and the fiduciary responsibilities of our general partner under Marshall Islands law are not as clearly established as under judicial precedent in existence in Delaware. As a result, unitholders may have more difficulty in protecting their interests in the face of actions by our general partner and its officers and directors than would unitholders of a similarly organized limited partnership in the United States.

Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands, and substantially all of our assets are located outside of the United States. In addition, our general partner is a Marshall Islands limited liability company, and a majority of our directors and officers generally are or will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or the assets of our general partner or our directors or officers.

Höegh LNG, as the initial holder of all of the incentive distribution rights, may elect to cause us to issue additional common units to it in connection with a resetting of the target distribution levels related to the incentive distribution rights without the approval of the conflicts committee of our board of directors or holders of our common units. This may result in lower distributions to holders of our common units in certain situations.

Höegh LNG, as the initial holder of all of the incentive distribution rights, has the right, at a time when Höegh LNG has received incentive distributions at the highest level to which it is entitled (50.0%) for each of the prior four consecutive fiscal quarters (and the amount of each such total distribution did not exceed adjusted operating surplus for each such quarter), to reset the initial cash target distribution levels at higher levels based on the distribution at the time of the

[Table of Contents](#)

exercise of the reset election. Following a reset election, the minimum quarterly distribution amount will be reset to the reset minimum quarterly distribution amount, and the target distribution levels will be reset to correspondingly higher levels based on the same percentage increases above the reset minimum quarterly distribution amount.

In connection with resetting these target distribution levels, Høegh LNG will be entitled to receive a number of common units equal to that number of common units whose aggregate quarterly cash distributions equaled the average of the distributions to Høegh LNG on the incentive distribution rights in the prior fiscal quarter. We anticipate that Høegh LNG would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not be sufficiently accretive to cash distribution per common unit without such conversion; however, it is possible that Høegh LNG could exercise this reset election at a time when it is experiencing, or may be expected to experience, declines in the cash distributions it receives related to its incentive distribution rights and may therefore desire to be issued our common units, rather than retain the right to receive incentive distributions based on the initial target distribution levels. As a result, a reset election may cause our common unitholders to experience dilution in the amount of cash distributions that they would have otherwise received had we not issued additional common units to Høegh LNG in connection with resetting the target distribution levels related to its incentive distribution rights.

We may issue additional equity securities, including securities senior to the common units with respect to distributions, liquidation and voting which would dilute the ownership interests of common unitholders.

We may, without the approval of our common unitholders, issue an unlimited number of additional units or other equity securities. In addition, we may issue units that are senior to the common units in right of distribution, liquidation and voting. For example, as of March 31, 2022 we have outstanding 7,089,325 8.75% Series A preferred units. The Series A preferred units rank senior to the Partnership's common units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up but junior to all of the Partnership's debt and other liabilities. The issuance by us of additional common units or other equity securities of equal or senior rank will have the following effects:

- our unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- we will not be able to pay our distributions to common unitholders if we have failed to pay the distributions on our Series A preferred units;
- because the amount payable to holders of incentive distribution rights is based on a percentage of total available cash, the distributions to holders of incentive distribution rights will increase even if the per unit distribution on the common units remains the same;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of the common units may decline.

In establishing cash reserves, our board of directors may reduce the amount of cash available for distribution to unitholders.

Our partnership agreement requires our general partner to deduct from operating surplus cash reserves that it determines are necessary to fund our future operating expenditures. These reserves also will affect the amount of cash available for distribution to our unitholders. As described above in "—Risks Inherent in Our Business—We must make substantial capital expenditures to maintain and replace the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter we will be required, pursuant to our partnership agreement, to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted," our partnership agreement requires our board of directors each quarter to deduct from operating surplus estimated maintenance and replacement capital expenditures, as opposed to actual maintenance and replacement capital expenditures, which could reduce the

[Table of Contents](#)

amount of available cash for distribution. The amount of estimated maintenance and replacement capital expenditures deducted from operating surplus is subject to review and change by our board of directors at least once a year, with the approval of the conflicts committee of our board of directors.

Our general partner has a limited call right that may require unitholders to sell common units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 80% of the common units, our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price not less than the then-current market price of our common units. Our general partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon the exercise of this limited call right. As a result, unitholders may be required to sell common units at an undesirable time or price and may not receive any return on their investment. Unitholders may also incur a tax liability upon a sale of their units.

As of March 31, 2022, Höegh LNG, which owns and controls our general partner, owns approximately 45.7% of our common units.

Unitholders may not have limited liability if a court finds that unitholder action constitutes control of our business.

As a limited partner in a limited partnership organized under the laws of the Marshall Islands, you could be held liable for our obligations to the same extent as a general partner if you participate in the “control” of our business. Our general partner generally has unlimited liability for the obligations of the Partnership, such as its debts and environmental liabilities. In addition, the limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some jurisdictions in which we do business.

We can borrow money to make cash distributions, which would reduce the amount of credit available to operate our business.

Our partnership agreement allows us to make working capital borrowings to make cash distributions. Accordingly, if we have available borrowing capacity, we can make cash distributions on all our units even though cash generated by our operations may not be sufficient to pay such distributions. Any working capital borrowings by us to make cash distributions will reduce the amount of working capital borrowings we can make for operating our business.

Increases in interest rates may cause the market price of our units to decline.

An increase in interest rates may cause a corresponding decline in demand for equity investments in general and in particular for yield based equity investments such as our units. Any such increase in interest rates or reduction in demand for our units resulting from other relatively more attractive investment opportunities may cause the trading price of our units to decline.

Unitholders may have liability to repay distributions.

Under some circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under the Marshall Islands Act, we may not make a distribution to unitholders if, after giving effect to the distribution, our liabilities, other than liabilities to partners on account of their partnership interest and liabilities for which the recourse of creditors is limited to specified property of ours, exceed the fair value of our assets, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited will be included in our assets only to the extent that the fair value of that property exceeds that liability. Marshall Islands law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Marshall Islands law will be liable to the limited partnership for the distribution amount. Assignees who become substituted limited partners are liable for the obligations of the assignor to make contributions to the limited partnership that are known to the assignee at the time it became a limited partner and for unknown obligations if the liabilities could be determined from our partnership agreement.

[Table of Contents](#)

The Series A preferred units represent perpetual equity interests.

The Series A preferred units represent perpetual equity interests in us, and unlike our indebtedness, we will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Series A preferred units may be required to bear the financial risks of an investment in the Series A preferred units for an indefinite period of time. In addition, the Series A preferred units rank junior to all our indebtedness and other liabilities, and any senior securities we may issue in future with respect to assets available to satisfy claims against us.

The Series A preferred units have not been rated.

We did not obtain a rating for the Series A preferred units, and they may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Series A preferred units or that we may elect to obtain a rating of our Series A preferred units in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Series A preferred units in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Series A preferred units. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the Series A preferred units. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series A preferred units may not reflect all risks related to us and our business, or the structure or market value of the Series A preferred units.

We distribute all of our available cash to our limited partners and are not required to accumulate cash for the purpose of making distributions on units.

Subject to the limitations in our partnership agreement, we distribute all of our available cash each quarter to our limited partners. “Available cash” is defined in our partnership agreement, and it generally means, for each fiscal quarter, all cash on hand at the end of the quarter (including our proportionate share of cash on hand of certain subsidiaries we do not wholly own):

- less the amount of cash reserves established by our board of directors to:
 - provide for the proper conduct of our business (including reserves for future capital expenditures and for our anticipated credit needs);
 - comply with applicable law, any debt instruments, or other agreements;
 - provide funds for payments to holders of Series A preferred units; or
 - provide funds for distributions to our limited partners for any one or more of the next four quarters; and
 - plus, all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under our credit agreements and in all cases used solely for working capital purposes or to pay distributions to unitholders.

As a result, we do not expect to accumulate significant amount of cash. Depending on the timing and amount of our cash distributions, these distributions could significantly reduce the cash available to us in subsequent periods to make payments on our units.

Our Series A preferred units are subordinated to our debt obligations, and the interests of holders of Series A preferred units could be diluted by the issuance of additional limited partner interests, including additional Series A preferred units, and by other transactions.

Our Series A preferred units are subordinated to all of our existing and future indebtedness. As of December 31, 2021, our total outstanding principal amount of debt was \$416.7 million. We may incur additional debt in the future. The payment of principal and interest on our debt reduces cash available for distribution to us and on our limited partner interests, including the Series A preferred units.

The issuance of additional limited partner interests on a parity with or senior to our Series A preferred units would dilute the interests of the holders of our Series A preferred units, and any issuance of Senior Securities (as defined) or Parity Securities or additional indebtedness could affect our ability to pay distributions on, redeem or pay the liquidation preference on our Series A preferred units. No provisions relating to our Series A preferred units protect the holders of our Series A preferred units in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Series A preferred units.

The Series A preferred units rank junior to any Senior Securities and pari passu with any Parity Securities.

Our Series A preferred units will rank junior to any class or series of limited partner interests or other equity securities expressly made senior to the Series A preferred units as to the payment of distributions and amounts payable upon liquidation, dissolution, or winding up, whether voluntary or involuntary (“Senior Securities”) and *pari passu* Parity Securities. If less than all distributions payable with respect to the Series A preferred units and any Parity Securities are paid, any partial payment shall be made pro rata with respect to Series A preferred units and any Parity Securities entitled to a distribution payment at such time in proportion to the aggregate amounts remaining due in respect of such units at such time.

The Series A preferred units do not have an established trading market, which may negatively affect their market value and ability of holders to transfer or sell Series A preferred units. In addition, the lack of a fixed redemption date for the Series A preferred units will increase unitholder reliance on the secondary market for liquidity purposes.

The Series A preferred units do not have a well-established trading market. In addition, since the Series A preferred units have no stated maturity date, investors seeking liquidity will be limited to selling their units in the secondary market absent redemption by us. The trading market for the Series A preferred units on the NYSE may not be active, in which case the trading price of the Series A preferred units could be adversely affected and the ability of holders to transfer such units will be limited. If an active trading market does develop on the NYSE, our Series A preferred units may trade at prices lower than the offering price. The trading price of the Series A preferred units depends on many factors, including:

- prevailing interest rates;
- the market for similar securities;
- general economic and financial conditions;
- our issuance of debt or preferred equity securities; and
- our financial condition, results of operations and prospects.

Market interest rates may adversely affect the value of our Series A preferred units.

One of the factors that will influence the price of our Series A preferred units will be the distribution yield on the Series A preferred units (as a percentage of the price of our Series A preferred units) relative to market interest rates. An

[Table of Contents](#)

increase in market interest rates, may lead prospective purchasers of our Series A preferred units to expect a higher distribution yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of our Series A preferred units to decrease.

The Series A preferred units are redeemable at our option.

We may, at our option, redeem all or, from time to time, part of the Series A preferred units on or after October 5, 2022. If we redeem Series A preferred units, holders will be entitled to receive a redemption price equal to \$25.00 per unit plus accumulated and unpaid distributions to the date of redemption. It is likely that we would choose to exercise our optional redemption right only when prevailing interest rates have declined, which would adversely affect the ability of holders to reinvest their proceeds from the redemption in a comparable investment with an equal or greater yield to the yield on the Series A preferred units had such units not been redeemed. We may elect to exercise our partial redemption right on multiple occasions.

Tax Risks

In addition to the following risk factors, you should read “Item 4.B. Business Overview—Taxation of the Partnership” and “Item 10.E. Taxation” for a more complete discussion of the expected material U.S. federal and non-U.S. income tax considerations relating to us and the ownership and disposition of our common units.

We are subject to taxes, which reduces our cash available for distribution to you.

Some of our subsidiaries will be subject to tax in the jurisdictions in which they 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 our subsidiaries, further reducing the cash available for distribution. In addition, changes in our operations could result in additional tax being imposed on us, our operating company or our or its subsidiaries in jurisdictions in which operations are conducted. Moreover, tax regulation and reporting requirements for value added taxes, withholding taxes, property taxes and corporate income taxes are complex in Indonesia, Colombia, and many of the countries where we operate. Tax regulations, guidance and interpretation in emerging markets may not always be clear and may be subject to alternative interpretations or changes in interpretation over time. In particular, Indonesia and Colombia have complex tax regulations and reporting requirements, which if not properly applied, could result in penalties that could be significant, which could also harm our business and ability to make cash distributions to our unitholders. Please read “Item 4.B. Business Overview—Taxation of the Partnership,” “Item 5.D. Operating and Financial Review and Prospects—Trend Information” and note 17 under *Indonesian corporate income tax*, *Indonesian property tax* and *Colombian Municipal Industry and Commerce Tax* to our consolidated financial statements.

A change in tax laws in any country in which we operate could adversely affect us.

Tax laws and regulations are highly complex and subject to interpretation. Consequently, we and our subsidiaries are subject to changing tax laws, treaties and regulations in and between countries in which we operate. Our tax expense is based on our interpretation of the tax laws in effect at the time the expense was incurred. A change in tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher tax expense or a higher effective tax rate on our earnings. As a result of new regulations related to property taxes in Indonesia for the fiscal year ended December 31, 2020, retroactive property tax and penalties were assessed for the years from 2015 to 2019. Such changes may also include measures enacted in response to the ongoing initiatives in relation to fiscal legislation at an international level, such as the Action Plan on Base Erosion and Profit Shifting of the Organization for Economic Co-operation and Development.

U.S. tax authorities could treat us as a “passive foreign investment company,” which would have adverse U.S. federal income tax consequences to U.S. unitholders.

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” (“PFIC”) for U.S. federal income tax purposes for any taxable year in which at least 75.0% of its gross income consists of “passive income” or at least 50.0% of the average value of its assets (based on the average of the values at the end of each quarter) produce, or are held for the production of, “passive income.” For purposes of these tests, “passive income” includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute “passive income.” 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, certain distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their interests in the PFIC.

Based on our current and projected method of operation, we believe that we were not a PFIC for any prior taxable year, and we expect that we will not be treated as a PFIC for the current or any future taxable year. We believe that more than 25.0% of our gross income for each taxable year was or will be nonpassive income, and more than 50.0% of the average value of our assets for each such year was or will be held for the production of such nonpassive income. This belief is based on certain valuations and projections regarding our assets, income and charters, and its validity is conditioned on the accuracy of such valuations and projections. While we believe these valuations and projections to be accurate, the shipping market is volatile, and no assurance can be given that they will continue to be accurate at any time in the future.

Moreover, there are legal uncertainties involved in determining whether the income derived from time-chartering activities constitutes rental income or income derived from the performance of services. In *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), the United States Court of Appeals for the Fifth Circuit (the “Fifth Circuit”) held that income derived from certain time-chartering activities should be treated as rental income rather than services income for purposes of a provision of the Internal Revenue Code of 1986, as amended (the “Code”), relating to foreign sales corporations. In that case, the Fifth Circuit did not address the definition of passive income or the PFIC rules; however, the reasoning of the case could have implications as to how the income from a time charter would be classified under such rules. If the reasoning of this case were extended to the PFIC context, the gross income we derive or are deemed to derive from our time-chartering activities may be treated as rental income, and we would likely be treated as a PFIC. In published guidance, the Internal Revenue Service (“IRS”) stated that it disagreed with the holding in *Tidewater* and specified that time charters similar to those at issue in the case should be treated as service contracts. We have not sought, and we do not expect to seek, an IRS ruling on the treatment of income generated from our time-chartering activities. As a result, the IRS or a court could disagree with our position. No assurance can be given that this result will not occur.

In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future and that we will not become a PFIC in the future. If the IRS were to find that we are or have been a PFIC for any taxable year (and regardless of whether we remain a PFIC for subsequent taxable years), our U.S. unitholders would face adverse U.S. federal income tax consequences. Please read “Item 10.E Taxation—U.S. Federal Income Taxation of U.S. Holders—PFIC Status and Significant Tax Consequences” for a more detailed discussion of the U.S. federal income tax consequences to U.S. unitholders if we are treated as a PFIC.

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

Under the Code, U.S. source gross transportation income generally is subject to a 4.0% U.S. federal income tax without allowance for deduction of expenses unless an exemption from tax applies under Section 883 of the Code and the existing final and temporary regulations promulgated thereunder (the “Treasury Regulations”). U.S. source gross transportation consists of 50.0% of the gross shipping income that a non-U.S. vessel-owning or chartering corporation, such as ourselves, derives (either directly or through one or more subsidiaries that are classified as partnerships or disregarded as entities separate from such corporation for U.S. federal income tax purposes) and that is attributable to transportation that either begins or ends, but that does not both begin and end, in the United States.

[Table of Contents](#)

We believe that we and our vessel-owning subsidiaries currently qualify and we expect that we will continue to qualify for the foreseeable future, for an exemption from U.S. tax on any U.S. source gross transportation income under Section 883 of the Code, and we expect to take this position for U.S. federal income tax reporting purposes. Please read “Item 4.B— Business Overview— Taxation of the Partnership.” However, there are factual circumstances, including some that may be beyond our control, which could cause us to lose the benefit of this tax exemption. In addition, our position that we qualify for this exemption is based upon legal authorities that do not expressly contemplate an organizational structure such as ours; specifically, although we have elected to be treated as a corporation for U.S. federal income tax purposes, we are organized as a limited partnership under Marshall Islands law. Therefore, we can give no assurance that the IRS will not take a different position regarding our qualification for this tax exemption.

If we or our subsidiaries are not entitled to this exemption under Section 883 of the Code for any taxable year, we generally would be subject to a 4.0% U.S. federal gross income tax on our U.S. source gross transportation income for such year. Our failure to qualify for the exemption under Section 883 of the Code could have a negative effect on our business and would result in decreased earnings available for distribution to our unitholders.

The vessels in our fleet do not currently engage, and we do not expect that they will in the future engage, in transportation that begins and ends in the United States or in the provision of regasification or storage services in the United States. If, notwithstanding this expectation, our subsidiaries earn income in the future from transportation that begins and ends in the United States, or from regasification or storage activities in the United States, that income would not be exempt from U.S. federal income tax under Section 883 of the Code and would be subject to a 21.0% net income tax in the United States (and the after-tax earnings attributable to such income may be subject to an additional 30.0% branch profits tax). Please read “Item 4.B Business Overview—Taxation of the Partnership—United States Taxation—The Section 883 Exemption” for a more detailed discussion of the rules relating to qualification for the exemption under Section 883 of the Code and the consequences for failing to qualify for such an exemption.

You may be subject to income tax in one or more non-U.S. jurisdictions, including Norway, as a result of owning our common units if, under the laws of any such jurisdiction, we are considered to be carrying on business there. Such laws may require you to file a tax return with, and pay taxes to, those jurisdictions.

We conduct our affairs and cause or influence each of our subsidiaries to operate its business in a manner that minimizes income taxes imposed upon us and our subsidiaries and that may be imposed upon you as a result of owning our units. However, because we are organized as a limited partnership, there is a risk in some jurisdictions, including Norway, that our activities or the activities of our subsidiaries may be attributed to our unitholders for tax purposes if, under the laws of such jurisdiction, we are considered to be carrying on business there. If you are subject to tax in any such jurisdiction, you may be required to file a tax return with, and to pay tax in, that jurisdiction based on your allocable share of our income. We may be required to reduce distributions to you on account of any tax withholding obligations imposed upon us by that jurisdiction in respect of such allocation to you. The United States generally will not allow a tax credit for any foreign income taxes that you directly or indirectly incur by virtue of an investment in us.

We believe we can conduct our affairs in a manner that does not result in our unitholders being considered to be carrying on business in Norway solely as a consequence of the acquisition, ownership, disposition or redemption of our common units. However, the question of whether either we or any of our subsidiaries will be treated as carrying on business in any jurisdiction, including the Norway, will be largely a question of fact to be determined through an analysis of the decisions made and powers exercised by our board of directors, the limitation of the Chief Executive Officer and Chief Financial Officer's decisions making to day-to-day management for the purpose of implementing the decisions made by our board of directors, contractual arrangements, including the ship management agreements that our joint ventures and subsidiaries have entered into with Høegh LNG Management, the sub-technical support agreement that Høegh Norway has entered into with Høegh LNG Management, the administrative service agreement we and our operating company have entered into with Høegh Norway, as well as through an analysis of the manner in which we conduct business or operations, all of which may change over time. Furthermore, the laws of Norway or any other jurisdiction may also change, which could cause that jurisdiction's taxing authorities to determine that we are carrying on business in such jurisdiction and that we or our unitholders are subject to its taxation laws. In addition to the potential for taxation of our unitholders, any additional taxes imposed on us or any of our subsidiaries will reduce our cash available for distribution.

Item 4. Information on the Partnership

A. History and Development of the Partnership

Høegh LNG Partners LP is a publicly-traded limited partnership formed initially by Høegh LNG Holdings Ltd. (Oslo Børs symbol: H LNG), a leading floating LNG service provider, to own, operate and acquire floating storage and regasification units (“FSRUs”), LNG carriers and other LNG infrastructure assets under long-term charters, which we define as charters of five or more years.

The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Partnership also maintains an Internet site at www.hoeghlnpartners.com.

We were formed on April 28, 2014 as a Marshall Islands limited partnership and have our principal executive offices at Canon's Court, 22 Victoria Street, Hamilton, Bermuda (Telephone: +479-912-3443). At the closing of our initial public offering (“IPO”) in August 2014, Høegh LNG contributed interests in our initial fleet of three modern FSRUs to us.

On October 1, 2015, we acquired 100% of the shares of the entity that indirectly owned the FSRU *Høegh Gallant*. On January 3, 2017, we closed the acquisition of a 51% ownership interest in the *Høegh Grace* entities. On December 1, 2017, we closed the acquisition of the remaining 49% ownership interest in the *Høegh Grace* entities.

As of March 31, 2022, we had a fleet of five FSRUs. Our fleet consists of interests in the following vessels:

- a 50% interest in the *Neptune*, an FSRU built in 2009 that is currently operating under a time charter with Total Gas & Power a subsidiary of Total, a French publicly listed company, that produces and markets fuels, natural gas and low-carbon electricity, that expires in 2029, with an option to extend for up to two additional periods of five years each;
- a 50% interest in the *Cape Ann*, an FSRU built in 2010 that is currently operating under a time charter with Total Gas & Power, that expires in 2030, with an option to extend for up to two additional periods of five years each;
- a 100% economic interest in the *PGN FSRU Lampung*, an FSRU built in 2014 that is currently operating under a time charter with PGN LNG, a subsidiary of PT Perusahaan Gas Negara (Persero) Tbk, a subsidiary of PT Pertamina, government-controlled, Indonesian oil and gas producer, natural gas transportation and distribution company. The time charter expires in 2034, with options to extend the time charter either for an additional 10 years or for up to two additional periods of five years each;
- a 100% interest in the *Høegh Gallant*, an FSRU built in 2014. Previously, the *Høegh Gallant* operated under a long-term time charter which started in 2015 and expired in 2020 with EgyptCo, a subsidiary of Høegh LNG. On February 27, 2020, we exercised our right pursuant to an option agreement to cause Høegh LNG or its subsidiary to charter the *Høegh Gallant* from the expiration of the EgyptCo charter until July 2025. On April 30, 2020, we entered into a lease and maintenance agreement with another subsidiary of Høegh LNG for the time charter of the *Høegh Gallant* (“the Suspended Gallant Charter”). On September 23, 2021, we entered into agreements with subsidiaries of New Fortress to charter the *Høegh Gallant* primarily for FSRU operations for a period of ten years, with FSRU operations commencing on March 20, 2022 (the “NFE Charter”). From November 26, 2021 until the FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations. We have entered into an agreement to suspend the Suspended Gallant Charter, with effect from the commencement of the NFE Charter, and a make-whole agreement (together, the “Suspension and Make-Whole Agreements”), pursuant to which Høegh LNG's subsidiary will compensate us monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. Afterwards, we will continue to receive the charter rate agreed with New Fortress for the remaining term of the NFE Charter. In addition, pursuant to the Suspension and Make-Whole Agreements,

[Table of Contents](#)

certain capital expenditures incurred to ready and relocate the *Høegh Gallant* for performance under the NFE Charter will be shared 50/50 between Høegh LNG and the Partnership, subject to a maximum obligation of the Partnership; and

- a 100% interest in *Høegh Grace*, an FSRU built in 2016 that is currently operating under a time charter with SPEC. SPEC is owned 51% by Promigas S.A. ESP, a Colombian company focused on the transportation and distribution of natural gas, and 49% by private equity investors. The non-cancellable charter period is 10 years. The initial term of the charter is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without a penalty. However, if SPEC waives its right to terminate in year 10 within a certain deadline, we will not be able to exercise our right to terminate in year 10.

Capital Expenditures

Our capital expenditures amounted to \$3.1 million, \$0.0 million and \$0.3 million for the years ended December 31, 2021, 2020, and 2019 respectively.

B. Business Overview

General

We own and operate floating storage and regasification units (FSRUs) under long-term charters, which we define as charters of five or more years. One of our principal strengths is our relationship with Høegh LNG. With a 40-year track record dating back to the delivery of the world's first Moss-type LNG carrier in 1973, we believe that Høegh LNG is one of the most experienced operators of LNG carriers and one of only a few operators of FSRUs in the world. Our affiliation with Høegh LNG gives us access to Høegh LNG's long-standing relationships with leading oil and gas companies, utility companies, shipbuilders, financing sources and suppliers, which we believe will allow us to compete more effectively when seeking additional long-term charters for our FSRUs.

Natural Gas and Liquefied Natural Gas

Natural gas is used to generate electric power, has residential and industrial use, and it is finding increasing application as a transportation fuel. The low carbon intensity and clean burning characteristics of natural gas contribute to the view that natural gas has the lowest environmental impact of hydrocarbon fuels.

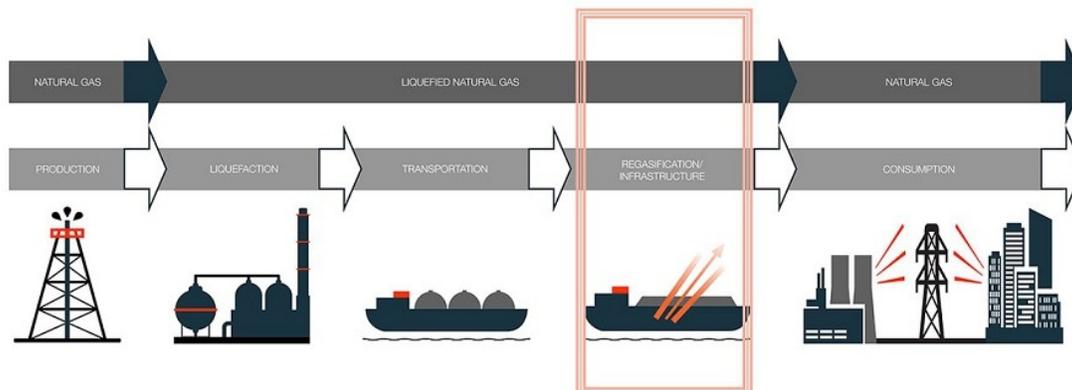
The LNG trade developed from a need to transport natural gas over long distances with greater flexibility than is allowed by its movement via pipelines. Condensing natural gas into liquid form reduces its volume by a factor of over 600, making LNG an efficient means of transporting and storing natural gas in significant quantities. LNG is natural gas (predominantly methane (CH₄)) that has been converted to liquid form by cooling it to -160 degrees centigrade under compression.

The processing of natural gas, transportation of LNG and regasification process requires specialized technologies, complex liquefaction processes and cryogenic materials. The specially built carriers in which LNG is transported have heavily insulated cargo tanks that maintain cryogenic temperatures by allowing a small portion of LNG to evaporate as boil-off gas.

LNG projects are capital intensive. LNG project sponsors are typically large international oil and gas companies often partnering with national oil and gas companies on the export side of the chain. The importers of LNG are typically large,

[Table of Contents](#)

regulated natural gas companies or power utilities. The diagram below shows the flow of natural gas and LNG from production to regasification and consumption:



Floating Regasification Vessels

Traditionally, the import of LNG and its regasification has been done in land-based terminals. However, the interest in and use of floating import and regasification solutions is increasing.

Floating regasification vessels may be called shuttle and regas vessels (“SRVs”) or LNG regas vessels (“LNGRVs”) but are more commonly referred to as FSRUs or Floating Storage and Regasification Units. FSRU technology represents a flexible, proven, expedient and cost-effective means of allowing countries or regions to import LNG.

The underlying technology used in an FSRU is that of heat exchange between LNG and a warm fluid resulting in vaporization of the LNG into the gaseous state for delivery to shore. The fluid may either be seawater—often referred to as open loop vaporization—or recirculated water heated by a natural gas fired boiler on the FSRU itself—often referred to as closed loop vaporization. Vaporization capacity varies by vessel and is typically specified as a combination of continuous vaporization capacity (base capacity) and peak vaporization capacity (peak capacity). The vaporized LNG is replenished by delivery of LNG into the FSRU by LNG carriers serving as feeder vessels.

Key benefits of FSRU technology include:

- *Speed.* Planning, siting, permitting and constructing a traditional, land-based LNG terminal typically requires five to six years. In comparison, FSRU projects typically take less than 24 months to execute and have been implemented in as little as six months.
- *Reduced Costs.* FSRUs are considerably less capital intensive than a land-based LNG terminal, where even small terminals can cost upwards of \$600 million. More importantly, the providers of FSRUs are prepared to retain ownership of their vessels and charter them to the importing company for a short, medium or long term period, avoiding the need for major capital outlays and corresponding financing requirements.
- *Greater Cost Certainty.* An importer has greater clarity on fees for regasification services and delivery of gas with an FSRU as compared to a land-based LNG terminal, which may be more likely to face construction cost overruns and uncertainty around terminal throughput fees.
- *Operational Flexibility.* FSRU operators have entered into agreements as short as two years, whereas land-based LNG terminals often require long term commitments of 15 years or more.

[Table of Contents](#)

- *Market Flexibility.* Some FSRUs can also be operated as conventional LNG carriers and owners have been prepared to build such vessels on a speculative basis. FSRU technology has the flexibility to meet different market needs and terminal location challenges.

However, FSRUs are not without limitations and constraints. Land-based terminals typically have larger storage capacity and potentially larger gas send out capacities than FSRUs, especially FSRUs that are a result of LNG carrier conversions. This disadvantage could be partially mitigated by using multiple FSRUs. Greater storage capacity of land-based terminals facilitates faster cargo offload in a situation when storage tanks are partially full. The boil-off rate of an FSRU is higher than that of a land based terminal, and boil-off gas that cannot be used for fuel or regas purposes has to be flared in the gas combustion unit. The limitations on the physical size of an FSRU prevent it from having as much redundancy of vaporization equipment as a land-based terminal. As a result, an FSRU is more vulnerable to equipment outages, and thus requires the FSRU provider to hold very high standards regarding operations and maintenance. A technical problem with an FSRU could require a visit to drydock, which would result in a loss of service.

Our Relationship with Höegh LNG

We believe that one of our principal strengths is our relationship with Höegh LNG. With a track record dating back to the delivery of the world's first Moss-type LNG carrier in 1973, we believe that Höegh LNG is one of the most experienced operators of LNG carriers, and one of only a few operators of FSRUs in the world, excluding FSRUs owned by companies dedicated to single projects, and has one of the largest FSRU fleets in operation. Our affiliation with Höegh LNG gives us access to Höegh LNG's long-standing relationships with leading oil and gas companies, utility companies, shipbuilders, financing sources and suppliers, which we believe will allow us to compete more effectively when seeking additional long-term charters for FSRUs, LNG carriers and other LNG infrastructure assets. In addition, we believe Höegh LNG's more than 40-year track record of providing LNG services and its technical, commercial and managerial expertise, including its leadership in the development of floating liquefaction solutions, will enable us to continue to maintain the high utilization of our fleet to preserve our stable cash flows. We cannot assure you that our relationship with Höegh LNG will lead to high fleet utilization rates or stable cash flows in the future.

On March 8, 2021, Höegh LNG announced a recommended offer by Leif Höegh & Co. Ltd. ("LHC") and funds managed by Morgan Stanley Infrastructure Partners ("MSIP") through a 50/50 joint venture, Larus Holding Limited ("JVCo"), to acquire the remaining issued and outstanding shares of Höegh LNG not currently owned by LHC or its affiliates (the "Amalgamation"). The Amalgamation was approved by Höegh LNG's shareholders and bondholders and closed on May 4, 2021. Höegh LNG is now wholly-owned by JVCo, and the common shares of Höegh LNG have been delisted from the Oslo Stock Exchange. Following the Amalgamation, some provisions of the omnibus agreement terminated by their terms, including (i) the prohibition on Höegh LNG from acquiring, owning, operating or chartering any Five-Year Vessels, (ii) the prohibition on us from acquiring, owning, operating or chartering any Non-Five-Year Vessels, and (iii) the rights of first offer associated with those rights. As a consequence, unless otherwise agreed between the parties, Höegh LNG will not be required to offer us Five-Year Vessels and is permitted to compete with us.

On December 6, 2021, we announced that the HMLP Board received an unsolicited non-binding proposal, dated December 3, 2021, from Höegh LNG pursuant to which Höegh LNG would acquire through a wholly owned subsidiary all our publicly held common units in exchange for \$4.25 in cash per common unit. Höegh LNG has proposed that a transaction would be effectuated through a merger between the Partnership and a subsidiary of Höegh LNG (the "Offer"). The HMLP Board has authorized the Conflicts Committee of the HMLP Board, comprised only of non-Höegh LNG affiliated directors, to review and evaluate the Offer. The Conflicts Committee has retained advisors and discussions regarding a potential transaction are ongoing.

Business Strategies

- **Pursue Strategic Acquisitions of FSRUs, LNG Carriers and Other LNG Infrastructure Assets on Long-Term, Fixed-Rate Charters with Strong Counterparties.** We may seek to leverage our relationship with Höegh LNG to make strategic acquisitions. We may also take advantage of business opportunities and market trends in the LNG transportation industry to grow our assets through third-party acquisitions of FSRUs, LNG carriers and other LNG infrastructure assets under long-term charters. We intend to primarily focus on modern assets if making acquisitions in the future.
- **Expand Global Operations in High-Growth Regions.** We may seek to capitalize on opportunities emerging from the global expansion of LNG production activity and the need to provide flexible regasification solutions in areas which require natural gas imports. We believe that Höegh LNG's position as one of a few FSRU owners and operators in the world, more than 40-year operational track record and strong customer relationships will enable us to have early access to new projects worldwide.
- **Enhance and Diversify Customer Relationships Through Continued Operating Excellence and Technological Innovation.** We intend to maintain and potentially grow our cash flows by focusing on strong customer relationships and actively seeking the extension and renewal of existing charters, entering into new long-term charters with current customers, and identifying new business opportunities with other creditworthy charterers. We believe our customer relationships are enhanced by our ability to provide expert technical advice to our customers through Höegh LNG's in-house engineering department, which in turn enables us to be directly involved in our customers' project development processes. We will continue to incorporate safety, health, security and environmental stewardship into all aspects of vessel design and operation in order to satisfy our customers and comply with national and international rules and regulations. We believe that Höegh LNG's operational expertise, recognized position, and track record in floating LNG infrastructure services will position us favorably to capture additional commercial opportunities in the FSRU and LNG sectors.

We can provide no assurance, however, that we will be able to implement our business strategies described above. For further discussion of the risks that we face, please read "Item 3.D. Risk Factors."

Our Fleet

Our Current Fleet

As of March 31, 2022, our fleet consists of interests in the following vessels:

- a 50% interest in the *Neptune*, an FSRU built in 2009 that is currently operating under a time charter with Total Gas & Power that expires in 2029, with an option to extend for up to two additional periods of five years each;
- a 50% interest in the *Cape Ann*, an FSRU built in 2010 that is currently operating under a time charter with Total Gas & Power that expires in 2030, with an option to extend for up to two additional periods of five years each;
- a 100% economic interest in the *PGN FSRU Lampung*, an FSRU built in 2014 that is currently operating under a time charter with PGN LNG that expires in 2034, with options to extend either for an additional 10 years or for up to two additional periods of five years each;
- a 100% interest in the *Höegh Gallant*, an FSRU built in 2014 that is currently operating under a time charter with subsidiaries of New Fortress that expires in 2031, with option to extend for up to one additional year; and
- a 100% interest in *Höegh Grace*, an FSRU built in 2016 that is currently operating under a time charter with SPEC. The non-cancellable charter period is 10 years. The initial term of the charter is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if SPEC

[Table of Contents](#)

waives its right to terminate in year 10 within a certain deadline, we will not be able to exercise our right to terminate in year 10.

Both the *Neptune* and the *Cape Ann* are owned in joint ventures with MOL and TLT, which own in the aggregate 50% of each joint venture. For a description of the joint venture agreements governing our joint ventures, please read “Item 4.B. Business Overview—Shareholder Agreements.” The *PGN FSRU Lampung* is 49% owned by one of our subsidiaries and 51% owned by PT Bahtera Daya Utama (“PT Bahtera”), an Indonesian subsidiary of PT Imeco Inter Sarana, which provides products and services for various energy and infrastructure projects. Due to local Indonesian regulations, we are required to have a local Indonesian joint venture partner (e.g., PT Bahtera). However, we have a 100% economic interest in the *PGN FSRU Lampung*. For a description of the agreements related to this arrangement, please read “—Shareholder Agreements—PT Höegh Shareholders’ Agreement.”

The following table provides information about our five FSRUs:

FSRU	Capacity (cbm)	Maximum send out capacity (MMscf/d)	Location of operation	Charter commencement	Charterer	Charter Expiration	Charter extension option period
<i>Neptune</i>	145,000	750	Various	Nov 2009	Total Gas & Power	2029	Five years plus five years
<i>Cape Ann</i>	145,000	750	China	Jun 2010	Total Gas & Power	2030	Five years plus five years
<i>PGN FSRU Lampung</i>	170,000	360	Indonesia	Jul 2014	PGN LNG NFE	2034	Five or 10 years (1)
<i>Höegh Gallant</i>	170,000	500	Jamaica	Mar 2022	Subsidiaries	2031	1 year
<i>Höegh Grace</i>	170,000	500	Colombia	Dec 2016	SPEC	2036	n/a (2)

- (1) After the initial term, PGN LNG has the choice to extend the term by either five years or 10 years. If PGN LNG extends the term by five years, it subsequently may extend the term by another five years.
- (2) The non-cancellable term is 10 years. The initial term is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if SPEC waives its right to terminate in year 10 within a certain deadline, we will not be able to exercise our right to terminate in year 10.

As of December 31, 2021, the *Neptune*, the *Cape Ann*, the *PGN FSRU Lampung*, the *Höegh Gallant* and the *Höegh Grace* were approximately 12.2 years old, 11.6 years old, 7.8 years old, 7.2 years old and 5.8 years old, respectively. FSRUs are generally designed to have a lifespan of approximately 40 years.

From December 2016 until June 2019, the *Neptune* operated as the first FSRU in the Turkish market at the Etki Terminal near the port of Aliaga in Izmir province on the west coast of Turkey. *Neptune* has been trading as LNG carrier since leaving Turkey. From October 2017 to March 2018, the *Cape Ann* was sub-chartered as an FSRU, located in Tianjin outside Beijing, China. From April 2018 to June 2021, the *Cape Ann* has served as an LNG carrier. Commencing in July 2021, the *Cape Ann* has operated as an FSRU in Tianjin, China.

The *PGN FSRU Lampung* is located offshore in the Lampung province at the southeast coast of Sumatra, Indonesia. The vessel is moored at a purpose-built mooring system built by a subcontractor of Höegh LNG, subsequently sold to PGN LNG and located approximately 16 kilometers offshore.

In October 2018, the *Höegh Gallant* commenced operating as an LNG carrier for EgyptCo's charter with a third party with a term until April 2020. The FSRU *Höegh Gallant* operated as an LNG import terminal at Ain Sokhna port, located on the Red Sea in Egypt, until October 2018. On April 30, 2020, we entered into the Suspended Gallant Charter with CharterCo, a subsidiary of Höegh LNG, which commenced on May 1, 2020 and was subsequently suspended. The Partnership has entered into agreements with subsidiaries of New Fortress to charter the vessel primarily for FSRU operations for a period of ten years, with FSRU operations commencing March 20, 2022. The vessel is located outside

[Table of Contents](#)

the port of Kingston, Jamaica. From November 26, 2021 until the FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations.

The *Höegh Grace* is operating as an LNG import terminal in the port of Cartagena on the Atlantic coast of Colombia. The *Höegh Grace* was delivered from the shipyard in March 2016 and employed as an LNG carrier by SPEC from June to October 2016.

Each of the *Neptune*, the *Cape Ann*, the *PGN FSRU Lampung*, the *Höegh Gallant* and the *Höegh Grace* has a reinforced membrane-type cargo containment system that facilitates offshore loading operations.

Technical Specifications

Each FSRU in our fleet has the following onboard equipment for the vaporization of LNG and delivery of high-pressure natural gas:

- *High-Pressure Cryogenic Pumps*. Each FSRU has high-pressure cryogenic pumps, which pressurize the LNG prior to vaporization.
- *Vaporizers*. Each FSRU has vaporizers, which convert the LNG back to vaporous natural gas using heat generated by either steam boilers or seawater.
- *Dual-Fuel Diesel Electric Propulsion Plant*. Each FSRU has a dual-fuel diesel electric propulsion plant, which provides the power for the vessel's regasification, propulsion and utility systems.
- *Mooring System*. Each of the *Neptune* and the *Cape Ann* is equipped with a submerged turret loading ("STL") offshore mooring system and can also be moored to a jetty. The *PGN FSRU Lampung* is equipped for mooring to a tower yoke. The *Höegh Gallant* and the *Höegh Grace* are equipped for quay-side mooring.
- *Gas Export System*. The *PGN FSRU Lampung* has an export pipeline on her bow, which is connected via jumper hoses to the tower yoke. The *Höegh Gallant* and the *Höegh Grace* have a high-pressure manifold on the side, to connect to the loading arms on the purpose-built jetties. The *Neptune* and the *Cape Ann* have an STL buoy system but have also been retrofitted with high-pressure gas manifold on the side, which can be connected to loading arms on a jetty.

Each of the *Neptune* and the *Cape Ann* has a closed-loop regasification system, where heat for vaporization is generated by steam boilers. Because of the closed-loop regasification system, the *Neptune* and the *Cape Ann* are capable of operating the regasification system in cold climate where the seawater temperature is low. The *PGN FSRU Lampung*, the *Höegh Gallant* and the *Höegh Grace* have open-loop regasification systems, where heat for vaporization is generated by pumping sea water. Consequently, these vessels are not capable of operating the regasification system in cold climate where the seawater temperature is low.

Each of the *Neptune*, the *Cape Ann*, the *Höegh Gallant* and the *Höegh Grace* is capable of operating as a conventional LNG carrier. The *PGN FSRU Lampung* has insufficient propulsion power to operate as a conventional LNG carrier.

Customers

For the years ended December 31, 2021, 2020 and 2019 the total revenues in the consolidated statements of income are from PGN LNG, EgyptCo and CharterCo (both subsidiaries of Höegh LNG), NFE South Holdings Limited and NFE International Shipping LLC, subsidiaries of New Fortress, and SPEC. PGN LNG is a subsidiary of PT Perusahaan Gas Negara (Persero) Tbk, a subsidiary of PT Pertamina, a government-controlled, Indonesian oil and gas producer, natural gas transportation and distribution company. SPEC is owned 51% by Promigas S.A. ESP, a Colombian company focused on the transportation and distribution of natural gas, and 49% by private equity investors. NFE South Holdings Limited and NFE International Shipping LLC are subsidiaries of New Fortress, a U.S. publicly listed gas-to-power

[Table of Contents](#)

infrastructure company. Total Gas & Power (formerly Global LNG Supply), accounted for 100% of our joint ventures' time charter revenues for the years ended December 31, 2021, 2020 and 2019. During 2018, Global LNG Supply was acquired by Total, a French publicly listed company, that produces and markets fuels, natural gas and low-carbon electricity, from ENGIE. In February 2020, our joint ventures' time charters were novated from Global LNG Supply to Total Gas & Power, a subsidiary of Total.

Vessel Time Charters

Our vessels are provided to the applicable charterer by our joint venture or us, as applicable (each, a "vessel owner"), under separate time charters.

A time charter is a contract for the use of a vessel for a fixed period of time at a specified hire rate. Under a time charter, the vessel owner provides the crew, technical and other services related to the vessel's operation, the majority or all of the cost of which is included in the hire rate, and the charterer generally is responsible for substantially all of the vessel voyage costs (including fuel, port and canal fees and LNG boil-off).

Neptune Time Charter

Initial Term; Extensions

The *Neptune* time charter commenced upon acceptance of the vessel by the charterer in November 2009. The initial term of the *Neptune* time charter is 20 years. Total Gas & Power has the option to extend the time charter for up to two additional periods of five years each.

Performance Standards

Under the *Neptune* time charter, the vessel owner undertakes to ensure that the vessel meets specified performance standards at all times during the term of the time charter. The vessel must maintain a guaranteed speed, consume no more than a specified amount of fuel oil and not exceed a maximum average daily boil-off, all as specified in the time charter. On April 1, 2020, as part of the settlement of the boil-off claim with the charterer, the vessel owner and the charterer entered into an amendment to the *Neptune* time charter specifying a new procedure with respect to the calculation of excess boil-off under the time charter's performance standards. In addition, the vessel owner undertakes that the vessel will be capable of discharging her cargo within a specified time and regasifying and discharging her cargo at not less than a specified rate.

Hire Rate

Under the *Neptune* time charter, hire is payable to the vessel owner monthly, in advance in U.S. Dollars. The hire rate under the *Neptune* time charter consists of three cost components:

- *Fixed Element.* The fixed element is a fixed per day fee providing for ownership costs and all remuneration due to the vessel owner for use of the vessel and the provision of time charter services.
- *Variable (Operating Cost) Element.* The variable (operating cost) element is a fixed per day fee providing for the operating costs of the vessel, which consists of (i) a cost pass-through sub-element, which covers the crew (excluding the extra cost associated with a U.S. crew requirement, which is invoiced separately), insurance, consumables, miscellaneous services, spares and damage deductible costs and is subject to annual adjustment and (ii) an indexed sub-element, which covers management and is subject to annual adjustment for changes in labor costs and the size of the fleet under management.
- *Optional (Capitalized Equipment Cost) Element.* The optional (capitalized equipment cost) element consists of (i) costs associated with modifications to, changes in specifications of, structural changes in or new equipment for the vessel that become compulsory for the continued operation of the vessel by reason of new class requirements or national or international regulations coming into effect after the date of the time charter, subject

[Table of Contents](#)

to specified caps and (ii) costs associated with any new equipment or machinery that the owner and charterer have agreed should be capitalized. Such costs are distributed over the remaining term of the time charter.

While the hire rate under the *Neptune* time charter does not cover drydocking expenses or extra costs associated with a U.S. crew requirement, the charterer will reimburse the vessel owner on a cost pass-through basis.

If Total Gas & Power exercises its option to extend the *Neptune* time charter beyond its initial term, the hire rate will be determined as set forth above, provided that the fixed element will be reduced by approximately 30%.

The hire rate is subject to deduction by the charterer by, among other things, any sums due in respect of the vessel owner's failure to satisfy the undertakings described under "—Performance Standards" and off-hire accruing during the period. The hire rate is also subject to deduction by the charterer if the vessel owner fails to maintain the vessel in compliance with the vessel's specifications and contractual standards, provide the required crew, keep the vessel at the charterer's disposal or comply with specified corporate organizational requirements and such failure increases the time taken by the vessel to perform her services or results in the charterer directly incurring costs.

Expenses

The vessel owner is responsible for providing certain items and services, which include the crew; drydocking, overhaul, maintenance and repairs; insurance; stores; necessary spare parts; water; inert gas and nitrogen; communication expenses and fees paid to the classification societies, regulatory authorities and consultants. The variable (operating cost) element of the hire rate is designed to cover these expenses. Except for when the vessel is off-hire, the charterer pays for bunker fuels, marine gas oil and boil-off if used or burned while steaming at a reduced rate. Additionally, except for when the vessel is off-hire, the charterer pays for boil-off used to provide power for discharge and regasification; and fuel for inert gas, nitrogen and diesel generators.

Off-hire

Under the *Neptune* time charter, the vessel generally will be deemed off-hire if the vessel is not available for the charterer's use for a specified amount of time due to, among other things:

- failure of an inspection that prevents the vessel from performing normal commercial operations;
- scheduled drydocking that exceeds allowances;
- the vessel's inability to discharge regasified LNG at normal performance;
- requisition of the vessel; or
- the vessel owner's failure to maintain the vessel in compliance with her specifications and contractual standards or to provide the required crew.

In the event of off-hire, all hire will cease to be due or payable for the duration of off-hire. Notwithstanding the foregoing, hire is not reduced due to an event of off-hire if the event of off-hire does not exceed a specified number of days in any 12-month period.

Ship Management and Maintenance

Under the *Neptune* time charter, the vessel owner is responsible for the technical management of the vessel, including engagement and provision of a qualified crew, maintaining the vessel, arranging supply of stores and equipment, periodic drydocking and ensuring compliance with applicable regulations, including licensing and certification requirements. These services are provided to the vessel owner by Höegh LNG Management pursuant to a ship management agreement.

[Table of Contents](#)

Termination

Under the *Neptune* time charter, the vessel owner is entitled to terminate the time charter if the charterer fails to pay its debts, becomes insolvent or enters into bankruptcy or liquidation.

The charterer is entitled to terminate the time charter and, at its option, convert the time charter into a bareboat charter, if (i) either the vessel owner or any guarantor (a) fails to pay its debts or (b) becomes insolvent or enters into bankruptcy or liquidation or (ii) the vessel owner's guarantee ceases to be in full force and effect. Furthermore, the charterer has the option to terminate the time charter without cause by providing notice at least two years in advance of the charterer's election. On the date of such termination, the charterer will pay the vessel owner a specified termination fee, which declines over time and is based upon the year in which the time charter is terminated. Furthermore, the charterer may terminate the time charter if any period of off-hire due to (i) the vessel owner's failure to maintain the vessel in compliance with her specifications and contractual standards or to provide the required crew exceeds a specified number of days, (ii) damage to the vessel's cargo containment system as a result of the vessel owner's failure to comply with cargo and filling level restrictions exceeds a specified number of months or (iii) any reason other than scheduled drydocking or damage to the vessel's cargo containment system exceeds a specified number of months, unless such period of off-hire is due to the vessel owner's failure to comply with cargo and filling level restrictions.

After attempting to take mitigating steps for a specified number of days, both the vessel owner and the charterer have the right to terminate the time charter if war is declared in any location that materially interrupts the performance of the time charter. The time charter will terminate automatically if the vessel is lost, missing or a constructive or compromised total loss.

Indemnification

No liability is imposed upon the vessel owner for the death or personal injury of the charterer, its representatives or their estates (collectively, the "Charterer's Group") while engaged in activities contemplated by the time charter unless such death or personal injury is by the gross negligence or willful misconduct of the vessel owner, its employees or its agents. Additionally, no liability is imposed upon the vessel owner if any personal property of the Charterer's Group is damaged, lost or destroyed as a result of the gross negligence or willful misconduct of the vessel owner, its employees or its agents. Similar provisions apply to the charterer in both cases.

However, if any of the charterer's representatives dies or is personally injured while engaged in activities contemplated by the time charter and as a result of the gross negligence or willful misconduct of the vessel owner, its employees or its agents, the vessel owner will indemnify the Charterer's Group, as applicable. Additionally, if any personal property of the Charterer's Group is damaged, lost or destroyed as a result of the gross negligence or willful misconduct of the vessel owner, its employees or its agents, the vessel owner will indemnify the Charterer's Group, as applicable. Reciprocal obligations are imposed on the charterer in both cases.

The charterer will indemnify the vessel owner for losses associated with shipping documents to the extent they were signed as directed by the charterer or based upon information that it provided. In addition, the charterer will indemnify the vessel owner against taxes imposed on the vessel owner or the vessel in respect of hire by any country where loading or discharging of LNG takes place, where the vessel is located or through which the vessel travels, where the charterer is organized, does business or has a fixed place of business or where the charterer makes payments under the time charter, subject to certain exceptions.

The vessel owner will indemnify the charterer, its servants and agents against all losses, claims, responsibilities and liabilities arising from the employment of pilots, tugboats or stevedores, subject to certain exceptions.

The vessel owner will indemnify the charterer against any claim by a third party alleging that the construction or operation of the vessel infringes any right claimed by such third party, including but not limited to patent rights, copyrights, trade secrets, industrial property or trademarks. The charterer will indemnify the vessel owner for all amounts properly payable to the vessel builder if the charterer takes, or requires the vessel owner to take, any action that puts the vessel owner in breach of its intellectual property rights obligations under the vessel building contract.

[Table of Contents](#)

Guarantee

Pursuant to the *Neptune* time charter, both Höegh LNG Ltd. and MOL guarantee the performance and payment obligations of the vessel owner under the time charter. Such guarantee is joint and several as to performance obligations and several as to payment obligations. If the guarantee is not maintained, the charterer may terminate the time charter.

Subcharter Provisions

The charterer entered into a subcharter to provide the *Neptune* as an FSRU for the Etki Terminal in Izmir province on the west coast of Turkey, pursuant to which Global LNG Supply and SRV Joint Gas Ltd. amended the *Neptune* time charter in December 2016 (the “*Neptune* charter amendments”). The subcharter terminated in June 2019. The *Neptune* charter amendments applied only during the term of the subcharter.

Cape Ann Time Charter

Initial Term; Extensions

The *Cape Ann* time charter commenced upon acceptance of the vessel by the charterer in June 2010. The initial term of the *Cape Ann* time charter is 20 years. Total Gas & Power has the option to extend the time charter for up to two additional periods of five years each. Commencing July 2021, Total Gas & Power subchartered the *Cape Ann* to PipeChina Tianjin LNG Limited for a period of two years as an FSRU in China, pursuant to which Total Gas & Power and SRV Joint Gas Two Ltd. amended the *Cape Ann* time charter to allow for the use of the *Cape Ann* at the Tianjin FSRU terminal in China. Such amendments apply only during the term of the subcharter.

On April 1, 2020, as part of the settlement of the boil-off claim with the charterer, the vessel owner and the charterer entered into an amendment to the *Cape Ann* time charter specifying a new procedure with respect to the calculation of excess boil-off under the time charter’s performance standards.

The terms of the *Cape Ann* time charter are substantially similar to those of the *Neptune* time charter unmodified by the *Neptune* charter amendments.

Subcharter Provisions

In connection with the subcharter, the charterer will after the expiration of the subcharter, reimburse the costs of reinstating the vessel in order for her to be in every way fitted for service under the charter, during which times the vessel will be on-hire. The charterer is also required to compensate the vessel owner for time spent and costs and expenses incurred in connection with the subcharter and arrange for the importation, stay and exportation into and from China of the *Cape Ann* and any materials or equipment needed for the vessel owner’s performance of the subcharter. The charterer will indemnify the vessel owner for costs, claims or losses that the vessel owner incurs as a consequence of the subcharter, except if such costs, claims or losses resulted directly from the vessel owner’s material failure to comply with the time charter, and for any Chinese taxes. The subcharter also includes an option for the vessel to operate as an LNG carrier.

During the term of the subcharter and while the vessel is not on a voyage as an LNG carrier, certain amendments to the time charter apply, including the following:

- additional crew requirements, with the charterer responsible for providing and paying for any Chinese master, officer or crew required to be onboard;
- the charterer will provide port and marine facilities capable of receiving the vessel and berths and places that the vessel can safely reach and return from;

[Table of Contents](#)

- in lieu of the off-hire provision, hire will be reduced proportionately to the extent the vessel does not achieve the minimum discharge rate of regasified LNG;
- the maintenance provisions and allowances differ;
- the parties waive any consequential damages arising out of or related to the use or operation of the Tianjin FSRU terminal;
- performance standards different from those described under “—Neptune Time Charter—Performance Standards,” pursuant to which the vessel owner undertakes to ensure that the vessel maintains a maximum daily boil-off, delivers the nominated discharge rate in accordance with the daily curve agreed with the charterer, is capable of regasifying LNG in a closed-loop heating mode at a specified pressure and temperature and regasifies and discharges her cargo at not less than a regasified LNG discharge rate; and
- with respect to indemnification, the definition of the “Charterer’s Group” includes PipeChina Tianjin LNG Limited.

Guarantee

Pursuant to the *Cape Ann* time charter, both Höegh LNG Ltd. and MOL guarantee the performance and payment obligations of the vessel owner under the time charter. Such guarantee is joint and several as to performance obligations and several as to payment obligations. If the guarantee is not maintained, the charterer may terminate the time charter.

PGN FSRU Lampung Time Charter

Under a lease, operation and maintenance agreement, which we refer to as a time charter, we provide to PGN LNG the services of the *PGN FSRU Lampung*, which is moored at the Mooring owned by PGN LNG and located approximately 16 kilometers off the shore of Labuhan Maringgai at the southeast coast of Sumatra, Indonesia. Also, under the time charter, we operate and maintain the Mooring.

Initial Term; Extensions

The long-term time charter for the *PGN FSRU Lampung* with PGN LNG has an initial term of 20 years from the acceptance date of October 30, 2014. The time charter hire payments began July 21, 2014 when the project was ready to begin commissioning. At any time on or before 17 years and 183 days after acceptance, PGN LNG may exercise its option to extend the time charter for either five or 10 years. If the term is extended for five years pursuant to such option, at any time on or before the date that is 22 years and 183 days after acceptance, PGN LNG may exercise its option to extend the time charter for a subsequent five years.

Performance Standards

Under the *PGN FSRU Lampung* time charter, the vessel owner makes certain performance warranties for the term of the time charter, excluding time during which the vessel is off-hire or in lay-up or a failure to satisfy any such warranty due to a “Lampung Charterer Risk Event” (which includes, among other things, any breach, act, interference or omission by the charterer that prevents or interferes with the vessel owner’s performance under the time charter) or an event of force majeure, including the following:

- the management warranties, which consist of the following:
 - the vessel complies with specifications; is classed by Det Norske Veritas GL; is in good order and condition and fit for service; and has onboard all certificates, documents, approvals, permits, permissions and equipment required by Det Norske Veritas GL or any law necessary for the vessel to carry out required operations on the Mooring;

[Table of Contents](#)

- the vessel owner provides shipboard personnel in accordance with specified terms;
- the vessel owner loads LNG in accordance with specified procedures; operates all equipment in a safe and proper manner and as required by Indonesian law; keeps up-to-date records and logs; uses reasonable endeavors to cooperate with the charterer to comply with and satisfy any requirements of any governmental authority; stows LNG properly and keeps a strict account of all LNG loaded, boil-off and regasified LNG discharged; and exercises due diligence and good industry practice to minimize venting of boil-off; and
- the vessel owner provides and pays for all provisions, wages and discharging fees and all other expenses related to the master, officers and crew; insurance; spare parts and other necessary stores, including lubricating oil; drydocking in emergency cases, maintenance and repairs; certificates; customs or import duties arising in connection with any of the foregoing; and consents, licenses and permits required by governmental authorities to be in the vessel owner's name (collectively, the "Lampung Vessel Owner Expenses");
- the vessel receives LNG in accordance with a specified nominating loading rate;
- the vessel consumes fuel at or below a specified amount;
- during a nomination period, the vessel delivers regasified LNG at a specified average rate;
- during a period in which there is no regasification send-out, no LNG transfer or cargo tank cool down ongoing and no LNG pump running in any cargo tank, the amount of boil-off does not exceed a specified percentage of cargo capacity per day;
- the boil-off recondenser is able to recondense boil-off gas for the days when the vessel is sending out regasified LNG; and
- the cargo capacity of the vessel does not exceed the aggregate volume of LNG that can be stored in the cargo tanks of the vessel.

Hire Rate

Under the *PGN FSRU Lampung* time charter, hire is payable to the vessel owner monthly, in arrears in U.S. Dollars. The hire rate under the *PGN FSRU Lampung* time charter consists of three cost components:

- *Capital Element.* The capital element is a fixed per day fee, which is intended to cover remuneration due to the vessel owner for use of the vessel and the provision of time charter services.
- *Operating and Maintenance Element.* The operating and maintenance element is a fixed per day fee, subject to annual adjustment, which is intended to cover the operating costs of the vessel, including manning costs, maintenance and repair costs, consumables and stores costs, insurance costs, management and operational costs, miscellaneous costs and alterations not required by Det Norske Veritas GL to maintain class or the IMO.
- *Tax Element.* The tax element is a fixed per day fee, equal to the vessel owner's reasonable estimate of the tax liability for that charter year divided by the number of days in such charter year. If the vessel owner receives a tax refund or credit, the vessel owner will pay such amount to the charterer. Similarly, if any audit required by the time charter reveals that the vessel owner's reasonable estimate of the tax liability varied from the actual tax liability, the vessel owner or the charterer, as applicable, will pay to the other party the difference in such amount.

If PGN LNG exercises an option to extend the *PGN FSRU Lampung* time charter beyond its initial term, the hire rate will be determined as set forth above, provided that the capital element will be increased by 50% and the operating and maintenance element will equal cost pass-through.

[Table of Contents](#)

The hire rate is subject to adjustment if any change in Indonesian law or tax occurs that alters the vessel owner's performance of the time charter or the charterer requires the vessel owner to lay-up the vessel.

Furthermore, the hire rate is subject to deduction by the charterer for sums due in respect of the vessel owner's failure to satisfy the performance warranties or if, as a result of an event of force majeure and subject to specified exceptions, the regasification flow rate is less than that required to meet the quantity nominated. However, any deduction for the vessel owner's failure to satisfy the performance warranties may not exceed the aggregate of the capital element and the operating and maintenance element for that day; provided, that such cap does not apply to the vessel owner's failure to satisfy specified fuel consumption or boil-off warranties.

The charterer will pay the vessel owner the hire rate for time lost due to a Lampung Charterer Risk Event.

Expenses

The vessel owner is responsible for providing certain items and services, which include the Lampung Vessel Owner Expenses and the supply of all LNG required for gassing up and cooling of the vessel. The vessel owner pays for non-Indonesian taxes and alterations required by Det Norske Veritas GL to maintain class or the IMO. The vessel owner also will provide, at its expense, accommodation space for at least two of the charterer's employees responsible for coordinating terminal operations onshore and offshore, provided that the charterer reimburses the vessel owner for the cost of provisions supplied to such employees.

The charterer pays for make-up of bunker fuels provided by the vessel owner and during tests; regasified LNG for use as fuel; port charges, pilotage, towing, mooring, agency fees or customs or import duties; duties, levies and taxes relating to unloading; costs and expenses relating to terminal security required by the International Ship and Port Facility Security Code (the "ISPS Code"); and mooring, periodic maintenance, repairs, insurance, inspections and surveys beyond daily inspections and capital spares. The charterer also pays for Indonesian taxes and alterations not required by Det Norske Veritas GL to maintain class or the IMO.

Off-hire

Under the *PGN FSRU Lampung* time charter, the vessel generally will be deemed off-hire if she is not available for the charterer's use for a specified amount of time due to, among other things:

- drydocking that exceeds allowances;
- the vessel failing to satisfy specified operational minimum requirements, except as a result of a Lampung Charterer Risk Event or an event of force majeure; or
- the vessel owner's failure to satisfy the management warranties described above under "—Performance Standards."

In the event of off-hire, all hire will cease to be due or payable for the duration of off-hire. Notwithstanding the foregoing, hire is not reduced due to an event of off-hire if the event of off-hire does not exceed a specified number of hours in any 12-month period.

Technical Support

Under the *PGN FSRU Lampung* time charter, the vessel owner is responsible for the technical support services with respect to the vessel, including engagement and provision of a qualified crew, maintaining the vessel, arranging supply of stores and equipment, periodic drydocking and ensuring compliance with applicable regulations, including licensing and certification requirements. These services are provided by Höegh LNG Management pursuant to the technical information and services agreement between the vessel owner and Höegh Norway and the sub-technical support agreement between Höegh Norway and Höegh LNG Management.

[Table of Contents](#)

Termination

Under the *PGN FSRU Lampung* time charter, the charterer is entitled to terminate the time charter for the following reasons:

- if, due to one of several specified events of force majeure (“Lampung Nongovernmental Force Majeure”) that results in physical damage to the vessel or the Mooring in respect of which insurance proceeds are payable under the loss of hire insurance and hull and machinery insurance (“Lampung Vessel Force Majeure”), the vessel owner is unable to comply with nominations for a specified number of days;
- if, due to an event of force majeure that is not Lampung Nongovernmental Force Majeure or Lampung Vessel Force Majeure (“Lampung Other Force Majeure”), the vessel owner is unable to comply with nominations for a specified number of days; or
- if there has been an event of force majeure caused by the Indonesian government (“Lampung Governmental Force Majeure”) during a specified number of days.

If the charterer terminates for Lampung Other Force Majeure or Lampung Governmental Force Majeure, the charterer will pay the vessel owner a specified termination fee based upon the year in which the time charter is terminated.

Additionally, after the occurrence of an event of default by the vessel owner (including if the vessel owner or Høegh LNG fails to pay its debts, becomes insolvent or enters into bankruptcy or liquidation or if Høegh LNG’s guarantee becomes unenforceable, and either such default is not timely cured), and while such event of default continues, the charterer may terminate the time charter. If the charterer terminates the time charter for certain events of default that the vessel owner intentionally or deliberately committed for the purpose of terminating the time charter so that the vessel owner could employ the vessel with a third party, the vessel owner will transfer the vessel’s title to the charterer.

The vessel owner may terminate the time charter after the occurrence of an event of default by the charterer (including if the charterer fails to pay its debts, becomes insolvent or enters into bankruptcy or liquidation and such default is not timely cured) while such event of default continues. If the charterer fails to pay invoiced amounts when due and such failure continues for a specified number of days following notice from the vessel owner, the vessel owner may suspend its performance and remain on-hire until such failure is corrected.

If the time charter is terminated by the vessel owner for an event of default of the charterer, the charterer will pay the vessel owner a specified termination fee based upon the year in which the time charter is terminated. Under such circumstances, as well as if the time charter is terminated by the charterer for Lampung Governmental Force Majeure, the vessel owner may require that the parties begin negotiation of terms under which the vessel owner would be willing to sell to the charterer a 50% ownership interest in the vessel for a specified amount that declines over time and is based upon the year in which the time charter is terminated. If the charterer terminates the time charter for force majeure other than Lampung Governmental Force Majeure or an event of default of the vessel owner, the charterer may require the parties to begin such negotiation.

The time charter will terminate automatically if the vessel is lost or a constructive total loss.

Indemnification

For losses arising out of claims for illness or injuries to or death of any employees of the vessel owner, the vessel owner’s affiliates, certain subcontractors of the vessel owner, persons contracting with the vessel owner under the building contract or the Mooring contract and representatives of each of the foregoing (collectively, the “Lampung Owner’s Group”), the vessel owner will indemnify the charterer, certain affiliates and subcontractors of the charterer, persons executing tug charters and terminal use agreements, persons receiving regasified LNG delivered by the vessel and representatives of each of the foregoing (collectively, the “Lampung Charterer’s Group”). Reciprocal obligations are imposed on the charterer.

[Table of Contents](#)

For losses arising out of claims for damage to or loss of the vessel or property, equipment or materials owned or leased by any member of the Lampung Owner's Group, the vessel owner will indemnify the Lampung Charterer's Group. Similarly, the charterer will indemnify the Lampung Owner's Group for losses arising out of claims for damage to or loss of property, equipment or materials owned or leased by any member of the Lampung Charterer's Group or LNG stored on the vessel or the Mooring.

For losses arising from pollution or contamination created by the vessel or the operation thereof or the Mooring, the vessel owner will indemnify the Lampung Charterer's Group; provided, that the vessel owner's aggregate liability for each applicable accident will not exceed \$150,000,000. For losses arising from pollution or contamination created by, or directly related to, the operation of the downstream pipeline, any LNG carrier or any vessel operating under a tug charter, the charterer will indemnify the Lampung Owner's Group.

Purchase Option

PGN LNG was granted an option to purchase the *PGN FSRU Lampung* at specified prices based upon the year in which the option is exercised. Such option to purchase may be exercised commencing in June 2018; however, it may not be exercised if either of the charter extension options has expired without exercise. The option is exercisable upon PGN LNG giving us notice specifying the time and date of delivery, which must be after the third anniversary of the date of delivery. The option to purchase survives termination of the time charter. PGN LNG has discussed alternatives regarding the option, among other contractual provisions. However, no notice has been provided to indicate an intention of exercising this option as of March 31, 2022. Please read "Item 3.D. Risk Factors—Risks Inherent in Our Business—PGN LNG and SPEC have options to purchase the *PGN FSRU Lampung* and *Höegh Grace*, respectively. If either charterer exercises its option, it could have a material adverse effect on our operating cash flows and our ability to make cash distributions to our unitholders."

Guarantee

Pursuant to the *PGN FSRU Lampung* time charter, Höegh LNG guarantees the due and proper performance by PT Höegh of all its obligations and liabilities under the time charter.

Höegh Gallant Time Charter

The *Höegh Gallant* is subject to two material agreements with subsidiaries of New Fortress: an International Charter Agreement, pursuant to which the Partnership charters the vessel to a subsidiary of New Fortress (the "ICA") and the FSRU Operation and Services Agreement, pursuant to which our operating company provides certain operational services to a subsidiary of New Fortress with respect to the vessel (the "OSA"). The ICA and the OSA are collectively referred to as the "*Höegh Gallant* charter."

Term and Termination

The *Höegh Gallant* charter has a term of 10 years. The charterer has the option to extend the term of the *Höegh Gallant* charter for an additional year.

There are certain conditions under which the *Höegh Gallant* charter could terminate prior to its expiration date. The charter will terminate automatically upon the loss of the vessel. Either party may also terminate the charter for force majeure after a specified period. Additionally, either party may elect to terminate the charter upon the occurrence of specified events of default which, in the case of a termination by the charterer, include (i) the vessel owner ceases to be a member of the Partnership group or the Höegh LNG group in a manner in violation of the *Höegh Gallant* charter; (ii) the vessel owner (a) fails to pay its debts or is otherwise insolvent, or (b) enters into bankruptcy or liquidation; or (iii) unless such defaults are timely cured (if capable of cure), without charterer's consent (a) the vessel ceases to be registered under the laws of the agreed flag state, (b) the vessel ceases to hold a classification certificate with the agreed classification society, (c) the vessel owner effects a lien or other mortgage over the vessel (other than permitted liens), or (d) the vessel owner fails to maintain insurance. The charterer also has the right to terminate the charter in the event of a prolonged off-hire period. If the ICA is terminated for any reason, the OSA will automatically terminate as well.

[Table of Contents](#)

Performance Standards

Under the *Høegh Gallant* charter, the vessel owner undertakes to ensure that the vessel meets specified performance standards at all times during the term of the charter. The charterer is permitted to reduce the hire rate or service fee, as applicable, under the *Høegh Gallant* charter in the event that the *Høegh Gallant* is unable to timely accept all or part of a delivered LNG cargo, is unable to deliver the specified amount of regasified natural gas, consumes more than a specified amount of fuel or suffers other performance failures.

Hire Rate and Service Fees

Under the *Høegh Gallant* charter, hire is payable monthly, in arrears, in U.S. Dollars. The charterer pays a fixed daily rate of hire (with respect to the ICA) and service fees (with respect to the OSA), as set forth in the *Høegh Gallant* charter.

Expenses

The vessel owner is responsible for providing certain items and services, which include, among other things, provisions and wages of the crew; bunker fuel, drydocking, overhaul, maintenance and repairs; insurance; stores; necessary spare parts; communication expenses and fees paid to the classification societies and regulatory authorities. The hire rate is designed to cover these expenses except for when the vessel is off-hire. The charterer pays for fuel oil and port expenses.

Off-hire

Except for force majeure events, events that are excusable events (as defined in the *Høegh Gallant* charter) and maintenance of the vessel (other than actions required due to a change in law of a jurisdiction other than the jurisdiction in which the vessel is operating in FSRU mode or where charterer is incorporated, domiciled or located), under the *Høegh Gallant* charter the vessel generally will be deemed off-hire during any time in which the vessel is either unable to meet a defined threshold of nominated volume of daily regasified LNG, ceases completely or is incapable or unable to send out any regasified LNG, or completely ceases to be at the charterer's disposal during the charter period

Ship Management and Maintenance

Under the *Høegh Gallant* charter, the vessel owner is responsible for the technical management of the vessel, including maintaining the vessel, arranging supply of stores and equipment, periodic drydocking and ensuring compliance with applicable regulations, including licensing and certification requirements. The crew is provided to the vessel owner by Høegh Maritime Management pursuant to a secondment agreement. The remaining services are provided to the vessel owner by Høegh LNG Management pursuant to a ship management agreement split in two. One Crew recruitment services agreement and one Professional Payment Services agreement.

Indemnification

The charterer will indemnify the vessel owner for any damage or loss to the charterer's vessel interconnection infrastructure, to the connecting pipeline and onshore receiving system and any property owned, leased, chartered or hired by charterer (except the *Høegh Gallant*), or for any death or personal injury of the charterer, its affiliates or their contractors (collectively, the "Charterer Indemnified Parties") regardless of cause or whether or not the negligence, omission or default of the vessel owner, its affiliates or their contractors (collectively, the "Owner Indemnified Parties") caused or contributed to the damages.

The vessel owner will indemnify the charterer for any damage or loss of the vessel and of its property, and any death or personal injury of the Owner Indemnified Parties regardless of cause or whether or not the negligence, omission or default of the Charterer Indemnified Parties caused or contributed to the damages.

The vessel owner will indemnify the Charterer Indemnified Parties for all damages arising out of, attributable to or in connection with pollution emanating from the *Høegh Gallant* (or its equipment), including spills or leaks of fuel,

[Table of Contents](#)

lubricants, oils, paints, solvents, ballasts, bilge, garbage, or sewerage, regardless of fault. The charterer will indemnify the Owner Indemnified Parties for all damages arising out of, attributable to or in connection with pollution in connection with the *Höegh Gallant* charter, other than damages covered by the previous sentence, regardless of fault.

Each of the vessel owner and the charterer will indemnify the other party for any loss, damage to any property or injury or death suffered by any third party, caused by the negligence of an Owner Indemnified Party or Charterer Indemnified Party, as applicable.

Guarantee

The Partnership guarantees the performance of *Höegh Gallant* under the *Höegh Gallant* charter, subject to a cap on its total liability. NFE Atlantic Holdings LLC, a subsidiary of New Fortress, guarantees the performance of the charterer under the *Höegh Gallant* charter, subject to a cap on its total liability.

Suspended Gallant Charter

Previously, the *Höegh Gallant* operated under a long-term time charter which started in 2015 and expired in 2020 with EgyptCo, a subsidiary of Höegh LNG. On February 27, 2020, the Partnership exercised its right pursuant to an option agreement to cause Höegh LNG or its subsidiary to charter the *Höegh Gallant* from the expiration of the EgyptCo charter until July 2025. On April 30, 2020, we entered into a lease and maintenance agreement with another subsidiary of Höegh LNG for the time charter of the *Höegh Gallant* (the “Suspended Gallant Charter”). On September 23, 2021, we entered into the *Höegh Gallant* charter. From November 26, 2021 until the FSRU operations commenced in March 2022, New Fortress chartered the vessel for LNG carrier operations. We have entered into the Suspension and Make-Whole Agreements to suspend the Suspended Gallant Charter, with effect from the commencement of the *Höegh Gallant* charter, and pursuant to which Höegh LNG's subsidiary will compensate us monthly for the difference between the charter rate earned under the *Höegh Gallant* charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. Afterwards, we will continue to receive the charter rate agreed with New Fortress for the remaining term of the *Höegh Gallant* charter. In addition, pursuant to the Suspension and Make-Whole Agreements, certain capital expenditures incurred to ready and relocate the *Höegh Gallant* for performance under the *Höegh Gallant* charter will be shared 50/50 between Höegh LNG and the Partnership, subject to a maximum obligation of the Partnership.

Höegh Grace Charter

The *Höegh Grace* is subject to two material agreements with SPEC: an International Leasing Agreement, pursuant to which Höegh FSRU IV leases the vessel to SPEC (the “ILA”) and the FSRU Operation and Services Agreement, pursuant to which Höegh Colombia provides certain operational services to SPEC with respect to the vessel (the “OSA”). The ILA and the OSA are collectively referred to herein as the “*Höegh Grace* charter.”

Term and Termination

The *Höegh Grace* charter has a term of 20 years. Each party has an unconditional option to cancel the *Höegh Grace* charter after 10 and 15 years without a penalty. However, if the charterer waives its right to terminate in year 10 within a certain deadline, the vessel owner will not be able to exercise its right to terminate in year 10. Accordingly, the non-cancellable charter period is for 10 years.

There are certain conditions under which the *Höegh Grace* charter could terminate prior to its expiration date. The charter will terminate automatically upon the loss of the vessel. Either party may also terminate the charter for force majeure after a specified period. Additionally, either party may elect to terminate the charter upon the occurrence of specified events of default, which, in the case of a termination by the charterer, include:

- (i) if there is a change in the legal or disponent ownership of the vessel other than as permitted under the *Höegh Grace* charter;

[Table of Contents](#)

(ii) the vessel owner or the Partnership;

- (a) fails to pay its debts or is otherwise insolvent, or
- (b) enters into bankruptcy or liquidation; or

(iii) unless such defaults are timely cured (if capable of cure);

- (a) the vessel ceases to be registered under the laws of the agreed flag state
- (b) the classification society suspends or removes the vessel's class,
- (c) the vessel owner effects a lien or other mortgage over the vessel (other than permitted liens), or
- (d) the vessel owner fails to maintain insurance.

The charterer also has the right to terminate the charter in the event of a prolonged off-hire period. If the ILA is terminated for any reason, the OSA will automatically terminate as well.

Performance Standards

Under the *Höegh Grace* charter, the vessel owner undertakes to ensure that the vessel meets specified performance standards at all times during the term of the charter. The vessel owner is required to pay liquidated damages in the event that the *Höegh Grace* is unable to accept all or part of a delivered LNG cargo, is unable to deliver the specified amount of regasified natural gas, exceeds a maximum average daily boil-off, consumes more than a specified amount of fuel or suffers other performance failures, which damages are subject to various caps per cargo, per year and in the aggregate for the term of the *Höegh Grace* charter.

Hire Rate

Under the *Höegh Grace* charter, hire is payable monthly, in arrears, in U.S. Dollars. The charterer pays a fixed daily rate of hire (with respect to the ILA) and operating fees (with respect to the OSA), as set forth in the *Höegh Grace* charter. Under the OSA, the operating fees are escalated yearly by a fixed percentage, and the OSA provides for a review and reasonable adjustment by the parties if the actual operating costs increase by more than such percentage over a period of three consecutive years.

Expenses

The vessel owner is responsible for providing certain items and services, which include the crew; bunker fuel, drydocking, overhaul, maintenance and repairs; insurance; stores; necessary spare parts; communication expenses and fees paid to the classification societies and regulatory authorities. The hire rate is designed to cover these expenses except for when the vessel is off-hire. The charterer pays for fuel oil and port expenses.

Off-hire

Except for force majeure events and a specified maintenance allowance period, under the *Höegh Grace* charter the vessel generally will be deemed off-hire:

- if the vessel is not able to discharge regasified LNG at a specified rate;
- if the vessel owner breaches its warranties related to international sanctions; or

[Table of Contents](#)

- if the vessel is not available for the charterer's use due to, among other things:
 - any damage, defect, breakdown or deficiency to the vessel;
 - any deficiency of crew, stores, repairs, surveys, or similar cause preventing the working of the vessel;
 - any labor dispute, failure or inability of the officers or crew to perform the required services; or
 - any failure to comply with laws, regulations or operational practices at the site of the vessel operations.

In the event of off-hire, all hire will cease to be due or payable for the duration of off-hire.

Ship Management and Maintenance

Under the *Höegh Grace* charter, the vessel owner is responsible for the technical management of the vessel, including engagement and provision of a qualified crew, maintaining the vessel, arranging supply of stores and equipment, periodic drydocking and ensuring compliance with applicable regulations, including licensing and certification requirements. The vessel owner has entered into services agreements with affiliates of Höegh LNG and Höegh Autoliners Ltd. to provide certain of these services. See “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Support Agreement” and “—*Höegh Grace* Services Agreements.”

Indemnification

The charterer will indemnify the vessel owner for any damage or loss to the charterer's vessel interconnection infrastructure, including the jetty and interconnection pipeline, or to any other property, and any death or personal injury of the charterer, its affiliates or their contractors (collectively, the “Charterer Indemnified Parties”) regardless of cause or whether or not the negligence, omission or default of the vessel owner, its affiliates or their contractors (collectively, the “Owner Indemnified Parties”) caused or contributed to the damages. The charterer will indemnify the Owner Indemnified Parties for all damage and harm to the environment, including fines imposed by a governmental authority, including damages for control, remediation and clean-up of all pollution or contamination that originates from the charterer's vessel interconnection infrastructure, including the jetty and interconnection pipeline, or any other property of any Charterer Indemnified Parties, regardless of fault.

The vessel owner will indemnify the charterer for any damage or loss of the vessel and of its property, and any death or personal injury of the Owner Indemnified Parties regardless of cause or whether or not the negligence, omission or default of the Charterer Indemnified Parties caused or contributed to the damages. The vessel owner will indemnify the Charterer Indemnified Parties for all damage and harm to the environment, including fines imposed by a governmental authority, including damages for control, remediation and cleanup of all pollution or contamination that originates from the vessel, regardless of fault.

Each of the vessel owner and the charterer will indemnify the other party for any loss, damage to any property or injury or death suffered by any third party, caused by the vessel owner or charterer, as applicable.

Purchase Option

Pursuant to the *Höegh Grace* charter, the charterer has the option to purchase the *Höegh Grace* in year 10, year 15 and year 20 at a price specified in the *Höegh Grace* charter. The option is exercisable upon the charterer giving notice at the end of the applicable term and survives any early termination of the charter in year 10 or year 15 thereof. Please read “Item 3.D. Risk Factors—Risks Inherent in Our Business—PGN LNG and SPEC have options to purchase the *PGN FSRU Lampung* and *Höegh Grace*, respectively. If either charterer exercises its option, it could have a material adverse effect on our operating cash flows and our ability to make cash distributions to our unitholders.”

[Table of Contents](#)

Guarantee

The Partnership guarantees the performance of Høegh FSRU IV and Høegh Colombia under the *Høegh Grace* charter.

Shareholder Agreements

The following provides a summary of the governance, distribution and other significant terms of our shareholders' agreements.

SRV Joint Gas Shareholders' Agreement

We hold our interests in two vessels in our fleet through the following joint ventures (collectively, the "SRV Joint Gas joint ventures"):

- SRV Joint Gas Ltd. (owner of the *Neptune*), a limited liability company incorporated under the laws of the Cayman Islands, 50% of the equity interests of which are owned by our operating company, 48.5% of which are owned by MOL, and 1.5% of which are owned by TLT; and
- SRV Joint Gas Two Ltd. (owner of the *Cape Ann*), a limited liability company incorporated under the laws of the Cayman Islands, 50% of the equity interests of which are owned by our operating company, 48.5% of which are owned by MOL and 1.5% of which are owned by TLT.

The SRV Joint Gas joint ventures are governed by the SRV Joint Gas shareholders' agreement. As a result, the terms and conditions for each of the SRV Joint Gas joint ventures are substantially the same.

The SRV Joint Gas shareholders' agreement provides that the management of each of the SRV Joint Gas joint ventures will be carried out by a board of directors consisting of four members. We have the right to appoint two members to each board of directors, and MOL has the right to appoint the remaining two members. Additionally, as long as TLT holds at least 1.5% of the shares in an SRV Joint Gas joint venture, it may appoint an observer to attend any meeting of the board of directors of such joint venture.

Pursuant to the SRV Joint Gas shareholders' agreement, neither we nor our joint venture partners exercise affirmative control over either of the SRV Joint Gas joint ventures. The approval of a majority of the members of the board of directors of an SRV Joint Gas joint venture is required to consent to any proposed action by such joint venture and, as a result, we are unable to cause such joint venture to act in our best interests over the objection of our joint venture partners. Moreover, a deadlocked dispute that cannot be resolved by the board of directors or the senior executives of the applicable joint venture may result in the transfer of our interest in such joint venture to our joint venture partners or a third party. Please read "Item 3.D. Risk Factors—Risks Inherent in Our Business—We are a holding entity that has historically derived a significant amount of our income from equity interests in our joint ventures. Neither we nor our joint venture partners exercise affirmative control over our joint ventures. Accordingly, we cannot require our joint ventures to act in our best interests. Furthermore, our joint venture partners may prevent our joint ventures from taking action that may otherwise be beneficial to us, including making cash distributions to us. A deadlock between us and our joint venture partners could result in our exchanging equity interests in one of our joint ventures for the equity interests in our other joint venture held by our joint venture counterparties or in us or our joint venture partner selling shares in a joint venture to a third party."

Additionally, certain matters relating to our joint venture partners require the unanimous approval of the board of directors of the applicable SRV Joint Gas joint venture, including:

- agreement of any form of time charter to be entered into by such SRV Joint Gas joint venture and any material amendment to such time charter;
- agreement of any form of ship management agreement to be entered into by such SRV Joint Gas joint venture;

[Table of Contents](#)

- agreement of the terms of any financing of the *Neptune* or the *Cape Ann*, as applicable, or any other financing exceeding \$5,000,000;
- investments exceeding \$2,500,000 for a SRV Joint Gas joint venture or \$5,000,000 for both SRV Joint Gas joint ventures;
- amendment or change of the articles of association, business or composition of the board of directors of such SRV Joint Gas joint venture;
- issuance of, or granting of options or rights to subscribe for, shares in such SRV Joint Gas joint venture, issuance of loan capital or convertible securities of such SRV Joint Gas joint venture, alteration of the share capital of such SRV Joint Gas joint venture or formation of any subsidiary;
- granting any security over shares of such SRV Joint Gas joint venture other than in accordance with the applicable security documents;
- acquisition of other companies;
- entering into joint ventures and other long-term cooperation with third parties;
- taking any action in respect of a significant contractual dispute, including commencement and defending any action or settling any dispute; and
- sale of the *Neptune* or the *Cape Ann*.

Our operating company, MOL and TLT have made loans to each of the SRV Joint Gas joint ventures, in part to finance the operations of such joint ventures. For a description of the shareholder loans, please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Joint Ventures Debt—Loans Due to Owners (Shareholder Loans).”

Under the SRV Joint Gas shareholders’ agreement, the board of directors of an SRV Joint Gas joint venture is responsible for determining the amount of profits to be distributed each financial year. Distributions must first be used to repay the principal of the shareholder loans. Subsequent distributions are permitted but are subject to (i) preexisting financial agreements between such SRV Joint Gas joint venture and its lenders and (ii) prudent maintenance of reserve accounts.

Pursuant to the SRV Joint Gas shareholders’ agreement, in order for a party to transfer its shares, it must provide written notice and establish a fair price evaluation of the shares proposed to be transferred. Additionally, such party must permit the remaining parties (excluding TLT) to acquire such shares or sell their shares to the proposed transferor at the same price as the proposed transfer.

The SRV Joint Gas shareholders’ agreement also contemplates certain events that, upon occurrence and failure to cure, if a cure period is allowed, will give rise to a potential exchange of shares or a liquidation of such joint venture. These events include a party’s failure to make required payments, default in any material duties and/or obligations, insolvency and change of control, pursuant to which such party is acquired by a direct competitor. If one of these events occurs, we and our joint venture partners will attempt to exchange shares so that our operating company, on the one hand, will own 100% of one SRV Joint Gas joint venture, and MOL and TLT, on the other hand, will own 100% of the other SRV Joint Gas joint venture. If such an exchange cannot be agreed upon, then the party not in default, not insolvent or not undergoing a change of control may either purchase the shares and the shareholder loans from the other parties or demand termination of the SRV Joint Gas shareholders’ agreement and a liquidation of the applicable SRV Joint Gas joint venture.

Until the termination of the SRV Joint Gas shareholders’ agreement, Höegh LNG has agreed to continue to own common units representing a greater than 25% limited partner interest in us in the aggregate. In addition, Höegh LNG

[Table of Contents](#)

will be required to continue to directly or indirectly maintain the ability to control our general partner pursuant to an agreement with MOL.

The SRV Joint Gas shareholders' agreement terminates when one party holds a 100% interest in the SRV Joint Gas joint ventures or a party not in default, not insolvent or not undergoing a change of control elects to terminate the agreement.

PT Höegh Shareholders' Agreement

We own a 100% equity interest in Höegh Lampung, which owns a 49% equity interest in PT Höegh (the owner of the *PGN FSRU Lampung*). PT Bahtera, an Indonesian company established in February 2013, owns the remaining 51% equity interest in PT Höegh in order to comply with local Indonesian regulations. However, pursuant the Shareholders' Agreement, dated March 13, 2013, between Höegh Lampung and PT Bahtera ("the PT Höegh shareholders' agreement") and the PT Höegh shareholder loan, we have a 100% economic interest in the *PGN FSRU Lampung*.

The board of directors of PT Höegh manages PT Höegh, whereas the board of commissioners of PT Höegh supervise the operation and management of PT Höegh. Both such board of directors and board of commissioners must consist of between three and five members. Furthermore, Höegh Lampung may appoint three members to each, whereas PT Bahtera may appoint one member. A majority of present members of the board of directors or the board of commissioners, respectively, is required to pass any resolution.

Höegh Lampung and PT Bahtera, in their capacity as shareholders, may also convene general meetings to consider resolutions. Resolutions concerning most matters require the approval of two-thirds of the issued shares for passage. However, resolutions concerning filing for bankruptcy, changes of control, disposal of certain assets or the creation of certain encumbrances require the approval of 75% of the issued shares for passage.

When deadlock (as defined below) occurs, Höegh Lampung has the right to provide notice to, and subsequently confer with, PT Bahtera to resolve the matters giving rise to deadlock. Deadlock occurs under the PT Höegh shareholders' agreement if (i) a quorum is not present at a meeting of the board of directors of PT Höegh, the board of commissioners of PT Höegh or the shareholders as a result of the absence of PT Bahtera or (ii) any resolution proposed at a meeting of the board of directors of PT Höegh, the board of commissioners of PT Höegh and/or the shareholders of PT Höegh is approved by the directors appointed by Höegh Lampung, the commissioners appointed by Höegh Lampung or Höegh Lampung, as applicable, but is not passed.

The board of directors of PT Höegh is responsible for determining the amount of profits to be distributed each financial year. Once this determination is made, and prior to distributing net cash flow, the shares of Höegh Lampung are entitled to 65% of all dividends and distributions, and the shares of PT Bahtera are entitled to 35% of all dividends and distributions.

Höegh Lampung may transfer its shares in PT Höegh to anyone, subject only to the requirement that, upon the request of PT Bahtera, Höegh Lampung procures from the same transferee or an Indonesian entity an offer to purchase PT Bahtera's shares. Conversely, PT Bahtera may transfer its shares only to an affiliate it wholly owns and only if both Höegh Lampung and any applicable lenders consent to the transfer.

At any time or in the event of a default, Höegh Lampung may require PT Bahtera to transfer its shares to Höegh Lampung or any other person it designates. Events of default only apply to PT Bahtera and occur if it fails to pay any amount due and payable under the shareholders' agreement, becomes insolvent, materially breaches the shareholders' agreement, becomes controlled by other people or breaches a financing requirement.

Additionally, in association with the PT Höegh shareholders' agreement, PT Imeco Inter Sarana has guaranteed the performance and obligations of PT Bahtera. Furthermore, pursuant to the PT Höegh shareholders' agreement, Höegh Lampung indemnifies PT Bahtera against liabilities it may suffer as a result of a breach of statutory duty or infringement of laws committed by PT Höegh, a failure by PT Höegh to pay tax, a dispute, litigation or arbitration relating to PT Höegh and all costs, losses, liabilities and claims relating to the *PGN FSRU Lampung* as a result of environmental damage.

[Table of Contents](#)

The PT Höegh shareholders' agreement terminates when:

- all of the shareholders agree in writing that the agreement should be terminated;
- all of the issued shares in PT Höegh become directly or indirectly owned by the same person; or
- Höegh Lampung requires the other shareholders to dissolve PT Höegh. PT Imeco Inter Sarana has guaranteed the obligations of PT Bahtera under the equity loan agreement pursuant to a deed of guarantee and indemnity.

PT Höegh Shareholder Loan

PT Bahtera, as borrower, entered into an equity loan agreement with Höegh Lampung, as lender, the proceeds of which were used to purchase PT Bahtera's 51% interest in PT Höegh. In connection with this loan, as security, PT Bahtera collaterally assigned its equity interest and any dividends it may receive from PT Höegh to Höegh Lampung for as long as amounts remain outstanding. As a result of the above and the PT Höegh shareholders' agreement, we will be entitled to all of the net cash flows from PT Höegh, after the payment of management, agency and local representation fees.

Employees

Other than certain administrative staff in foreign subsidiaries, we do not have other direct employees and rely on the key employees of Höegh Norway who perform services for us pursuant to the administrative services agreement. Höegh Norway and Höegh LNG Management also provide commercial and technical management services to our fleet pursuant to ship management agreements, the Gallant management agreement, the Höegh Grace Services Agreements, a sub-technical support agreement and commercial and administration management agreements. Höegh Maritime Management also provides crew pursuant to a secondment agreement. Our crew may be employed by our or Höegh LNG's subsidiaries. Please read "—Maritime Personnel and Competence Development" and "Item 6.A. Directors and Senior Management."

Competition

The FSRU and LNG carrier industries are capital-intensive and operational expertise is critical, which create high barriers to entry. These industries are viewed as an integral part of the LNG industry. A company with a solid track record, knowledge of the market and an experienced, well-trained crew is preferred to a new entrant since the cost and impact of vessel downtime is significant for the customer. Our competitors in the FSRU sector include BW LNG, Dynagas Ltd, Excelerate Energy L.P., Golar LNG Limited, New Fortress, MOL and Maran Gas Maritime. Certain terminal operators have also ordered FSRUs directly from shipyards for specific projects. Our competitors in the LNG carrier universe is more diverse and, while we compete with this group when operating in LNG carrier mode, few have entered the FSRU market.

Classification, Inspection and Maintenance

Every large, commercial seagoing 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 that particular class of vessel as laid down by that society and the applicable flag state. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake to conduct a survey on application or by official order, acting on behalf of the authorities concerned.

Our FSRUs are "classed" as LNG carriers with the additional class notation REGAS-2 signifying that the regasification installations are designed and approved for continuous operation. To ensure continuous compliance, regular and extraordinary surveys of hull and machinery, including the power plant and any special equipment classed, are required to be performed by a class surveyor. For inspection of the underwater parts and for repairs related to intermediate inspections, vessels generally are drydocked, pursuant to a drydock cycle determined by the classification society and the flag state concerned. However, with FSRUs, certain inspections can be done without drydocking, as special measures

[Table of Contents](#)

are available to inspect the underwater parts. If any defects are found, the class surveyor will issue a “recommendation” which must be rectified by the vessel owner within prescribed time limits. The classification society also undertakes other surveys on request of the flag state and checks that regulations and requirements of that flag state are complied with. These surveys are subject to agreements made for each individual survey and flag state concerned.

It is a condition for insurance coverage (i.e., the “seaworthiness” of the vessel) that the vessel is certified as “in class” with a member of the International Association of Classification Societies. Each of our vessels is certified by Det Norske Veritas GL, compliant with the ISM Code, and “in class.”

The ship manager carries out inspections of the ships on a regular basis; both at sea and while the vessels are in port, while the classification societies carry out inspections and ship audits to verify conformity with manager’s reports. The results of these inspections, which are conducted both in port and underway, are presented in a report containing recommendations for improvements to the overall condition of the vessel, maintenance, improvements to the safety and environmental protection system and to crew welfare. Among others, based on these evaluations, the ship manager creates and implements a program of continuous maintenance and improvement for its vessel and its systems.

Safety, Management of Ship Operations and Administration

Safety is a top priority. Our vessels are operated in a manner intended to protect the safety and health of employees, the general public and the environment. We actively manage the risks inherent in our business and are committed to eliminating incidents that threaten safety, such as groundings, collisions, loss of containment and fire. We are also committed to reducing emissions and waste generation. We have established key performance indicators to facilitate regular monitoring of our operational performance. We set targets on an annual basis to drive continuous improvement, and we review performance indicators monthly to determine if remedial action is necessary to reach our targets. Höegh LNG’s shore staff performs a full range of technical, commercial and business development services for us. This staff also provides administrative support to our operations in accounting, finance and cash management, legal, commercial insurance and general office administration and secretarial services.

Höegh LNG assists the vessel owners in managing ship operations and maintaining a technical department to monitor and audit ship manager operations. Höegh LNG hold its certifications for and works to the standards of ISO 9001 on Quality Management, ISO 14001 on Environmental Management and aim to be compliant with ISO 45001 on Occupational Safety and Health Management during 2022. Additionally, Höegh LNG holds all compliance documents and permits needed to manage and operate LNG carriers and FSRUs except for the *PGN FSRU Lampung*, which is held by PT Höegh. Through Det Norske Veritas GL, Höegh LNG Management has obtained approval of its safety management systems as being in compliance with the ISM Code, on behalf of the appropriate flag state for the vessels in our fleet, which are flagged in Norway or Indonesia. Our vessels’ safety management certificates are being maintained through ongoing internal audits performed by Höegh LNG Management and through intermediate audits performed by the flag states or recognized classification societies on its behalf. To supplement our operational experience, Höegh LNG provides expertise in various functions critical to our operations. This affords an efficient and cost-effective operation and, pursuant to commercial and administration management agreements with Höegh Norway and a technical information and services agreement with Höegh Norway, access to accounting, finance and cash management, legal, commercial insurance and general office administration and secretarial services. Critical ship management or technical support functions that will be provided by Höegh LNG Management through its various offices around the world include:

- technical management, maintenance and drydocking;
- crew management;
- procurement, purchasing and forwarding logistics;
- marine operations;
- oil major and terminal vetting compliance;

[Table of Contents](#)

- shipyard supervision;
- insurance; and
- financial services.

These functions are supported by onboard and onshore systems for maintenance, inventory, purchasing and budget management. In addition, Höegh LNG's day-to-day focus on cost control will be applied to our operations. To some extent, the uniform design of some of our vessels and the adoption of common equipment standards should also result in operational efficiencies, including with respect to crew training and vessel management, equipment operation and repair and spare parts ordering.

Maritime Personnel and Competence Development

As of March 31, 2022, entities in the Höegh LNG group employed approximately 697 maritime personnel who serve on our and Höegh LNG's vessels. The Scandinavian employees are employed by Höegh LNG Management. Non-Scandinavian employees, except for seafarers operating the *PGN FSRU Lampung* and the *Höegh Grace*, are employed by Höegh Maritime Management. The seafarers operating the *PGN FSRU Lampung* are employed by PT Höegh. The seafarers operating the *Höegh Grace* are employed by Höegh Colombia. The seafarers operating the *Höegh Gallant* are employed by Höegh Jamaica. Höegh LNG Management and Höegh Maritime Management will employ and train additional maritime personnel to assist us as we grow. Höegh LNG Management, the ISM-certified company, provides technical management services, including all necessary maritime personnel-related services, to the vessel owners pursuant to the ship management agreements. Please read "Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Support Agreement."

We regard attracting and retaining competent and motivated seagoing personnel as a top priority. Like Höegh LNG, we offer our seafarers competitive employment packages and opportunities for personal and career development, which relates to a philosophy of promoting internally. The officers and crew operating our vessels are employed on individual employment contracts, which are based on International Transport Federation-Approved Collective Bargaining Agreements (CBAS) and include conditions determined both by the negotiating parties and the flag states. We believe our relationships with these labor unions are good. Höegh LNG currently is a member of the Norwegian Shipowners' Association and is participating in some of the collective bargaining agreement negotiations with trade unions.

Our commitment to training is fundamental to the development of the highest caliber of seafarers for our marine operations. Höegh LNG Management's cadet training approach is designed to balance academic learning with hands-on training at sea. Höegh LNG Management uses only recognized training institutions in Norway and other countries. Höegh LNG Management has cadets from Europe, Asia and the United States. We believe that high-quality crew and training policies will play an increasingly important role in distinguishing the preferred LNG-experienced independent shipping companies from those that are newcomers to LNG and lacking in-house experienced staff and established expertise on which to base their customer service and safety operations.

We will use in our operations Höegh LNG's thorough risk management program that includes, among other things, computer-aided risk analysis tools, maintenance and assessment programs, a seafarers competence training program, seafarers workshops and membership in emergency response organizations. We expect to benefit from Höegh LNG's commitment to safety and environmental protection as certain of its subsidiaries assist us in managing our vessel operations. Höegh LNG Management has been certified under the standards reflected in ISO 9001 for quality assurance and is certified in accordance with the International Marine Organization's International Management Code for the Safe Operation of Ships and Pollution Prevention on a fully integrated basis.

Risk of Loss, Insurance and Risk Management

The operation of FSRUs, LNG carriers and other LNG infrastructure assets has inherent risks. These risks include mechanical failure, personal injury, collision, property loss, vessel or cargo loss or damage and business interruption due to political circumstances in foreign countries or hostilities. In addition, there is always an inherent possibility of marine

[Table of Contents](#)

disaster, including explosions, spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. We believe that our present insurance coverage is adequate to protect us against the accident-related risks involved in the conduct of our business and that we maintain appropriate levels of environmental damage and pollution insurance coverage consistent with standard industry practice. However, 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.

We have obtained hull and machinery insurance on all our vessels against marine risks, which include the risks of damage to our vessels, including claims arising from collisions with other vessels or contact with jetties or wharves, salvage or towing costs and also insure against actual or constructive total loss of any of our vessels. However, our insurance policies contain deductible amounts for which we will be responsible.

We have also obtained loss of hire insurance to protect us against loss of income in the event the vessel cannot be employed due to damage that is covered under the terms of our hull and machinery insurance. Under our loss of hire policy, our insurer will pay us the hire rate agreed in respect of each vessel for each day, in excess of 20/21 deductible days, for the time that the vessel is out of service as a result of damage, for a maximum of 180 days.

Protection and indemnity insurance, which covers our third-party legal liabilities in connection with our shipping activities, is provided by an approved P&I club. This includes third-party liability and other expenses related to the injury or death of crewmembers, passengers and other third-party persons, loss or damage to cargo and other damage to other third-party property, including pollution arising from oil or other substances, and other related costs, including wreck removal.

We have war risk insurance for all our vessels cover standard hull and machinery, protection and indemnity and loss of hire, if the event causing damage is a war peril. In addition, war risk insurance will also compensate the owner for loss of the ship caused by intervention of a foreign state power, or if the ship is prevented from leaving a port or similar limited area.

Our current protection and indemnity insurance coverage for all vessels is limited to \$8.2 billion for all liabilities. For all vessels except *PGN FSRU Lampung* the limits set are \$3 billion per incident. Limit for seafarers is \$3 billion and limit for pollution is \$1 billion per vessel per incident. For *PGN FSRU Lampung* each category of liability is limited to \$500 million.

We are a member of the Gard P&I Club, which is among the 13 P&I clubs that comprise the International Group of P&I Clubs. Members of the International Group of P&I Clubs insure approximately 90% of the world's commercial tonnage, and they have entered into a pooling agreement to reinsure each P&I club's liabilities. Each P&I club provide the basic layer of insurance, which is currently \$10 million. Members of the International Group of P&I Clubs provide the next layer of insurance, covering liability between \$10 million and \$100 million. For liabilities above \$100 million, the International Group of P&I Clubs has one of the world's largest reinsurance contracts, with the maximum liability per accident or occurrence currently set at \$3 billion. As a member of the Gard P&I Club, we are subject to a call for additional premiums based on the club's claims record, as well as the claims record of all other members of the P&I clubs comprising the International Group. However, our P&I club has reinsured the risk of additional premium calls to limit our additional exposure. This reinsurance is subject to a cap, and there is the risk that the full amount of the additional call would not be covered by this reinsurance.

The insurers providing the covers for hull and machinery with interests and loss of hire have confirmed that they consider the FSRUs as conventional vessels for the purpose of providing insurance. For protection and indemnity insurance the same applies for all vessels except *PNG FSRU Lampung* which has a protection and indemnity insurance for mobile offshore units in order to incorporate the tower yoke mooring system.

Environmental and Other Regulation

General

Governmental and international agencies extensively regulate the carriage, handling, storage and regasification of LNG. These regulations include international conventions and national, state and local laws and regulations in the countries where our vessels now or, in the future, will operate or where our vessels are registered. We cannot predict the ultimate cost of complying with these regulations or the impact that these regulations will have on the resale value or useful lives of our vessels. Various governmental and quasi-governmental agencies require us to obtain permits, licenses and certificates for the operation of our vessels.

We believe that we are substantially in compliance with applicable environmental laws and regulations and have all permits, licenses and certificates required for our vessels. In many cases where permits are required from countries to whose jurisdictional waters our vessels have been deployed, the charter party or its customer is responsible for obtaining the permit. A variety of governmental and private entities inspect our vessels on both a scheduled and unscheduled basis. These entities, each of which may have unique requirements and each of which conducts frequent inspections, include classification societies, the flag state, or the administration of the country of registry, charterers, terminal operators, LNG producers and local port authorities, such as the U.S. Coast Guard, harbor master or equivalent. Our vessels are subject to inspections on an unscheduled basis and we expect, in the future, they will also be subject to inspection by the applicable governmental and private entities on a scheduled basis. However, future noncompliance or failure to maintain necessary permits or approvals could require us to incur substantial costs or temporarily suspend operation of one or more of our vessels.

Höegh LNG Management is operating in compliance with the ISO Environmental Standard for the management of the significant environmental aspects associated with the ownership and operation of a fleet of FSRUs and LNG carriers. Höegh Norway received its ISO 9001 certification (Quality Management Systems) in May 2008, which also includes certification of Höegh LNG Management. Höegh Norway also received its ISO 14001 Environmental Management Standard certification, which requires that we and Höegh LNG Management commit managerial resources to act on our environmental policy through an effective management system.

International Maritime Regulations of FSRUs and LNG Carriers

The IMO is the United Nations' agency that provides international regulations governing shipping and international maritime trade. The requirements contained in the International Safety Management Code ("ISM Code") promulgated by the IMO govern our operations. Among other requirements, the ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a policy for safety and environmental protection setting forth instructions and procedures for operating its vessels safely and also describing procedures for responding to emergencies. Höegh LNG holds a valid Document of Compliance ("DOC") for each flag in the fleet; Norway (the *Neptune*, the *Cape Ann* and the *Höegh Gallant*) and Marshall Islands (the *Höegh Grace*). PT Höegh holds a valid DOC for the flag in Indonesia (the *PGN FRSU Lampung*). Each DOC meets the requirements of the IMO.

Vessels that transport gas, including FSRUs and LNG carriers, are also subject to regulation under the International Gas Carrier Code (the "IGC Code"), published by the IMO. The IGC Code provides a standard for the safe carriage of LNG and certain other liquid gases by prescribing the design and construction standards of vessels involved in such carriage. Compliance with the IGC Code must be evidenced by a Certificate of Fitness for the Carriage of Liquefied Gases in Bulk. Each of our vessels is in compliance with the IGC Code, and each of our newbuildings contracts requires that the vessel receive certification of compliance with applicable regulations before she is delivered. Noncompliance with the IGC Code or other applicable IMO regulations may subject a vessel owner or a 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 IMO also promulgates ongoing amendments to SOLAS. SOLAS provides rules for the construction of, and equipment required for commercial vessels and includes regulations for safe operation. It requires the provision of

[Table of Contents](#)

lifeboats and other life-saving appliances, requires the use of the Global Maritime Distress and Safety System, which is an international radio equipment and watchkeeping standard, afloat and at shore stations, and relates to the Treaty on the Standards of Training and Certification of Watchkeeping Officers (“STCW”), also promulgated by the IMO. Flag states that have ratified SOLAS and STCW generally employ the classification societies, which have incorporated SOLAS and STCW requirements into their class rules, to undertake surveys to confirm compliance.

SOLAS and other IMO regulations concerning safety, including those relating to treaties on training of shipboard personnel, lifesaving appliances, radio equipment and the global maritime distress and safety system, are applicable to our operations. Noncompliance with these types of IMO regulations may subject us to increased liability or penalties, 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. For example, the U.S. Coast Guard and European Union authorities have indicated that vessels not in compliance with the ISM Code are prohibited from trading in U.S. and European Union ports.

In 2017, the IMO’s Maritime Safety Committee (“MSC”) adopted Resolution MSC.428(98), Maritime Cyber Risk Management in Safety Management Systems, embracing guidelines on maritime cyber risk management approved by the MSC. This resolution affirmed the MSC’s view that the ISM Code requires mitigation of cyber risk as part of the safety management system, and effectively provides that a vessel’s safety management system must account for cyber risks in compliance with the ISM Code no later than the vessel’s first annual compliance verification after January 1, 2021.

In the wake of increased worldwide security concerns, the IMO amended SOLAS and added the ISPS Code as a new chapter to that convention. The objective of the ISPS Code, which came into effect on July 1, 2004, is to detect security threats and take preventive measures against security incidents affecting ships or port facilities. Höegh LNG Management has developed Security Plans and appointed and trained Ship and Office Security Officers, and all of our vessels have been certified to meet the ISPS Code. Please read “—Vessel Security Regulations” for a more detailed discussion about these requirements.

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.

Air Emissions

The MARPOL Convention is the principal international convention negotiated by the IMO governing marine pollution prevention and response. The MARPOL Convention imposes environmental standards on the shipping industry relating to oil spills, management of garbage, the handling and disposal of noxious liquids, sewage and air emissions. MARPOL 73/78 Annex VI “Regulations for the Prevention of Air Pollution” (“Annex VI”) entered into force on May 19, 2005, and applies to all ships, fixed and floating drilling rigs and other floating platforms. Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from ship exhausts, emissions of volatile compounds from cargo tanks and incineration of specific substances and prohibits deliberate emissions of ozone-depleting substances. Annex VI also includes a global cap on sulfur content of fuel oil and allows for special areas to be established in different regions of the world with more stringent controls on sulfur emissions. The certification requirements for Annex VI depend on size of the vessel and time of periodical classification survey. Ships weighing more than 400 gross tons and engaged in international voyages involving countries that have ratified the conventions, or ships flying the flag of those countries, are required to have an International Air Pollution Certificate (an “IAPP Certificate”). Annex VI came into force in the United States on January 8, 2009. All of our vessels currently have IAPP Certificates.

Annex I to the MARPOL Convention applies to various ships delivered on or after August 1, 2010. It includes requirements for the protected location of the fuel tanks, performance standards for accidental oil fuel outflow, a tank capacity limit and certain other maintenance, inspection and engineering standards. IMO regulations also require owners and operators of vessels to adopt Ship Oil Pollution Emergency Plans. Periodic training and drills for response personnel and for vessels and their crews are required.

On July 1, 2010, amendments to Annex VI took effect that impose progressively stricter limitations on sulfur oxide (SO_x) emissions from ships. As of January 1, 2020, the ultimate limit of 0.5% sulfur content for fuel used to power ships

[Table of Contents](#)

outside of the four designated Emission Control Areas (“ECAs”) for SOx took effect. Pursuant to Annex VI Regulation 14, for fuels used in the four ECAs, i.e., the Baltic Sea, North Sea, North America, and United States Caribbean Sea ECAs, the cap settled at 0.1% in January 2015. The 0.5% sulfur cap is generally referred to IMO 2020 and applies absent the installation of expensive sulfur scrubbers to meet reduced emission requirements for sulfur. New Annex VI requirements for the sampling, testing and verification of the sulfur content of onboard fuel oil are scheduled to enter into force April 1, 2022. The European Directive 2005/33/EU, which came into effect January 1, 2010, bans the use of fuel oils containing more than 0.1% sulfur by mass by any merchant vessel while at berth or anchored in any European Union country port. Our FSRUs have achieved compliance with applicable low sulfur fuel requirements through use of gas boil-off and low sulfur marine diesel oil in their diesel generators and boilers.

MARPOL Annex VI regulations also establish progressively more stringent standards for emissions of nitrogen oxides (NOx) from new and certain modified marine engines, depending on their date of installation or the date of ship construction. Engine standards required under Annex VI to limit NOx emissions in designated areas are referred to as “Tier III” controls. Pursuant to amendments adopted in April 2014, the Tier III Annex VI requirements for NOx apply to certain newbuild vessels with marine diesel engines constructed on or after January 1, 2016, and that operate in the North American or United States Caribbean Sea NOx Tier III ECAs. And, pursuant to amendments adopted in July 2017 and entered into force on January 1, 2019, the Baltic Sea and North Sea ECAs have been designated as NOx Tier III ECAs, with NOx Tier III Annex VI requirements applying to certain newbuild vessels with marine diesel engines constructed on or after January 1, 2021 that operate in the Baltic Sea or North Sea NOx Tier III ECAs.

As discussed in “—U.S. Clean Air Act” below, U.S. air emissions standards are now equivalent to these amended Annex VI requirements. Additional or new conventions, laws and regulations may be adopted in the future and could require the installation of emission control systems. Because our vessels are largely powered by means other than fuel oil we do not anticipate that any emission limits that may be promulgated will require us to incur any material costs for the operation of our vessels but that possibility cannot be eliminated.

Ballast Water Management Convention

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. For example, the IMO adopted an International Convention for the Control and Management of Ships’ Ballast Water and Sediments (the “BWM Convention”) in February 2004. The BWM Convention’s implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, which is being replaced with a requirement for treatment. The BWM Convention was ratified by a sufficient number of countries in September 2016 and the requirement to install ballast water management systems (“BWMS”) on new ships became effective in September 2017. Although neither the United Kingdom nor the United States has ratified the BWM Convention yet, both jurisdictions are implementing ballast water management requirements. As referenced below, the U.S. Coast Guard issued ballast water management rules on March 23, 2012, and the U.S. Environmental Protection Agency (the “EPA”) issued a five-year Vessel General Permit (VGP) in March 2013 that contains numeric technology-based ballast water effluent limitations that apply to certain commercial vessels with ballast water tanks. The VGP program is in the process of being phased out and replaced with National Standards of Performance (NSP) to be developed by EPA and implemented and enforced by the U.S. Coast Guard. On October 26, 2020, EPA issued proposed regulations to establish NSPs, including general discharge standards of performance, covering general operation and maintenance, biofouling management, and oil management, and specific discharge standards applicable to specified pieces of equipment and systems. Final regulations are expected in late 2022. From 2016 (or not later than the first intermediate or renewal survey after 2016), only ballast water treatment will be accepted by the BWM Convention. Installation of approved ballast water treatment systems will be required on the *Neptune* and the *Cape Ann* in order to call on ports in jurisdictions requiring treatment systems. The *Neptune* would require retrofitting to meet the BWMS requirements no later than November 30, 2022 based on the drydock schedule. The *Cape Ann* was not retrofitted to meet the BWMS requirements during the drydock in 2018 and, therefore, cannot call on ports in countries that have ratified the BWM Convention or on United Kingdom or US ports. The charterer would cover the cost of complying with the rules and, therefore, makes the decision on whether retrofit to meet the BWMS requirements based upon their plans for the use of the vessels.

Bunkers Convention/CLC State Certificate

The International Convention on Civil Liability for Bunker Oil Pollution 2001 (the “Bunker Convention”) entered into force in signatory states to the Convention on November 21, 2008. The Bunker Convention provides a liability, compensation and compulsory insurance system for the victims of oil pollution damage caused by spills of bunker oil. The Bunker Convention requires the vessel owner that is liable for pollution damage to pay compensation for such damage (including the cost of preventive measures) caused in the territory, including the territorial sea of a State Party, as well as its economic zone or equivalent area. Registered owners of any seagoing vessel and seaborne craft over 1,000 gross tonnage, of any type whatsoever, and registered in a State Party, or entering or leaving a port in the territory of a State Party, are required to maintain insurance that meets the requirements of the Bunker Convention and to obtain a certificate issued by a State Party attesting that such insurance is in force. The State Party-issued certificate must be carried onboard at all times. The Bunker Convention complements the international regime of liability, limitation and mandatory insurance in place with respect to spills of persistent oils from tankers under the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC). The CLC and the Bunker Convention do not overlap; in circumstances where the CLC applies, the Bunker Convention does not apply.

P&I clubs in the International Group issue the required Bunkers Convention “Blue Cards” to enable signatory states to issue certificates. All of our vessels have received “Blue Cards” from their P&I club and are in possession of a CLC State-issued certificate attesting that the required insurance coverage is in force.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the “Anti-fouling Convention”). The Anti-fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compounds in coatings applied to vessels to prevent the attachment of mollusks and other sea life to the hulls of vessels and establishes a mechanism to prevent the potential future use of other harmful substances in anti-fouling systems. Vessels of over 400 gross tons engaged in international voyages must obtain an International Anti-fouling System Certificate and undergo a survey before the vessel is put into service or when the anti-fouling systems are altered or replaced. We have obtained Anti-fouling System Certificates for all of our vessels, and we do not believe that actions required to maintain such certificates will have an adverse financial impact on the operation of our vessels.

Compliance Enforcement

The flag state, as defined by the United Nations Convention on Law of the Sea, has overall responsibility for the implementation and enforcement of international maritime regulations for all ships granted the right to fly its flag. The “Shipping Industry Guidelines on Flag State Performance” evaluates flag states based on factors such as sufficiency of infrastructure, ratification of international maritime treaties, implementation and enforcement of international maritime regulations, supervision of surveys, casualty investigations and participation at the IMO meetings.

As of January 2016, auditing of flag states that are parties to the SOLAS convention is mandatory and are conducted under the IMO Instruments Implementation Code (III Code), which provides guidance on implementation and enforcement of IMO policies by flag states. These audits may lead the various flag states to be more aggressive in their enforcement, which may in turn lead us to incur additional costs.

Criminal sanctions including fines and penalties and possible charges against company employees are possible under the laws of various countries. For instance, the European Union directive on ship source pollution imposes criminal sanctions for intentional, reckless or negligent pollution discharges by ships. Implementing laws in the EU could result in criminal liability for pollution from vessels in waters of European countries that adopt implementation legislation. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Similar consequences are possible for spills in other countries that have enacted similar laws.

U.S. Environmental Regulation of FSRUs and LNG Carriers

Our vessels operating in U.S. waters now or, in the future, will be subject to various federal, state and local laws and regulations relating to protection of the environment. In some cases, these laws and regulations require governmental permits and authorizations before we may conduct certain activities. These environmental laws and regulations may impose substantial penalties for noncompliance and substantial liabilities for pollution that occurs. Failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties. As with the industry generally, our operations will entail risks in these areas, and compliance with these laws and regulations, which may be subject to frequent revisions and reinterpretation, increases our overall cost of business.

Oil Pollution Act and CERCLA

OPA 90 established an extensive regulatory and liability regime for environmental protection and clean-up of oil spills. OPA 90 affects all owners and operators whose vessels trade with the United States or its territories or possessions, or whose vessels operate in the waters of the United States, which include the U.S. territorial waters and the 200 nautical mile exclusive economic zone of the United States. CERCLA applies to the discharge of hazardous substances, rather than oil, whether on land or at sea. While OPA 90 and CERCLA would not apply to the discharge of LNG, they may affect us because we carry oil as fuel and lubricants for our engines, and the discharge of these could cause an environmental hazard and subject us to liability under these laws. Under OPA 90, vessel operators, including vessel owners, managers and bareboat or “demise” charterers, are “responsible parties” who are all liable regardless of fault, individually and as a group, for all containment and clean-up costs and other damages arising from oil spills from their vessels. These “responsible parties” would not be liable if the spill results solely from the act or omission of a third party, an act of God or an act of war. The other damages aside from clean-up and containment costs are defined broadly to include:

- natural resource damages and related assessment costs;
- real and personal property damages;
- net loss of taxes, royalties, rents, profits or earnings capacity;
- net cost of public services necessitated by a spill response, such as protection from fire, safety or health hazards; and
- loss of subsistence use of natural resources.

Effective as of November 12, 2019, the U.S. Coast Guard adjusted the limits of OPA 90 liability to the greater of \$2,300 per gross ton or \$19,943,400 for any double-hull tanker that is over 3,000 gross tons (subject to possible adjustment for inflation) (relevant to our and Höegh LNG’s vessels). The liability limits are subject to possible further adjustment for inflation in the future. These limits of liability do not apply where the incident is caused by violation of applicable U.S. federal safety, construction or operating regulations, or by the responsible party’s gross negligence or willful misconduct. These limits likewise do not apply if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with the substance removal activities. OPA 90 specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters. In some cases, states, which have enacted their own legislation, have not yet issued implementing regulations defining vessel owners’ responsibilities under these laws.

CERCLA, which also applies to owners and operators of vessels, contains a liability regime similar to OPA 90 and provides for cleanup, removal and natural resource damages for releases of “hazardous substances.” Liability under CERCLA is limited to the greater of \$300 per gross ton or \$0.5 million for each release from vessels not carrying hazardous substances as cargo or residue, and \$300 per gross ton or \$5 million for each release from vessels carrying hazardous substances as cargo or residue. As with OPA 90, these limits of liability do not apply where the incident is caused by violation of applicable U.S. federal safety, construction or operating regulations, by the responsible party’s

[Table of Contents](#)

gross negligence or willful misconduct or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with the substance removal activities. OPA 90 and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. We believe that we are in substantial compliance with OPA 90, CERCLA and all applicable state regulations in the ports where our vessels call.

OPA 90 requires owners and operators of vessels to establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet the limit of their potential strict liability under OPA 90/CERCLA. Under the regulations, evidence of financial responsibility may be demonstrated by insurance, surety bond, self-insurance or guaranty. Under OPA 90 regulations, an owner or operator of more than one vessel is required to demonstrate evidence of financial responsibility for the entire fleet in an amount equal only to the financial responsibility requirement of the vessel having the greatest maximum liability under OPA 90/CERCLA. We currently maintain U.S. Coast Guard National Pollution Funds Center-issued three-year Certificates of Financial Responsibility supported by guarantees that we purchased from an insurance-based provider for all of our vessels.

Compliance with any new requirements of OPA 90 or other laws and regulations relating to oil spill liability may substantially impact our cost of operations or require us to incur additional expenses to comply with any new regulatory initiatives or statutes. Additional legislation or regulation applicable to the operation of our vessels that may be implemented in the future could adversely affect our business and ability to make cash distributions to our unitholders.

U.S. Clean Water Act

The CWA prohibits the discharge of oil or hazardous substances in U.S. navigable waters unless authorized by a permit or exemption and imposes strict liability in the form of penalties for unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA 90 and CERCLA. The EPA has enacted rules governing the regulation of ballast water discharges and other discharges incidental to the normal operation of vessels within U.S. waters. The rules historically have required commercial vessels 79 feet in length or longer (other than commercial fishing vessels) (“Regulated Vessels”) to obtain a CWA permit regulating and authorizing such normal discharges. This permit, which the EPA has designated as the Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels (the “VGP”), incorporated the current U.S. Coast Guard requirements for ballast water management, as well as supplemental ballast water requirements including limits applicable to 26 specific discharge streams, such as deck runoff, bilge water and gray water. For each discharge type, among other things, the VGP establishes effluent limits pertaining to the constituents found in the effluent, including best management practices (the “BMPs”) designed to decrease the amount of constituents entering the waste stream. Unlike land-based discharges, which are deemed acceptable by meeting certain EPA-imposed numerical effluent limits, each of the 26 VGP discharge limits is deemed to be met when a Regulated Vessel carries out the BMPs pertinent to that specific discharge stream. The VGP imposes additional requirements on certain Regulated Vessel types that emit discharges unique to those vessels. Administrative provisions, such as inspection, monitoring, recordkeeping and reporting requirements, are also included for all Regulated Vessels.

In December 2018, the Vessel Incidental Discharge Act (“VIDA”) was signed into law and restructured the EPA and the U.S. Coast Guard programs for regulating incidental discharges from vessels. Rather than requiring CWA permits, the discharges will be regulated under a new CWA Section 312(p) establishing Uniform National Standards for Discharges Incidental to Normal Operation of Vessels. Under VIDA, VGP provisions and existing U.S. Coast Guard regulations will be phased out over a period of approximately four years from December 2018 and replaced with National Standards of Performance (NSPs) to be developed by EPA and implemented and enforced by the U.S. Coast Guard. On October 26, 2020, EPA issued proposed regulations to establish NSPs, including general discharge standards of performance, covering general operation and maintenance, biofouling management, and oil management, and specific discharge standards applicable to specified pieces of equipment and systems. Final regulations are expected in late 2022. The scheduled expiration date of the 2013 VGP was December 18, 2018, but under VIDA the provisions of the VGP will remain in place until the new regulations are in place.

In addition to the requirements in the VGP (to be replaced by the NSPs established under VIDA), vessel owners and operators must potentially meet 25 sets of state-specific requirements under the CWA’s § 401 certification process. Because the CWA § 401 process allows tribes and states to impose their own requirements for vessels operating within

[Table of Contents](#)

their waters, vessels operating in multiple jurisdictions could face potentially conflicting conditions specific to each jurisdiction that they travel through.

U.S. Ballast Water Regulation

In the United States, two federal agencies regulate ballast water discharges, the EPA, currently through the VGP, and the U.S. Coast Guard, through approved BWMS. The 2013 VGP includes numeric effluent limits for ballast water expressed as the maximum concentration of living organisms in ballast water, as opposed to the current BMPs requirements. The 2013 VGP also imposes a variety of changes for non-ballast water discharges including more stringent BMPs for discharges of oil-to-sea interfaces in an effort to reduce the toxicity of oil leaked into U.S. waters. For certain existing vessels, the EPA adopted a staggered implementation schedule to require vessels to meet the ballast water effluent limitations by the first drydocking after January 1, 2014 or January 1, 2016, depending on the vessel size. Vessels that are constructed after December 1, 2013 became subject to the ballast water numeric effluent limitations immediately upon the 2013 VGP effective date.

On June 20, 2012, the final rule issued by the U.S. Coast Guard establishing standards for the allowable concentration of living organisms in ballast water discharged in U.S. waters and requiring the phase-in of U.S. Coast Guard-approved BWMS went into effect. The final rule adopts ballast water discharge standards for vessels calling on U.S. ports and intending to discharge ballast water equivalent to those set in the BWM Convention. The final rule requires that ballast water discharge have fewer than 10 living organisms per milliliter for organisms between 10 and 50 micrometers in size. For organisms larger than 50 micrometers, the discharge must have fewer than 10 living organisms per cbm of discharge. The rule requires installation of U.S. Coast-Guard approved BWMS by new vessels constructed on or after December 1, 2013 and existing vessels as of their first drydocking after January 1, 2016. The rule also provides for the use of an interim alternative management system (“AMS”), which is a BWMS approved pursuant to the BWM Convention standards by a foreign administration and determined by the U.S. Coast Guard to be at least as effective as ballast water exchange. AMSs can be used for up to five years following the compliance date for a vessel. Effective February 2016, the U.S. Coast Guard amended ballast water management recordkeeping requirements to require. Effective February 22, 2016, vessels with ballast tanks operating exclusively on voyages between ports or places within a single Captain of the Port zone to submit an annual report of their ballast water management practices.

As discussed above, under VIDA, existing U.S. Coast Guard ballast water management regulations will be phased out over a period of approximately four years from December 2018 and replaced with NSPs to be developed by EPA and implemented and enforced by the U.S. Coast Guard.

U.S. Clean Air Act

The U.S. Clean Air Act of 1970, as amended, requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. Our vessels are subject to vapor control and recovery requirements for certain cargoes when loading, unloading, ballasting, cleaning and conducting other operations in regulated port areas and emission standards for so-called “Category 3” marine diesel engines operating in U.S. waters. On April 30, 2010, the EPA promulgated final emission standards for Category 3 marine diesel engines equivalent to those adopted in the amendments to Annex VI. These emission standards require an 80% reduction in nitrogen dioxides for newly-built engines effective January 1, 2016. Aligned with the Annex VI Regulation 14 requirements, as of January 2015, the EPA emission standards also limit sulfur content in fuel used in Category 3 marine vessels operating in the North American ECA to 1,000 ppm (or 0.1% sulfur by mass). Compliance with EPA standards may cause us to incur costs to install control equipment on our vessels in the future.

Regulation of Greenhouse Gas Emissions

Pursuant to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005, adopting countries were required to implement national programs to reduce emissions of greenhouse gases. The emissions of greenhouse gases from international transport were not subject to the Kyoto Protocol. The Paris Agreement, which entered into force in November 2016 and replaces the Kyoto Protocol, similarly does not cover international shipping. However, to the extent that individual countries increase their regulation of domestic greenhouse

[Table of Contents](#)

gas emissions as a result of the Paris Agreement, we may experience increased regulation of greenhouse gas emissions resulting from regasification activities.

The European Commission is pursuing a strategy to integrate maritime emissions into the overall European Union strategy to reduce greenhouse gas emissions. In accordance with this strategy, in April 2015 the European Parliament and Council adopted regulations requiring large vessels using European Union ports to monitor, report and verify their carbon dioxide emissions beginning in January 2018. Although it is no longer a part of the EU MRV regime, the United Kingdom retained in domestic law the EU regulation establishing the EU MRV, subject to amendments required to make the regulation applicable in a United Kingdom-only context. Operators of ships over 5,000 gross tons using ports in the United Kingdom are expected to begin collecting emissions data for their ships commencing January 1, 2022 for the 2022 reporting period. The relatively slow progress of the IMO in addressing emissions of greenhouse gases from vessels prompted the EU to proceed on a parallel path of regulation. In July 2021, the European Commission announced proposals that would put in place measures to address greenhouse gases from shipping, including the phased inclusion of GHG emissions from large vessels in the EU emissions trading system beginning in 2023 and the inclusion of methane emissions in monitoring, reporting and verification requirements applicable to vessels. The United Kingdom put in place its own emissions trading system, which came into force on January 1, 2021 to replace participation in the EU emissions trading system, and the United Kingdom Department of Transport has confirmed it is considering including shipping in that system. The European Parliament has also called for binding carbon dioxide reduction targets for shipping companies, which would require reduction of annual average carbon dioxide emissions of all ships during operation by at least 40% by 2030 as compared to 2018 levels.

In the United States, the EPA issued a final finding that greenhouse gases threaten public health and safety and has promulgated regulations that regulate the emission of greenhouse gases, but not from ships. The EPA may decide in the future to regulate greenhouse gas emissions from ships and has already been petitioned by the California Attorney General to regulate greenhouse gas emissions from oceangoing vessels. Other federal and state regulations relating to the control of greenhouse gas emissions may follow, including climate change initiatives that have been considered from time to time by the U.S. Congress. Any passage of climate control legislation or other regulatory initiatives by the IMO, the European Union, the United Kingdom, 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. In addition, even without such regulation, our business may be indirectly affected to the extent that climate change results in sea level changes or more intense weather events.

On January 1, 2013, the mandatory measures approved by the IMO to reduce emissions of greenhouse gases from international shipping went into force. These include amendments to Annex VI for the prevention of air pollution from ships adding a new Chapter 4 to Annex VI on energy efficiency requiring the Energy Efficiency Design Index (the “EEDI”) for new ships, and the Ship Energy Efficiency Management Plan (the “SEEMP”) for all ships. Other amendments to Annex VI add new definitions and requirements for survey and certification, including the format for the International Energy Efficiency Certificate. The regulations apply to all ships of 400 gross tonnage and above. The IMO also adopted a mandatory requirement in October 2016 that ships of 5,000 gross tonnage and above record and report their fuel oil consumption. The requirement entered into force in March 2018. These rules will likely affect the operations of vessels that are registered in countries that are signatories to Annex VI or vessels that call upon ports located within such countries. In November 2020, the MEPC adopted further amendments to MARPOL Annex VI intended to significantly strengthen the EEDI “phase 3” requirements. These amendments accelerate the entry into effect date of phase 3 from 2025 to 2022 for several ship types, including gas carriers, general cargo ships and LNG carriers and require new ships built from that date to be significantly more energy efficient. The MEPC also is looking into the possible introduction of a phase 4 of EEDI requirements. The implementation of the EEDI and the SEEMP standards could cause us to incur additional compliance costs.

The IMO has reaffirmed its strong commitment to work to address greenhouse gas emissions from ships engaged in international trade. At the October 2016 Marine Environmental Protection Committee (the “MEPC”) session, the IMO adopted a roadmap for developing a comprehensive IMO strategy on reduction of GHG emissions. In April 2018, the MEPC adopted an initial strategy designed to reduce the emission of greenhouse gases from vessels, including short-term, mid-term and long-term candidate measures with a vision of reducing and phasing out greenhouse gas emissions from vessels as soon as possible in the 21st Century. The mid-term measures under consideration by IMO include the

[Table of Contents](#)

development of a market-based mechanism for greenhouse gas emissions from ships, but it is impossible to predict the likelihood that such a standard might be adopted or the potential impact of this or other IMO measures under consideration on our future operations at this time. According to the “Roadmap” approved by IMO Member States in 2016, the initial strategy is due to be revised by 2023.

In June 2021, the MEPC adopted amendments to MARPOL Annex VI that enter into force on November 1, 2022 and establish an enforceable regulatory framework to reduce GHG emissions from international shipping, consisting of technical and operational carbon reduction measures. These measures include use of an Energy Efficiency Existing Ship Index (“EEXI”), an operational Carbon Intensity Indicator (“CII”) and an enhanced SEEMP to drive carbon intensity reductions. A vessel’s attained EEXI will be calculated in accordance with values established based on type and size category, which compares the vessels’ energy efficiency to a baseline. A vessel is then required to meet a specific EEXI based on a required reduction factor expressed as a percentage relative to the EEDI baseline. Under the MARPOL VI amendments, vessels with a gross tonnage of 5,000 or greater must determine their required annual operational CII and their annual carbon intensity reduction factor needed to ensure continuous improvement of the vessel’s CII. On an annual basis, the actual annual operational CII achieved must be documented and verified against the vessel’s required annual operational CII to determine the vessel’s operational carbon intensity rating on a performance level scale of A (major superior) to E (inferior). The performance level is required to be recorded in the vessel’s SEEMP. A vessel with an E rating, or three consecutive years of a D (minor inferior) rating, would be required to submit a corrective action plan showing how the vessel would achieve a C (moderate) rating. The requirements for EEXI and CII certification included in the MARPOL Annex VI amendments take effect January 1, 2023, which means the first annual reporting will be completed in 2023 and the first rating given in 2024. This regulatory approach is consistent with the IMO GHG Strategy target of a 40% carbon intensity reduction for international shipping by 2030, as compared to 2008.

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, the Maritime Transportation Act of 2002 (the “MTSA”) came into effect. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security. The new chapter became effective in July 2004 and imposed various detailed security obligations on vessels and port authorities, most of which are contained in the ISPS Code. The ISPS Code is designed to protect ports and international shipping against terrorism. Since July 1, 2004, to trade internationally, a vessel must obtain an International Ship Security Certificate (an “ISSC”) from a recognized security organization approved by the vessel’s flag state.

Among the various requirements are:

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

[Table of Contents](#)

- compliance with flag state security certification requirements.

The U.S. Coast Guard regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from obtaining U.S. Coast Guard-approved MTSA vessel security plans provided such vessels have onboard an ISSC that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code.

Our ship manager has developed Security Plans and appointed and trained Ship and Office Security Officers, and each of the vessels in our fleet complies with the requirements of the ISPS Code, SOLAS and the MTSA.

Other Regulations

International Conventions

Our vessels may also become subject to the 2010 HNS Convention, if it is adopted by a sufficient number of countries. At least 12 states must ratify or accede to the 2010 HNS Protocol for it to enter into effect. In July 2019, South Africa became the 5th state to ratify the protocol. At least 7 more states must ratify or accede to the protocol for it to enter into effect. In 2020, the EU Ministers signed a declaration highlighting the importance of ratifying the 2010 HNS Convention. And at least 6 states reported on significant progress toward implementation and ratification of the 2010 HNS Convention at the 2020 and 2021 sessions of the International Oil Pollution Compensation Funds. The Convention creates a regime of liability and compensation for damage from hazardous and noxious substances ("HNS"), including liquefied gases. The 2010 HNS Convention sets up a two-tier system of compensation composed of compulsory insurance taken out by vessel owners and an HNS Fund which comes into play when the insurance is insufficient to satisfy a claim or does not cover the incident. Under the 2010 HNS Convention, if damage is caused by bulk HNS, claims for compensation will first be sought from the vessel owner up to a maximum of 100 million from the supplementary foreign exchange reserve assets defined and maintained by the International Monetary Fund called Special Drawing Rights ("SDR"). If the damage is caused by packaged HNS or by both bulk and packaged HNS, the maximum liability is 115 million SDR. Once the limit is reached, compensation will be paid from the HNS Fund up to a maximum of 250 million SDR. The 2010 HNS Convention has not been ratified by a sufficient number of countries to enter into force, and we cannot estimate the costs that may be needed to comply with any such requirements that may be adopted with any certainty at this time.

Indonesia Environmental Regulation of FSRUs

In Indonesia, the environmental requirements of downstream business activity for the gas industry are regulated and supervised by the Government of Indonesia and controlled through business and technical licenses issued by the Minister of Energy and Mineral Resources and BPH Migas, the regulatory agency for downstream oil and gas activity. Under Law 22, the Government of Indonesia has the exclusive rights to gas exploitation and activities carried out by private entities based on government-issued licenses. Companies engaging in downstream activities must comply with environmental management and occupational health and safety provisions related to operations. This includes obtaining environmental licenses and conducting environmental monitoring and reporting for activities that may have an impact on the environment such as the environmental impact assessment required under Law No. 32 of 2009 regarding Environmental Protection and Management. Failure to comply with these laws and obtain the necessary business and technical licenses may subject us to sanctions including suspension and/or freezing of the business and responsibility for all damages arising from any violation. We believe we are currently in compliance with these laws and hold all applicable licenses. However, these laws are subject to change, and we cannot predict any future changes in the regulatory environment, which could result in increased costs to our business.

Colombia Environmental Regulation of FSRUs

While Colombia has a comprehensive suite of environmental regulations, there are currently no regulatory requirements specific to activities associated with the importation of LNG. In 2011, the Energy and Gas Regulatory Commission passed Resolution 106, which recognized that Colombia's demand for natural gas could be met through LNG imports and proposed technical requirements for, among other things, the construction of LNG import plants. The Mines and Energy Ministry in 2015 subsequently proposed a resolution regarding those technical requirements, but it has not yet

[Table of Contents](#)

passed the resolution. In the meantime, we have obtained a port concession from the Colombian National Infrastructure Agency, as well as an environmental license from the National Authority for Environmental Licenses, each with respect to the FSRU *Høegh Grace*. Our operations in Colombia may also be subject to other permits to be issued by various entities, including the General Maritime Director of the Ministry of Defense.

We are unable to predict the impacts that any Colombian regulations will have on our business. The adoption of national and local laws or regulations and additional international treaties or conventions could materially increase our costs of operation and materially impact our ability to operate in Colombian waters.

United Kingdom Environmental Regulation

Although the EU regulations will no longer directly apply in the United Kingdom as a consequence of Brexit, the “level playing field” provisions in the United Kingdom/EU Trade and Cooperation Agreement (“TCA”) cover requires “non regression” in the level of environmental protection by the United Kingdom from the harmonized standards that were in effect in the EU on December 31, 2020. This means that the United Kingdom should not attempt to undo these standards, but under the TCA harmonization of standards is not required on a going forward basis. The TCA also includes a commitment for the EU and the United Kingdom to cooperate on trade-related aspects of climate change and to work with the IMO to achieve greenhouse gas emission reductions and promote low carbon technologies and sustainable transport. The United Kingdom has begun to take measures to put environmental regulations in place that would affect the shipping industry. In July 2019, the Department of Transport and the Maritime and Coast Guard Agency published Maritime 2050, a plan for the transition to zero emissions from shipping by 2050. On May 27, 2021, the Department of Transport published draft regulations that would amend the Merchant Shipping (Prevention of Air Pollution from Ships) Regulations 2008 to implement air quality measures to control sulphur and nitrogen oxide (SOx and NOx) emissions from ships, including setting the maximum sulfur content of marine fuels used by ships at 0.5% and applying stricter NOx Tier III limit for new ships operating in the North Sea and English Channel. On February 7, 2022, the United Kingdom Department for Transport issued a call for feedback on the priorities to be addressed in its development of a long-term low carbon fuels strategy for the transport sector.

If more stringent requirements are put in effect in the future in the United Kingdom, they may, individually or in the aggregate, result in increased costs to our business.

Jamaica Environmental Regulation on FSRUs

In Jamaica, the Ministry of Transport and Mining has responsibility for the provision of a safe and efficient transport system, including sea transport. This responsibility covers air emissions and pollution from vessels. The Maritime Authority of Jamaica (MAJ) is an agency of the Ministry of Transport and Mining established under the Shipping Act of 1998. Section 8(a) of the Shipping Act provides that MAJ has the duty to “inspect ships for the purposes of maritime safety and prevention of marine pollution.” In addition, the Maritime Areas Act, administered by the Ministry of Foreign Affairs, makes it an offense to discharge any polluting substance contrary to the United Nations Convention on the Law of the Sea, known as the Montego Bay Convention. The Port Authority of Jamaica was established under the Port Authority Act 1972 and regulates the country’s port and shipping industry, with responsibility for the safety of all vessels navigating Jamaica’s ports of entry. Port management and security regulations adopted by the Port Authority implement SOLAS and incorporate the ISPS Code with respect to port facilities.

Jamaica is a party to various IMO conventions relating to the marine environment and marine safety, including MARPOL Annex VI, SOLAS and the BWM Convention, and to the Paris Agreement. Jamaica also is a party to the Convention for the Protection and Development of the Marine Environment in the Wider Caribbean Region, known as the Cartagena Convention, which is a regional legal agreement intended to protect the Caribbean Sea. The Cartagena Convention addresses prevention, control, and reduction of pollution from, among other sources, discharges from ships and also requires states who are parties to the convention to put in place measures to protect rare and fragile ecosystems and habitats of endangered species and establish protected areas.

Jamaica acceded to the Ballast Water Management Convention in 2017 and passed its own Ballast Water Management Act in 2018. The Jamaican law prohibits any ship operating in Jamaican waters from discharging untreated ballast water, with limited exceptions. A ship that has installed a ballast water-management system approved by MAJ. Port

[Table of Contents](#)

state control inspectors have authority to board ships to check for an approved BWM system or, if there is not an approved system, review a ship's logs to confirm the ballast water was exchanged prior to entering Jamaican waters. Failure to comply with the BWM law can result in substantial fines and port state control inspectors have the authority to detain ships for infractions. The *Höegh Gallant*, which is located outside the port of Kingston, Jamaica, has an approved BWM system.

In July 2021, the Government of Jamaica released an Emissions Policy Framework document intended to provide a coordinated and structured approach and dynamic framework aimed (among other things) at ensuring Jamaica will meet its GHG targets. The goals contained in the framework document include supporting and complying with global initiatives to reduce emissions from sea transport and amending the Shipping Act to include regulation of emissions and fuel quality. In a statement made at the opening of the IMO's 32nd assembly in December 2021, the Minister of Transport and Mining pledged that Jamaica would continue to support the IMO in efforts to reduce and eliminate GHG emissions from ships and address climate change.

We are unable to predict the impacts that Jamaican regulations will have on our business. The adoption or amendment of national and local laws or regulations and additional international treaties or conventions could materially increase our costs of operation and materially impact our ability to operate in Jamaican waters.

China Environmental Regulation of FSRUs

The Ministry of Ecology and Environment of the People's Republic of China ("PRC") and five other agencies issued China's first Five-Year Plan focused on marine environment protection in early 2022 for China's 14th Five-Year Plan period (2021-2025). Among the key tasks identified for the planning period are building capacity for response to marine emergencies and ecological disasters and coordination of climate response and marine environmental protection. In 2010, the PRC put in place a comprehensive regulatory system addressing oil pollution prevention, response, clean up and compensation set forth in the Regulations on the Prevention and Control of Marine Pollution from Ships. Among other requirements, these regulations require operators of (i) any ship carrying polluting and hazardous cargoes in bulk or (ii) any other ships above 10,000 gross tons to enter into a Ship Pollution Response Agreement with an MSA-approved ship pollution response organization prior to the vessel entering any PRC port. The Marine Safety Administration (the "MSA") of the PRC issued the Detailed Rules on the implementation of the Ship-Induced Pollution Response Agreement Regime effective January 1, 2012. The Ministry of Transport of the PRC promulgated regulations on Ship-Induced Marine Pollution Emergency Preparation and Response Management effective June 1, 2011 (the "Emergency Response Regulations 2011"). Under the Emergency Response Regulations 2011, operators are liable for all costs and expenses for any pollution and must be paid or secured with a financial guarantee before the vessel leaves the port.

The Ministry of Transport has designated a coastal domestic emission control area ("DECA") extending 12 nautical miles off China's coastline. Effective January 1, 2019, ships operating inside this coastal DECA are required to burn low-sulfur fuel at all times, with a maximum sulfur content of 0.5%. Effective January 1, 2022, the sulfur cap for ships operating inside Hainan waters was lowered to 0.1%.

While we believe we are in compliance with these regulations and have a Ship Pollution Response Agreement in place for our vessels, we cannot predict whether any accidental pollution may occur, whether it will cause us to incur costs and/or penalties or what the amount of any such costs or penalties may be.

In-House Inspections

Höegh LNG Management, our ship manager, regularly inspects our vessels for compliance with laws of host countries; both at sea and while in port. We also inspect and audit our vessels regularly to verify conformity with manager's reports. These inspections result in a report containing recommendations for improvements to the overall condition of the vessel, maintenance, safety and crew welfare. Based in part on these evaluations, we create and implement a program of continual maintenance for our vessels and their systems.

Taxation of the Partnership

The following are discussions of the material tax considerations applicable to us under U.S., Marshall Islands, Norway, Singapore, Indonesia, Cyprus, Colombia and Jamaica respectively. These discussions are based upon provisions of the applicable tax law as in effect on the date of this Annual Report, regulations and current administrative rulings and court decisions, all of which are subject to change or differing interpretation, possibly with retroactive effect. Changes in these authorities or their interpretation may cause the tax consequences to vary substantially from the consequences described below.

United States Taxation

The following is a discussion of the material U.S. federal income tax considerations applicable to us. This discussion is based upon provisions of the Code as in effect on the date of this Annual Report, existing final and temporary Treasury Regulations thereunder, and current administrative rulings and court decisions, all of which are subject to change or differing interpretation, possibly with retroactive effect. Changes in these authorities or their interpretation may cause the tax consequences to vary substantially from the consequences described below. The following discussion does not purport to be a comprehensive description of all of the U.S. federal income tax considerations applicable to us.

Election to be Treated as a Corporation

We have elected to be treated as a corporation for U.S. federal income tax purposes. As such, we are subject to U.S. federal income tax to the extent we earn income from U.S. sources or income that is treated as effectively connected with the conduct of a trade or business in the United States, unless such income is exempt from tax under Section 883 of the Code or otherwise.

Taxation of Operating Income

Substantially all of our gross income is attributable, and we expect it will continue to be attributable, to the transportation, regasification and storage of LNG. Gross income generated from regasification and storage of LNG outside of the United States generally is not subject to U.S. federal income tax, and gross income generated from such activities in the United States generally is subject to U.S. federal income tax on a net basis plus a branch profits tax as described below. Gross income that is attributable to transportation that either begins or ends, but that does not both begin and end, in the United States (“U.S. Source International Transportation Income”) is considered to be 50.0% derived from sources within the United States and may be subject to U.S. federal income tax on a gross basis as described below. Gross income attributable to transportation that both begins and ends in the United States (“U.S. Source Domestic Transportation Income”) is considered to be 100.0% derived from sources within the United States and generally is subject to U.S. federal income tax on a net basis plus a branch profits tax as described below. Gross income attributable to transportation exclusively between non-U.S. destinations will be considered to be 100.0% derived from sources outside the United States and generally is not subject to U.S. federal income tax.

We are not permitted by law to engage in transportation that gives rise to U.S. Source Domestic Transportation Income, and we currently do not anticipate providing any regasification or storage services within the territorial seas of the United States. However, certain of our activities give rise to U.S. Source International Transportation Income, and future expansion of our operations could result in an increase in the amount of U.S. Source International Transportation Income, the U.S. source portion of which could be subject to U.S. federal income taxation unless an exemption from U.S. taxation applies under Section 883 of the Code (the “Section 883 Exemption”).

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 Treasury Regulations thereunder (the “Section 883 Regulations”), it will not be subject to the net basis and branch profits taxes or the 4.0% gross basis tax described below on the U.S. source portion of its U.S. Source International Transportation Income. The Section 883 Exemption applies only to U.S. Source International Transportation Income and does not apply to U.S. Source Domestic Transportation Income. As discussed below, we

[Table of Contents](#)

believe that based on our current ownership structure, the Section 883 Exemption applies and we are not subject to U.S. federal income tax on our U.S. Source International Transportation Income.

We qualify for the Section 883 Exemption for a particular taxable year if, among other things, we meet the following three requirements:

- we 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 (an “Equivalent Exemption”);
- we satisfy the Publicly Traded Test (as described below) or the Qualified Shareholder Stock Ownership Test (as described below); and
- we meet certain substantiation, reporting and other requirements.

In order for a non-U.S. corporation to meet the Publicly Traded Test, its equity interests 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 provide, in pertinent part, that equity interests in a non-U.S. corporation will be considered to be “primarily traded” on an established securities market 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 units of each such class that are traded during any taxable year on all established securities markets in that country exceeds the number of units in such class that are traded during that year on established securities markets in any other single country.

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 if one or more classes of such equity interests that, in the aggregate, represent more than 50.0% of the combined vote and value of all outstanding equity interests in the non-U.S. corporation satisfy certain listing and trading volume requirements. These listing and trading volume requirements will be satisfied with respect to a class of equity interests if trades in such class are effected, other than in de minimis quantities, on an established securities market on at least 60 days during the taxable year and the aggregate number of units in such class that are traded on such established securities market during the taxable year is at least 10.0% of the average number of units outstanding in that class during the taxable year (with special rules for short taxable years). In addition, a class of equity interests will be considered to satisfy these listing and trading volume requirements if the equity interests in such class are traded during the taxable year on an established securities market in the United States and are “regularly quoted by dealers making a market” in such class (within the meaning of the Section 883 Regulations).

Even if a class of equity interests satisfies the foregoing requirements, and thus generally would be treated as “regularly traded” on an established securities market, an exception may apply to cause the class to fail the regularly traded test for a taxable year if, for more than half of the number of days during the taxable year, one or more 5.0% unitholders (i.e., unitholders owning, actually or constructively, at least 5.0% of the vote and value of that class) own in the aggregate 50.0% or more of the vote and value of the class (the “Closely Held Block Exception”). For purposes of identifying its 5.0% unitholders, a non-U.S. corporation is entitled to rely on Schedule 13D and Schedule 13G filings with the SEC. In addition, an investment company that is registered under the Investment Company Act of 1940, as amended, is not treated as a 5.0% unitholder. The Closely Held Block Exception does not apply to a class of units, however, in the event the corporation can establish that a sufficient proportion of such 5.0% unitholders are Qualified Shareholders (as defined below) so as to preclude other persons who are 5.0% unitholders from owning 50.0% or more of the value of that class for more than half the days during the taxable year.

[Table of Contents](#)

As set forth above, as an alternative to satisfying the Publicly Traded Test, a non-U.S. corporation may qualify for the Section 883 Exemption by satisfying the Qualified Shareholder Stock Ownership Test. A corporation generally will satisfy the Qualified Shareholder Stock Ownership Test if more than 50.0% of the value of its outstanding equity interests 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 (which we refer to collectively as Qualified Shareholders).

We believe that we currently satisfy all of the requirement for the Section 883 Exemption, and we expect that we will continue to satisfy such requirements. First, we are organized under laws of the Republic of the Marshall Islands. The U.S Treasury Department has recognized the Republic of the Marshall Islands as a jurisdiction that grants an Equivalent Exemption with respect to the type of U.S. Source International Transportation Income we earn and expect to earn in the future. Consequently, our U.S. Source International Transportation Income (including for this purpose, any such income earned by our joint ventures and subsidiaries) should be exempt from U.S federal income taxation provided we meet wither the Publicly Traded Test or the Qualified Shareholder Stock Ownership Test and we satisfy certain substantiation, reporting and other requirements.

Our common units and our Series A preferred units are traded only on the New York Stock Exchange, which is considered to be an established securities market. Thus, the number of our common units and our Series A preferred units that is traded on the New York Stock Exchange exceeds the number of each class that is traded on any other securities market, and this is not expected to change. Therefore, we believe that our equity interests are “primarily traded” on an established securities market for purposes of the Publicly Traded Test. Although the matter is not free from doubt, based upon our analysis of our current and expected cash flow and distributions on our outstanding equity interests, we believe that (i) our common units and Series A preferred units represent more than 50.0% of the total value of all of our outstanding equity interests and (ii) our common units and our Series A preferred units represent more than 50.0% of the total combined voting power of our equity interests. In addition, we believe that our common units and our Series A preferred units each currently satisfy, and expect that our common units and our Series A preferred units each will continue to satisfy, the listing and trading volume requirements described previously. Therefore, we believe that our equity interests are “primarily traded” on an established securities market for purposes of the Publicly Traded Test.

Further, our partnership agreement provides that any person or group that beneficially owns more than 4.9% of any class of our units then outstanding generally will be treated as owning only 4.9% of such units for purposes of voting for directors. There can be no assurance that this limitation will be effective to eliminate the possibility that we will have any 5.0% unitholders for purposes of the Closely Held Block Exception. Nevertheless, we believe that our common units have not lost eligibility for the Section 883 Exemption as a result of the Closely Held Block Exception based upon the current ownership of our common units. Thus, although the matter is not free from doubt and is based upon our belief and expectations regarding our satisfaction of the factual requirements described above, we believe that we satisfied the Publicly Traded Test for 2021, and we expect that we will satisfy the Publicly Traded Test for the current and all future taxable years.

The legal conclusions described above are based upon legal authorities that do not expressly contemplate an organizational structure such as ours. In particular, although we have elected to be treated as a corporation for U.S. federal income tax purposes, we are organized as a limited partnership under Marshall Islands law. Accordingly, while we believe that, assuming the factual requirements described above are satisfied, our common units and Series A preferred units should be considered to be “regularly traded” on an established securities market and that we satisfy the requirements of the Section 883 Exemption, it is possible that the IRS would assert that our common units do not meet the “regularly traded” test. In addition, as described previously, our ability to satisfy the Publicly Traded Test depends upon factual matters that are subject to change. Should any of the factual requirements described above fail to be

[Table of Contents](#)

satisfied, we may not be able to satisfy the Publicly Traded Test. 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. Please read “—The Net Basis and Branch Profits Tax” and “—The 4.0% Gross Basis Tax” below for a discussion of the tax consequences in the event we do not qualify for the Section 883 Exemption.

The Net Basis Tax and Branch Profits Tax

If we earn U.S. Source International Transportation Income and the Section 883 Exemption does not apply, the U.S. source portion of such income would be treated as effectively connected with the conduct of a trade or business in the United States (“Effectively Connected Income”) if we have a fixed place of business in the United States involved in the earning of U.S. Source International Transportation Income and substantially all of our U.S. Source International Transportation Income is attributable to regularly scheduled transportation or, in the case of vessel leasing income, is attributable to a fixed place of business in the United States. In addition, if we earn income from regasification or storage of LNG within the territorial seas of the United States, such income would be treated as Effectively Connected Income. Based on our current operations, substantially all of our potential U.S. Source International Transportation Income is not attributable to regularly scheduled transportation and is not received pursuant to vessel leasing, and none of our regasification or storage activities occur within the territorial seas of the United States. As a result, we do not anticipate that any of our U.S. Source International Transportation Income or income earned from regasification or storage activities would be treated as Effectively Connected Income. However, there is no assurance that we will not earn income pursuant to regularly scheduled transportation or vessel leasing attributable to a fixed place of business in the United States or earn income from regasification or storage activities within the territorial seas of the United States, in the future, which would result in such income being taxed as Effectively Connected Income if the Section 883 Exemption does not apply.

Any income we earn that is treated as Effectively Connected Income, net of applicable deductions, would be subject to U.S. federal corporate income tax (currently imposed at a rate of 21.0%). In addition, a 30.0% branch profits tax could be imposed on the after-tax amount of any income we earn that is treated as Effectively Connected Income, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid by us in connection with the conduct of our U.S. trade or business.

Taxation of Gain from the Sale of a Vessel

On the sale of a vessel that has produced Effectively Connected Income, we could be subject to the net basis U.S. federal 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 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 under U.S. federal income tax principles. In general, a sale of vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside the United States. It is expected that any sale of a vessel by us will be considered to occur outside of the United States.

The 4.0% Gross Basis Tax

If the Section 883 Exemption does not apply and the net basis tax does not apply, we would be subject to a 4.0% U.S. federal income tax on the U.S. source portion of our gross U.S. Source International Transportation Income, without benefit of deductions. Under the sourcing rules described above under “—Taxation of Operating Income,” 50.0% of our U.S. Source International Transportation Income would be treated as being derived from U.S. sources.

Marshall Islands Taxation

Because we, our operating subsidiary and our controlled affiliates do not, and assuming we continue not to, carry on business or conduct transactions or operations in the Republic of the Marshall Islands, neither we nor our controlled affiliates will be subject to income, capital gains, profits or other taxation under current Marshall Islands law, other than taxes, fines or fees due to (i) the incorporation, dissolution, continued existence, merger, domestication (or similar concepts) of legal entities registered in the Republic of the Marshall Islands, (ii) filing certificates (such as certificates of

[Table of Contents](#)

incumbency, merger, or redomiciliation) with the Marshall Islands registrar, (iii) obtaining certificates of good standing from, or certified copies of documents filed with, the Marshall Islands registrar, (iv) compliance with Marshall Islands law concerning books and records and vessel ownership, such as tonnage tax, or (v) non-compliance with economic substance requirements or with requests made by the Marshall Islands Registrar of Corporations relating to our books and records and the books and records of our subsidiaries. As a result, distributions by our operating subsidiaries and our controlled affiliates to us will not be subject to Marshall Islands taxation.

Norway Taxation

The following is a discussion of the material Norwegian tax consequences applicable to us. This discussion is based upon existing legislation and current tax authority practice as of the date of this Annual Report. Changes in this legislation and practice may cause the tax consequences to vary substantially from the consequences described below. The following discussion does not purport to be a comprehensive description of all of the Norwegian tax considerations applicable to us.

As we do not have any Norwegian incorporated subsidiaries, there is no Norwegian taxation by virtue of being resident in Norway. We, our operating company, our joint ventures and our non-Norwegian incorporated subsidiaries do not contemplate to hold board meetings in Norway, to have a board consisting of a majority of Norwegian residents or to pass resolutions in any board with a majority of Norwegian resident directors.

Taxation of the Partnership and Non-Norwegian Incorporated Subsidiaries.

As we are a partnership and do not expect to be managed and controlled within Norway nor carrying out business in Norway, we do not expect to be subject to taxation in Norway. While certain of our joint ventures and non-Norwegian incorporated subsidiaries will enter into agreements with Høegh Norway and Høegh LNG Management, Norwegian incorporated and resident companies, for the provision of certain management and administrative services, we believe that the terms of these agreements will not result in us, our operating company or any of our non-Norwegian incorporated subsidiaries being treated as being resident in Norway or having a permanent establishment or carrying out business in Norway. As a consequence, we expect that neither our profits, the profits of our operating company or any of our joint ventures and non-Norwegian incorporated subsidiaries will be subject to Norwegian corporation tax. We do not currently anticipate that any of our joint ventures and non-Norwegian incorporated subsidiaries will be controlled or managed in Norway or have a permanent establishment or otherwise carry on business in Norway. Accordingly, we do not anticipate that any of our joint ventures and non-Norwegian incorporated subsidiaries will be subject to Norwegian corporation tax.

Singapore Taxation

The following is a discussion of the material Singapore tax consequences applicable to us. This discussion is based upon existing legislation and current Inland Revenue Authority of Singapore practice as of the date of this Annual Report. Changes in the existing legislation and current practice may cause the tax consequences to vary substantially from the consequences described below. The following discussion does not purport to be a comprehensive description of all of the Singapore tax considerations applicable to us.

Taxation of the Partnership and non-Singapore Incorporated Subsidiaries.

As we are a limited partnership and do not expect to be managed and controlled within Singapore or carry on a trade or business in Singapore, we do not expect to be subject to taxation in Singapore. Similarly, as the non-Singapore incorporated subsidiaries are not managed and controlled within Singapore or carry on a trade or business in Singapore, the non-Singapore incorporated subsidiaries should not be subject to taxation in Singapore.

Taxation of the Singapore Incorporated Subsidiary.

Høegh Lampung is incorporated in Singapore, and we anticipate that it will be centrally managed and controlled in Singapore. As a result, Høegh Lampung will be regarded for the purposes of Singapore tax as being resident in Singapore and liable to Singapore corporate income tax on income accrued in or derived from Singapore or income

[Table of Contents](#)

received in Singapore from outside Singapore in respect of (i) gains or profits from any trade or business, (ii) income from investment such as dividends, interest and rental, (iii) royalties, premiums and any other profits from property and (iv) other gains of an income nature. The generally applicable rate of Singapore corporation tax is 17%. Höegh Lampung will generally be liable to tax at this rate on its income, profits and gains after deducting revenue expenses incurred wholly and exclusively for the purposes of the business being undertaken.

Under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (“ITA”), the following payments are deemed to be derived from Singapore:

- any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:
- borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or
- deductible against any income accruing in or derived from Singapore; or
- any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Payments falling within the two bullet points above and made by Höegh Lampung, would fall within Section 12(6) of the ITA. Unless exempted, such payments, where made to a person not known to Höegh Lampung to be a tax resident in Singapore, are generally subject to withholding tax in Singapore.

Indonesian Taxation

The following is a discussion of the material Indonesia tax consequences applicable to us. This discussion is based upon existing legislation and current Directorate General of Taxes of Indonesia (“DGT”) practice as of the date of this Annual Report. Changes in the existing legislation and current practice may cause the tax consequences to vary substantially from the consequences described below. The following discussion does not purport to be a comprehensive description of all of the Indonesia tax considerations applicable to us.

Taxation of the Partnership and non-Indonesian Incorporated Subsidiaries

As we are a limited partnership and do not expect to be managed and controlled or domiciled within Indonesia or conduct business or carry out activities through a permanent establishment in Indonesia, we do not expect to be subject to taxation in the Indonesia.

We do not currently anticipate that any of our other non-Indonesian incorporated subsidiaries will be controlled, managed or domiciled in Indonesia or conduct business or carry out activities through a permanent establishment in Indonesia. Accordingly, we do not anticipate that any of our non-Indonesian incorporated subsidiaries will be subject to Indonesian corporate income tax.

Taxation of Operating Income

PT Höegh’s main business activity in Indonesia is to provide the lease, operation, and maintenance of the *PGN FSRU Lampung* to PGN LNG. As PT Höegh was established in Indonesia, it is a resident taxpayer. Under Law No. 36 Year 2008 regarding Income Tax (“Income Tax Law” or “ITL”), PT Höegh is subject to Corporate Income Tax (“CIT”) of 25% on taxable profit derived from the business activities performed. However, due to the Covid-19 pandemic, the Indonesian Government issued the Law No. 2 Year 2020 which reduced the applicable CIT rate to be as follows:

- 22% for the Fiscal Year (“FY”) 2020 and FY2021; and
- 20% for FY2022 onwards

[Table of Contents](#)

The Indonesian Government passed the Tax Regulations Harmonization Law (“HPP Law”) on October 7, 2021 and it became Law No 7/2021 on October 29, 2021. The changes under the HPP Law are very significant and wide-reaching. There are changes not only to administrative matters but to key aspects of Income Tax, including a cancellation of the previously regulated CIT reduction to 20%, so that the CIT rate remains at 22% FY2022.

Therefore, any income generated by PT Höegh from PGN LNG in regard to the lease, operation, and maintenance of the *PGN FSRU Lampung* is subject to the above applicable CIT rate of 22% (after deductions for allowable expenses in accordance with the ITL provisions).

Taxable income is calculated on the basis of accounting profits as modified by certain tax adjustments. Any tax loss can be carried forward for a maximum period of five years. Loss carry back is not permitted in Indonesia.

For tax purposes, costs incurred in relation to the acquisition of fixed assets are deductible (through depreciation) over a useful life of four to 20 years depending on the type of the fixed assets. In this regard, although the commercial useful life of a fixed asset is more than 20 years, such asset shall only be depreciated for a maximum of 20 years for tax purposes.

Depreciation commences in the month when expenditures are incurred. The depreciation can be calculated either using the straight line method or double declining balance method.

The ITL taxes the world-wide income of Indonesian tax residents; however, we do not anticipate that PT Höegh will generate income outside of Indonesia.

Taxation of the Sale of the PGN FSRU Lampung to PGN LNG

PGN LNG was granted an option to purchase the *PGN FSRU Lampung* from PT Höegh at specified prices as set out in the time charter for *PGN FSRU Lampung*. Any gain arising from the sale of the FSRU (i.e. sales price less tax book value) will be subject to the applicable CIT rate to PT Höegh.

Withholding Taxes (“WHT”)

PT Höegh is required to withhold:

- WHT under Article 23/26 of the ITL at the following rates:
- 2% on payments for rent (other than land and/or building), fees for technical, management and other services to another resident taxpayer;
- 15% on payments of dividends, interest and royalties to another resident taxpayer;
- 20% (or a reduced tax treaty rate) on payments relating to services, dividends, interest and royalties to a non-resident taxpayer. The reduced tax treaty rate is also subject to the availability of the Certificate of Domicile of the counter party in the form prescribed by the Indonesian tax regulations and fulfilment of Indonesian Tax Treaty use requirements.
- WHT under Article 4(2) of the ITL at the rate of 10% for rent of land and/or buildings and at 3% to 6% on payments for construction services to another resident taxpayer;
- WHT under Article 15 of the ITL at the rate of 1.2% on payments related to domestic shipping services.

Salaries and wages paid to resident employees are subject to Employee Income Tax (“EIT”) under Article 21 of the ITL at progressive rates of maximum 30%. Salaries paid to non-resident employees are subject to EIT under Article 26 of the ITL at the rate of 20% from the gross salary amount. PT Höegh is required to withhold and remit EIT on monthly basis.

[Table of Contents](#)

Value Added Tax (“VAT”)

Any fees charged by PT Høegh for services provided to PGN LNG are subject to VAT at 10%. Such VAT on revenue is called Output VAT. The Output VAT can be offset with the VAT that PT Høegh pays for the procurement of goods and/or services (“Input VAT”). If the Output VAT exceeds the Input VAT in a particular month, the balance is required to be settled by PT Høegh. However, if the Input VAT exceeds the Output VAT, the VAT overpayment can be carried forward to the following month or a refund can be requested at year end. A VAT refund request will automatically trigger a tax audit.

VAT of 10% would also be charged on the sale of the FSRU to PGN LNG, if applicable.

Debt to Equity Ratio Requirement

Under Minister of Finance (“MoF”) Regulation No. 169/PMK.010/2015 (“MoF -169”) Indonesian corporate taxpayers are subject to a limit in claiming financing costs as tax deduction where their debt to equity ratio exceeds 4:1. PMK 169 was effective from fiscal year 2016 onwards.

MoF-169 stipulates that debt shall include long-term debt, short-term debt and trade payables which bear interest. Equity includes all items recorded under the equity section of the balance sheet based on the prevailing accounting standards and interest-free loans from related parties.

In case the balance of equity is zero or negative, no financing costs of the taxpayer can be deducted. In case the actual ratio of the debt and equity exceeds 4:1 the deductible financing costs must be adjusted to an allowable amount based on the 4:1 ratio.

Certain industries, including the infrastructure industry, are exempted from the debt to equity ratio requirements. The infrastructure industry is not defined in MoF-169, and there has been no further guidance issued by the DGT regarding this matter. The DGT issued Regulation No. PER-25/PJ/2017 (“PER-25”) in 2017 which provides information in relation to the implementation of MoF-169. PER-25 provides guidance that interest is not deductible on any debt for which the existence cannot be formally verified and specifies reporting requirements on the corporate income tax return to comply with the regulation.

Land and Building Tax (“Property tax”)

On December 10, 2019 the MoF issued regulation No. 186/PMK.03/2019 (“MoF-186”) regarding the following changes in relation to the application of Property tax. These changes are:

- an updated classification of “Tax Objects”; and
- new procedures to determine the Sale Value of these Tax Objects

The regulation is effective from January 1, 2020.

Under MoF-186, the definition of “building” extends to technical constructions planted or attached permanently on “land” within Indonesia’s territorial waters. This includes pipelines, cable networks, toll roads and, most importantly, industry-relevant storage and processing facilities (i.e. Floating storage and offloading vessels (“FSOs”), Floating production system (“FPS”), Floating storage unit (“FSUs”), Floating, production, storage and offloading vessels (“FPSOs”) and FSRUs).

In addition, while the DGT considers an FSRU as a building for Property tax purposes, it continues to be considered a non-building for CIT purposes. Therefore, the income from FSRU operations is still subject to CIT at the prevailing rate on taxable income, rather than a 10% income tax on rental income from a building.

Cyprus Taxation

The following is a discussion of the material Cyprus tax consequences applicable to us. This discussion is based upon existing legislation and current tax practice as of the date of this Annual Report. Changes in the existing legislation and current practice may cause the tax consequences to vary substantially from the consequences described below. The following discussion does not purport to be a comprehensive description of all of the Cyprus tax considerations applicable to us.

Taxation of profits and deduction for losses

2021

Höegh Cyprus used the *Höegh Gallant* as an LNG carrier for 2021 and thus it was subject to the Tonnage Tax (“TT”) system in Cyprus for the whole year.

2022

For tax year 2022, Höegh Cyprus has used /will use the *Höegh Gallant* as follows:

From January 1, 2022 to March 19, 2022, the *Höegh Gallant* was used as an LNG carrier (same activities carried out as from April 30, 2020) and thus its results were subject to TT in line with tax year 2021. From March 20, 2022 onwards, Höegh Cyprus has entered into the International Charter Agreement, a bareboat charter contract with a US entity (the “Contract”), which subsequently subcharters the *Höegh Gallant* to a Jamaican entity to be used as a regasification terminal in Jamaica. The usage of the *Höegh Gallant* as a regasification terminal does not constitute a qualifying maritime transportation activity and as a result, from March 20, 2022 onwards, Höegh Cyprus will be subject to Corporate Income Tax (“CIT”) on the income generated (as it will no longer be eligible to be taxed under TT). The usage of the *Höegh Gallant* as a regasification terminal does not create a Permanent Establishment (“PE”) for Höegh Cyprus in Jamaica, and therefore the remainder of this discussion does not address any PE issues.

Taxation method

General Comments

(i) Cyprus Tonnage Tax Regime - General comments

The Merchant Shipping Law (“MSL”) in Cyprus provides full exemption of qualifying shipowners from all profit CIT and instead imposes TT on the net tonnage of the vessels.

The exemption is granted provided that they carry out a qualifying activity, that is maritime transportation of goods and/or people using a qualifying vessel that is a sea-going vessel.

The EU Commission has recently approved the new Cyprus TT System for another 10 years (up to December 31, 2029). TT is calculated by reference to the net tonnage stated on the International Tonnage Certificate (not profits of the company).

The tax exemption covers:

- Profits from the use of a qualifying vessel;
- Profits from the disposal of a qualifying vessel and/or share and/or interest in it;
- Profits from the disposal of shares in a shipowning company;
- Dividends paid out of the above profits at all levels of distribution;

Table of Contents

- Interest income relating to the financing/maintenance/use of a qualifying vessel and the working capital; excluding interest on capital used for investments.
- Certain Ancillary Activities, provided certain conditions are met.

(ii) Cyprus CIT and Notional Interest Deduction (“NID”) - General Comments

Cyprus CIT

Income falling within Article 5 of the Cyprus Income Tax Law (“CITL”) is taxed at a rate of 12.5% net of any tax allowable expenses.

In order for expenses to be treated as tax allowable, these, according to Article 9(1) of the CITL should be incurred wholly and exclusively for the production of taxable income.

Fixed assets used for the production of taxable income qualify for Wear and Tear (“W&T”) allowances. The percentage of W&T is determined by the nature of the asset.

Companies incurring tax losses may transfer such losses for a maximum period of 5 years according to Article 13 of the CITL.

Further to the above, as things stand, Article 33 of the CITL provides that all transactions with related parties should be conducted at an arm’s length basis. The Cyprus Tax Authorities (“CTA”) do not provide any definition of what is considered as arm’s length basis other than that the transaction should take place at a price as if third party participants are involved.

Extended Transfer Pricing rules are expected to be introduced during 2022 which will require transactions with related parties over a certain threshold should be accompanied by a formal Transfer Pricing Study.

NID

In addition to the tax deduction provided for expenses and related W&T allowances, Article 9(B) of the CITL provides for a NID, which is a notional deduction provided to companies which raise capital to finance their assets used for taxable activities and can result in an effective tax rate of as low as 2.5%.

NID is calculated as the lower of:

- a) New Equity (share capital and share premium) injected x NID Reference rate (the government bond yield of the country where the funds are deployed plus 5%); and
- b) 80% of the taxable profit generated from these assets.

(iii) Cyprus Tonnage Tax Regime - Specific comments

2021

Höegh Cyprus, during tax year 2021 was engaged in qualifying shipping activities and thus was subject to TT for the full year.

For tax year 2021, Höegh Cyprus has filed the relevant Declaration Form to the DMS and settled the relevant TT liability for tax year 2021 (Eur 7.669,05).

[Table of Contents](#)

2022

Höegh Cyprus, from January 1, 2022 up to March 19, 2022 has been engaged in qualifying shipping activities and thus was subject to TT for such period. The relevant TT liability will be settled once the Declaration Form (along with the letter explained below) is filed with the DMS.

From the date the Contract entered into force (i.e., March 20, 2022 onwards), Höegh Cyprus would no longer be eligible to be taxed under TT since the *Höegh Gallant* will no longer be used for maritime transportation activities.

Höegh Cyprus will need to file a letter with the DMS to inform them of the change in the activities performed by the vessel (due to the change of the contract) and confirm that Höegh Cyprus can exit the TT system without attracting any penalties.

Moreover, the letter should request from the DMS to review the declarations of Höegh Cyprus up to the date of the signing of the Contract and confirm that Höegh Cyprus has no outstanding liabilities with the DMS and also state the requirement of Höegh Cyprus to continue filing Nil TT Declaration Form for a period of 3 years.

(iv) Cyprus CIT and NID - Specific comments

2022

From March 20, 2022, Höegh Cyprus will be subject to CIT at the rate of 12.5%.

Any expenses incurred by Höegh Cyprus for the production of taxable income will be treated as tax deductible in the tax computation of the company.

With respect to W&T allowances, the rate used will be determined by the remaining economic life of the *Höegh Gallant* in accordance with the relevant tax circular issued by the CTA.

Furthermore, we understand that the US entity is not considered as a related party to Höegh Cyprus and therefore it is not expected that any arm's length considerations will need to take place.

Höegh Cyprus is currently in the process of converting the borrowings (from its parent entity) that was initially used to finance the acquisition of the *Höegh Gallant* into share capital and share premium. As a result of the conversion, Höegh Cyprus would be eligible to claim NID on the new share capital issued by claiming that this was essentially used to finance the acquisition of the *Höegh Gallant* and consequently the taxable activities of Höegh Cyprus.

The amount of the NID will be calculated as the lower of:

- a) The share capital and share premium issued as part of the conversion (the amount as per the latest audited financial statements provided of 2020 shall be US\$228m x 6.512% (yield on US 10 year bond * as at December 31, 2021 plus 5%); and
- b) 80% of taxable profit generated for the activities performed by the *Höegh Gallant*.

**Note: the government bond to be used as per the practice followed by the CTA, is the bond of the country where the charterer is located or where the charterer has created a permanent establishment (if applicable). In this respect, and on the basis that the charterer will be located in the US, the 2021 US rate (which will be applicable for tax year 2022) has been included in the above indicative calculations (i.e. 1,512% plus the 5% premium). It is noted that the rate will change from year to year (published by the CTA on an annual basis)*

[Table of Contents](#)

CIT Annual Compliance

As a result of the above, Höegh Cyprus will be subject to the compliance procedures pertaining to the CIT, more specifically we include below a table summarizing the CIT Compliance Cycle:

Compliance Task	Deadline
Provisional Tax Compliance - Computation of provisional income tax liabilities during the corresponding tax year settled in two installments	By July 31 and December 31
Settlement of final tax liability for a corresponding year	By July 31 of the following year (i.e. for tax year 2022 on July 31, 2023)
Annual Tax Return - Form TD4	15 months after the corresponding year end (i.e. for December 31, 2022 on March 31, 2024)

(vi) Interaction of CIT and TT

The TT system allows for companies undertaking mixed activities to benefit from the TT regime, to this respect the MSL imposes an obligation to qualifying owner to " maintain such books and records so that it will be possible to determine the income subject to the tonnage tax system and the other income separately and prepare separate accounts".

Taking the above into consideration, for tax year 2021, Höegh Cyprus was taxed solely under the TT and, thus, did not conduct mixed activities. However, for tax year 2022, Höegh Cyprus needs to maintain separate books and records for the two activities performed which have different tax treatment:

- Period from January 1, 2022 through March 19, 2022: LNG Carrier - Exempt from CIT and Taxed under TT.
- Period from March 20, 2022 onwards: Regasification terminal in Jamaica - Subject to CIT.

The above allocation will be reflected in the tax computation of Höegh Cyprus.

WHT

Cyprus, with the exception of newly introduced withholding tax ("WHT") on outbound payments of dividends, interest and royalties made to EU "blacklisted" jurisdictions which will be effective from December 31, 2022, does not levy any WHT on interest and dividend payments to non-Cyprus tax residents (whether legal persons or individuals). As such, dividends and interest payments made by Höegh Cyprus to non-EU "blacklisted" jurisdiction entities should not be subject to WHT.

Exit Taxation

Exit tax provisions of the EU Anti-Tax Avoidance Directive have been transposed to Cyprus legislation and have an effect as from January 1, 2020. With reservation on Goodwill on suspension/disposal of contracts, the expectation is that these provisions will not capture transactions that are anyway exempt from CIT (i.e. disposal of qualifying vessels). Having said that, this will only be clarified with the Circular to be published by the Cyprus Tax Authorities.

VAT

As per the ruling obtained with the Cyprus Tax Authority, Höegh Cyprus does not have an obligation to register for value added tax ("VAT") purposes in Cyprus. Any income generated by Höegh Cyprus through the Egypt Branch from the time charter or any services (ship management, commercial management, crew management, etc.) received by the Egypt Branch will not trigger an obligation to account for Cypriot VAT.

Colombian Taxation

The following is a discussion of the material Colombian tax consequences applicable to us. This discussion is based upon existing legislation and current practice as of the date of this Annual Report. Changes in the existing legislation and current practice may cause the tax consequences to vary substantially from the consequences described below. The following discussion does not purport to be a comprehensive description of all of the Colombian tax considerations applicable to us.

Taxation of profits of Höegh FSRU IV

Höegh FSRU IV leases the *Höegh Grace* to a charterer in Colombia. The lease agreement is regarded as a financial lease for Colombian tax purposes. Höegh FSRU IV would not have a permanent establishment in Colombia and therefore would not be subject to Colombian corporate income tax (“CIT”), VAT or Industry and Trade Tax (“ITT”). The financial component of the financial lease paid to Höegh FSRU IV would be subject to 1% withholding tax in lieu of corporate income tax in Colombia.

Taxation of profits of Höegh Colombia

Höegh Colombia provides services to the charterer in Colombia. Höegh Colombia is subject to CIT levied on its worldwide income at a rate of 33% for fiscal year 2019, 32% for fiscal year 2020, 31% for fiscal year 2021 and 35% for fiscal year 2022 and onwards. The taxable basis will be the net taxable income (gross revenues less allocable cost and expenses).

In addition, to the ordinary taxation system, a presumptive tax system applies. Under the presumptive tax system, Colombian rules provide that net taxable income cannot be less than a cap calculated as 0.5% of the company’s net equity as of December 31 of the previous year. Accordingly, if net taxable income is lower than the cap, the ordinary taxation will be disregarded and the presumptive tax system considerations will apply. However, such system will not apply from fiscal year 2021 and onwards, since the percentage to determine the presumptive income will be set to 0%.

WHT

Dividends paid out of profits that are subject to tax at the Colombian corporate level (CIT) have a 10.0% WHT rate (dividend tax), when distributed to foreign non-resident shareholders. Otherwise, a 38.8%, 37.9% and 37.0% WHT rate applies for the dividends on profits not subject to CIT for the years ended December 31, 2020, 2021 and 2022 onwards, respectively. Höegh Colombia expects to pay dividends from retained profits that were subject to Colombian CIT.

VAT

The services rendered by Höegh Colombia are subject to 19% VAT.

Financial Transaction Tax

Financial Transaction Tax is levied on the transfers from Colombian bank accounts at a rate of 0.4% of the amount transferred. A 50% share of the Financial Transaction Tax is deductible for CIT purposes.

ITT

ITT will be applicable in Cartagena for the services provided through the Cartagena office and services provided on-shore or within the boundaries of the Cartagena District. Up to 50% of the ITT paid by the Company will be a tax credit for CIT purposes, or alternatively, 100% of the ITT paid can be treated as a deduction for CIT purposes. In 2022, the tax credit will increase to 100% for CIT purposes.

[Table of Contents](#)

Capital gains taxation

Starting in 2019, the sale of Colombian assets (i.e. shares) by a foreign non-resident is subject to a 10% capital gains tax provided the seller possessed the assets for two years or longer. If the assets are held for less than two years, the gain is subject to the ordinary corporate income tax rate at a rate of 32% for taxable year 2020 (31% on 2021 and 30% from 2022 onwards).

Jamaican Taxation

Taxation of profits of Höegh Jamaica

Höegh Jamaica provides services to the charterer in Jamaica. Höegh Jamaica is subject to Jamaican CIT levied on its worldwide income at a rate of 25% for fiscal year 2022. The taxable basis will be the net taxable income (gross revenues less allocable cost and expenses).

WHT

Dividends paid out of profits that are subject to tax at the Jamaican corporate level (CIT) have a 33.33% WHT rate (dividend tax), when distributed to foreign non-resident shareholders. Höegh Jamaica expects to pay dividends from retained profits that were subject to Jamaican CIT.

GCT

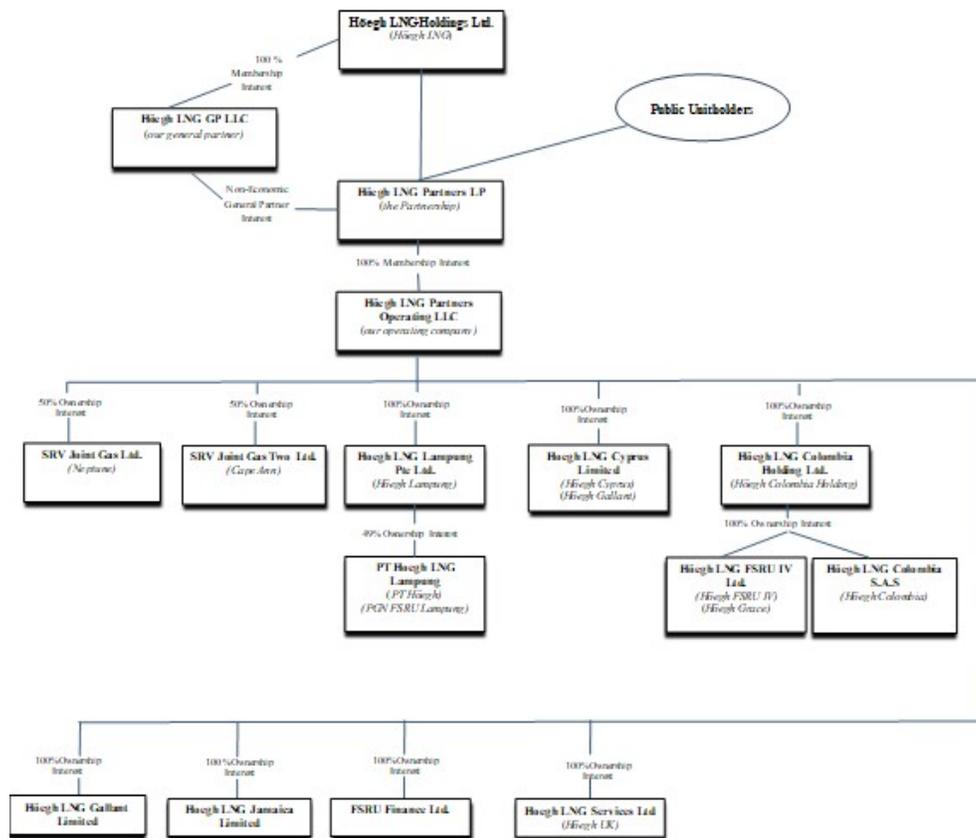
The services rendered by Höegh Jamaica are subject to 15% General Consumption Tax (GCT).

C. Organizational Structure

We are a publicly traded limited partnership formed on April 28, 2014. The diagram below depicts our simplified organizational structure as of March 31, 2022. As of March 31, 2022, we have issued and outstanding 33,373,002

[Table of Contents](#)

common units, 7,089,325 Series A preferred units and incentive distribution rights, and as of March 31, 2022 Höegh LNG owns 15,257,498 of our common units and all of our incentive distribution rights issued and outstanding.



We listed our common units on the New York Stock Exchange (“NYSE”) in August 2014 under the ticker symbol “HMLP.” Our preferred units are listed on the NYSE under the ticker symbol “HMLP-A.”

We were formed under the law of the Marshall Islands and maintain our principal executive headquarters at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

A full list of our significant operating and vessel-owning subsidiaries is included in Exhibit 8.1.

D. Property, Plant and Equipment

Other than the vessels in our fleet, we do not have any material property.

Item 4A. Unresolved Staff Comment

Not applicable.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion of our financial condition and results of operations in conjunction with “Item 4. Information on the Partnership” and the consolidated financial statements and related notes of Höegh LNG Partners LP, included elsewhere in this Annual Report. Such financial statements, including related notes thereto, have been prepared in accordance with US GAAP and are presented in U.S. Dollars.

Prior to the closing of the IPO on August 12, 2014, Höegh LNG contributed to us all of its equity interests in and promissory notes due to it from Höegh Lampung, PT Höegh (the owner of the *PGN FSRU Lampung*) and our joint ventures, SRV Joint Gas Ltd. (the owner of the *Neptune*) and SRV Joint Gas Two Ltd. (the owner the *Cape Ann*) (the “initial fleet”).

Overview

We were formed on April 28, 2014 as a Marshall Islands limited partnership by Höegh LNG, to own, operate and acquire FSRUs, LNG carriers and other LNG infrastructure assets under long-term charters, which we define as charters of five or more years.

On August 12, 2014, we completed our IPO. At the closing of the IPO, we sold 11,040,000 common units to the public for net proceeds, after deduction of underwriters’ discount and offering expenses, of \$203.5 million. We also issued 2,116,060 common units and 13,156,060 subordinated units, representing approximately 58.0% of the limited partner interest in the Partnership, and 100% of the incentive distribution rights (“IDRs”) to Höegh LNG. A wholly owned subsidiary of Höegh LNG owns a non-economic general partner interest in us.

On October 1, 2015, we purchased 100% of the shares of Höegh FSRU III, the entity that indirectly owned the FSRU *Höegh Gallant*, which we accounted for as the acquisition of a business. Accordingly, the results of this acquisition are included in our earnings from October 1, 2015.

In December 2016, we completed a 6,588,389 common unit offering raising approximately \$111.5 million in net proceeds, after deduction of underwriters’ discount and offering expenses to be used primarily to fund the purchase price of the acquisition of a 51% ownership interest in Höegh Colombia Holding, the owner of Höegh FSRU IV and Höegh Colombia, the entities that own and operate the *Höegh Grace* (the “*Höegh Grace* entities”).

On January 3, 2017, we closed the acquisition of a 51% ownership interest in the *Höegh Grace* entities for cash consideration of \$91.8 million, excluding the working capital adjustment. On January 1, 2017, we entered into an agreement with Höegh LNG, under which Höegh LNG granted us the authority to make decisions about operations of Höegh Colombia Holding from January 1, 2017 to the closing date of the acquisition. Accordingly, the results of the *Höegh Grace* are included in our earnings from January 1, 2017.

On October 5, 2017, we issued to the public 4,600,000 8.75% Series A cumulative redeemable preferred units (the “Series A preferred units”) for proceeds, net of underwriting discounts and expenses, of \$110.9 million. A portion of the net proceeds was used to repay outstanding debt under the seller’s credit note related to the *Höegh Gallant* acquisition and outstanding debt under the revolving credit facility and the remainder of the net proceeds were used to fund the acquisition of the remaining 49% ownership interest in the *Höegh Grace* entities.

On December 1, 2017, we closed the acquisition of the remaining 49% ownership interest in the *Höegh Grace* entities. From January 1, 2017 until November 30, 2017, the results of the *Höegh Grace* entities were reduced by non-controlling interest and until December 1, 2017 total equity was split between partners’ capital and the non-controlling interest.

On January 26, 2018, the Partnership entered into sales agreement with B. Riley FBR Inc. (the “Agent”). Under the terms of the sales agreement, the Partnership could offer and sell up to \$120 million aggregate offering amount of common units and 8.75% Series A cumulative redeemable preferred units (“Series A preferred units”) through the Agent, acting as agent for the Partnership (the “Prior ATM Program”).

[Table of Contents](#)

On October 18, 2019, the Partnership entered into a sales agreement with the Agent for a new ATM program and terminated the Prior ATM Program. Under the terms of the new sales agreement, the Partnership may offer and sell up to \$120 million aggregate offering amount of common units and Series A preferred units, from time to time, through the Agent, acting as an agent for the Partnership. Sales of such units may be made in negotiated transactions that are deemed to be “at the market” offerings, including sales made directly on the New York Stock Exchange or through a market maker other than on an exchange.

Our Fleet

Our fleet consisted of interests in the following vessels as of December 31, 2021:

- a 50% interest in the *Neptune*, an FSRU built in 2009 that is currently operating under a time charter with Total Gas & Power, a subsidiary of Total, that expires in 2029, with an option to extend for up to two additional periods of five years each;
- a 50% interest in the *Cape Ann*, an FSRU built in 2010 that is currently operating under a time charter with Total Gas & Power that expires in 2030, with an option to extend for up to two additional periods of five years each;
- a 100% economic interest in the *PGN FSRU Lampung*, an FSRU built in 2014 that is currently operating under a time charter with PGN LNG, a subsidiary of PT Perusahaan Gas Negara (Persero) Tbk, a subsidiary of PT Pertamina, a government controlled Indonesian oil and gas producer, natural gas transportation and distribution company, that expires in 2034, with options to extend either for an additional 10 years or for up to two additional periods of five years each;
- a 100% interest in the *Höegh Gallant*, an FSRU built in 2014. Previously, the *Höegh Gallant* operated under a long-term time charter which started in 2015 and expired in 2020 with EgyptCo, a subsidiary of Höegh LNG. On February 27, 2020, we exercised our right pursuant to an option agreement to cause Höegh LNG or its subsidiary to charter the *Höegh Gallant* from the expiration of the EgyptCo charter until July 2025. On April 30, 2020, we entered into a lease and maintenance agreement with another subsidiary of Höegh LNG for the time charter of the *Höegh Gallant* (“the Suspended Gallant Charter”). On September 23, 2021, we entered into agreements with NFE South Holdings Limited and NFE International Shipping LLC, subsidiaries of New Fortress, to charter the *Höegh Gallant* primarily for FSRU operations for a period of ten years, with FSRU operations commencing on March 20, 2022 (the “NFE Charter”). From November 26, 2021 until the FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations. The Partnership has also entered into an agreement to suspend the Suspended Gallant Charter with effect from the commencement of the NFE Charter, and a make-whole agreement (together, the “Suspension and Make-Whole Agreements”) pursuant to which Höegh LNG’s subsidiary will compensate us monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter;
- a 100% interest in the *Höegh Grace*, an FSRU built in 2016 that is currently operating under a time charter with SPEC. SPEC is owned 51% by Promigas S.A. ESP, a Colombian company focused on the transportation and distribution of natural gas, and 49% by private equity investors. The non-cancellable charter period of 10 years ends in December 2026. The initial term of the charter is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if SPEC waives its right to terminate in year 10 within a certain deadline, we will not be able to exercise our right to terminate in year 10.

For a description of our joint ventures and our shareholder agreements, please read “Item 4.B. Business Overview—Shareholder Agreements.”

Our Charters

We and our joint ventures generate revenues by chartering our vessels under long-term time charters. As of March 31, 2022, the average remaining term of the time charters for the vessels in our fleet was approximately 8,5 years, excluding the exercise of any customer options, and 15,3 years, assuming the exercise of all customer options.

Under our time charters for the *Neptune* and the *Cape Ann*, the rate charged for the services of each vessel, which we call the “hire rate,” is paid monthly in advance. Under our time charters for the *PGN FSRU Lampung*, the *Höegh Gallant* and the *Höegh Grace*, the hire rate is paid monthly in arrears. Under certain time charters, hire payments may be reduced and /or liquidated damages may be incurred if the vessel does not perform to certain of her specifications.

Moreover, when a vessel is “off-hire”—or not available for service—the customer generally is not required to pay any hire rate, and the vessel owner is responsible for all costs. Prolonged off-hire may lead to termination of the time charter.

Under the time charters for the *Neptune* and the *Cape Ann*, the hire rate includes the following three cost components:

- *Fixed Element.* The fixed element is a fixed per day fee providing for ownership costs and all remuneration due to the vessel owner for use of the vessel and the provision of time charter services.
- *Variable (Operating Cost) Element.* The variable (operating cost) element is a fixed per day fee providing for the operating costs of the vessel, which consists of (i) a cost pass-through sub-element, which covers the crew, insurance, consumables, miscellaneous services, spares and damage deductible costs and is subject to annual adjustment and (ii) an indexed sub-element, which covers management and is subject to annual adjustment for changes in labor costs and the size of the fleet under management.
- *Optional (Capitalized Equipment Cost) Element.* The optional (capitalized equipment cost) element is a revenue for the reimbursement of costs incurred that consists of (i) costs associated with modifications to, changes in specifications of, structural changes in or new equipment for the vessel that become compulsory for the continued operation of the vessel by reason of new class requirements or national or international regulations coming into effect after the date of the time charter, subject to specified caps and (ii) costs associated with any new equipment or machinery that the owner and charterer have agreed should be capitalized. Such revenues for these reimbursements are amortized over the shorter of the life of the capital improvement or the remaining term of the time charter.

Under the *Neptune* and *Cape Ann* time charters, a vessel generally will be deemed off-hire if the vessel is not available for the charterer’s use for a specific amount of time due to, among other things:

- failure of an inspection that prevents the vessel from performing normal commercial operations;
- scheduled drydocking that exceeds allowances;
- the vessel’s inability to discharge regasified LNG at normal performance;
- requisition of the vessel; or
- the vessel owner’s failure to maintain the vessel in compliance with her specifications and contractual standards or to provide the required crew.

The hire rate under the *PGN FSRU Lampung* time charter consists of the following three cost components:

- *Fixed Element.* The fixed element is a fixed per day fee, which is intended to cover remuneration due to the vessel owner for use of the vessel and the provision of time charter services.

[Table of Contents](#)

- *Operating and Maintenance Element.* The operating and maintenance element is a fixed per day fee, subject to annual adjustment, which is intended to cover the operating costs of the vessel, including manning costs, maintenance and repair costs, consumables and stores costs, insurance costs, management and operational costs, miscellaneous costs and alterations not required by Det Norske Veritas GL to maintain class or the IMO.
- *Tax Element.* The tax element is a fixed per day fee, equal to the vessel owner's reasonable estimate of the tax liability for that charter year divided by the number of days in such charter year. If the vessel owner receives a tax refund or credit, the vessel owner will pay such amount to the charterer. The tax liability includes Indonesian corporate income taxes, defined withholding taxes and all Indonesian taxes associated with the Mooring. The time charter requires an annual audit to determine the difference between the invoiced estimate of the tax liability and the actual tax liability. If the vessel owner's reasonable estimate of the tax liability varied from the actual tax liability, the vessel owner or the charterer, as applicable, will pay to the other party the difference in such amount.

Under the *PGN FSRU Lampung* time charter, the vessel generally will be deemed off-hire if the vessel is not available for the charterer's use for a specified amount of time due to, among other things:

- drydocking that exceeds allowances;
- the vessel failing to satisfy specified operational minimum requirements, except as a result of a Lampung Charterer Risk Event (as defined under "Item 4.B. Business Overview—Vessel Time Charters—*PGN FSRU Lampung* Time Charter—Performance Standards") or an event of force majeure; or
- the vessel owner's failure to satisfy the management warranties described under "Item 4.B. Business Overview—Vessel Time Charters—*PGN FSRU Lampung* Time Charter—Performance Standards."

The charterer pays a fixed daily rate of hire (with respect to the ICA) and service fees (with respect to the OSA), as set forth in the *Höegh Gallant* charter.

Except for force majeure events, events that are excusable events (as defined in the *Höegh Gallant* charter) and maintenance of the vessel (other than actions required due to a change in law of a jurisdiction other than the jurisdiction in which the vessel is operating in FSRU mode or where charterer is incorporated, domiciled or located), under the *Höegh Gallant* charter the vessel generally will be deemed off-hire during any time in which the vessel is either unable to meet a defined threshold of nominated volume of daily regasified LNG, ceases completely or is incapable or unable to send out any regasified LNG, or completely ceases to be at the charterer's disposal during the charter period.

Additionally, we have agreed to indemnify the charterer of the *Höegh Gallant* under certain circumstances. Please read "Item 4.B. Business Overview—Vessel Time Charters—*Höegh Gallant* Time Charter—Indemnification."

Under the *Höegh Grace* charter, hire is payable monthly, in arrears, in U.S. Dollars. The charterer pays a fixed daily rate of hire for use of the vessel and the provision of time charter services and operating fees, as set forth in the *Höegh Grace* charter. The operating fees are escalated yearly by a fixed percentage, and the charter provides for a review and reasonable adjustment by the parties if the actual operating costs increase by more than such percentage over a period of three consecutive years.

Except for force majeure events and a specified maintenance allowance period, under the *Höegh Grace* charter the vessel generally will be deemed off-hire:

- if the vessel is not able to discharge regasified LNG at a specified rate;
- if the vessel owner breaches its warranties related to international sanctions; or

[Table of Contents](#)

- if the vessel is not available for the charterer's use due to, among other things:
 - any damage, defect, breakdown or deficiency to the vessel;
 - any deficiency of crew, stores, repairs, surveys, or similar cause preventing the working of the vessel;
 - any labor dispute, failure or inability of the officers or crew to perform the required services; or
 - any failure to comply with laws, regulations or operational practices at the site of the vessel operations.

In the event of off-hire, all hire will cease to be due or payable for the duration of off-hire.

Additionally, we have agreed to pay liquidated damages in the event that the *Höegh Grace* is unable to meet specified performance standards, which are subject to various caps per cargo, per year and in the aggregate for the term of the *Höegh Grace* charter.

As further discussed in note 2 of our consolidated financial statements; Significant accounting policies—Time charter revenue, related contract balances and related expenses;—Performance obligations; and Contract terms, determination of transaction price and allocation to performance obligations, the performance warranties included in all of our time charters are an important element in determining variable consideration for time charter services for revenue recognition purposes.

We have obtained loss of hire insurance to protect us against loss of income in the event one of our vessels cannot be employed due to damage that is covered under the terms of our hull and machinery insurance. Please read “—Insurance and Indemnifications.”

For more information on our time charters, please read “Item 4.B. Business Overview—Vessel Time Charters.”

Impact of Our Interests in Joint Ventures on Our Financial Information

Two of the five vessels in our fleet as of December 31, 2021 are owned by our joint ventures, each of which is owned 50% by us. Please read “Item 4.B. Business Overview—Shareholder Agreements.” Under applicable accounting guidance, we do not consolidate the financial results of our joint ventures into our financial results, but we record our joint venture results using the equity method of accounting. The following provides a description of the impact of our interests in our joint ventures on selected components of our statements of income in our consolidated financial statements.

- *Equity in Earnings (Losses) of Joint Ventures.* Consists of our 50% share of the combined net income of our joint ventures. The net income of our joint ventures gives effect to interest expense associated with payments on the shareholder loans to the owners of our joint ventures as described below. Equity in earnings (losses) of joint ventures also includes the unrealized gains or losses on adjusting the interest rate swap contracts to fair value in each period, which can result in significant volatility between years. For the years ended December 31, 2021, 2020, and 2019 there was no income tax expense for our joint ventures. The equity in earnings (losses) of joint ventures is a “one line” consolidation of the results of our joint ventures. Therefore, our joint venture's revenues and expenses are not included in other lines of the consolidated income statement.
- *Interest Income.* Interest income represents our share of interest income accrued on the advances to our joint ventures (shareholder loans). For a description of the shareholder loans, please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Joint Ventures Debt—Loans Due to Owners (Shareholder Loans).”

[Table of Contents](#)

The following provides a description of the impact of our interests in our joint ventures on selected components of our balance sheets in the consolidated financial statements.

- *Advances to Joint Ventures.* Represents our share of the advances to our joint ventures (shareholder loans). Please read note 9 of our consolidated financial statements.
- *Accumulated Earnings (Losses) of Joint Ventures.* Accumulated earnings of joint ventures represent our share of the net assets of our joint ventures. Accumulated losses of joint ventures represent our share of the net liabilities of our joint ventures. Our joint ventures entered into interest rate swap contracts, which historically have had unrealized mark-to-market losses on the interest rate swap contracts recorded as derivative instrument liabilities on the combined balance sheets. For the years ended December 31, 2021, 2020 and 2019, the assets exceeded the liabilities for our joint ventures' combined balance sheet and resulted in us having a net asset for our investment in joint ventures. Please read note 8 of our consolidated financial statements. The investment in accumulated earnings or (accumulated losses) of our joint ventures is a "one line" consolidation of the balance sheet of our joint ventures. Therefore, our joint ventures' assets and liabilities are not included in other lines of the consolidated balance sheet.

We derive cash flows from the operations of our joint ventures from interest payments related to accrued interest on our share of the shareholder loans issued to such joint ventures. Under the terms of the shareholders' agreement, the payments are prioritized over any dividend payment to the owners. Our joint ventures have not paid any dividends to date. The payments of interest are made based upon available cash after servicing our joint ventures' long-term bank debt. Therefore, the payments of interest have historically been less than interest income accrued for the period. The joint ventures repaid the original principal of all shareholder loans during 2016 and all of the payments for the year ended December 31, 2017 represented payments of interest, including accrued interest to be repaid at the end of the loans. The shareholder loans are subordinated to long-term bank debt and the repayment plan is subject to quarterly discretionary revisions based on available cash after servicing of the long-term bank debt and meeting a 1.20 historical and projected debt service coverage ratio. As of September 30, 2017, the joint ventures suspended payments on the shareholder loans pending the outcome of the boil-off claim. Accordingly, the outstanding balance on the shareholder loans was classified as long-term as of December 31, 2019. On April 1, 2020, each of the joint ventures and the charterer reached a final settlement addressing all the past and future claims related to boil-off with respect to the *Neptune* and the *Cape Ann*. The first installment of the settlement was paid in April 2020 and the second and final installment of the settlement was paid in December 2020. Refer to note 17 of our consolidated financial statements under "Joint ventures boil-off settlement." As of December 31, 2021, both the 1.20 historical and projected debt service coverage ratios were met by SRV Joint Gas Ltd and SRV Joint Gas Two Ltd. As a result, both entities qualify to make payments on the shareholder loans or other distributions. However, the joint ventures are not likely to pay distributions or service the shareholder loans during 2022. Refer to note 9 of our consolidated financial statements.

The following provides a description of the impacts of our interests in our joint ventures on our statement of cash flows in our consolidated financial statements:

- *Cash Flows Provided by (Used in) Operating Activities.* Receipt of cash payments for interest income on the shareholder loans, including accrued interest repaid from prior periods, is reflected in cash flows provided by (used in) operating activities. Such payments amounted to zero for the years ended December 31, 2021, 2020 and 2019. All other cash flows provided by (used in) operating activities relate to our other activities.

Please read our consolidated financial statements included elsewhere in this Annual Report for more detailed information.

[Table of Contents](#)**Historical Employment of Our Fleet**

The following table describes the operations of the vessels in our fleet as of December 31, 2021.

Vessel	Description of Historical Operations
<i>Neptune</i>	Delivered in November 2009. Has operated under a long-term time charter with Global LNG Supply, as novated to Total Gas & Power in February 2020, which commenced on delivery.
<i>Cape Ann</i>	Delivered in June 2010. Has operated under a long-term time charter with Global LNG Supply, as novated to Total Gas & Power in February 2020, which commenced on delivery.
<i>PGN FSRU Lampung</i>	Delivered in April 2014. Has operated under a long-term time charter with PGN LNG, which commenced on July 21, 2014.
<i>Höegh Gallant</i>	Delivered in November 2014. Acquired on October 1, 2015. Operated under a time charter with EgyptCo from the acquisition date until April 2020. Afterwards the vessel operated under the Suspended Gallant Charter with a subsidiary of Höegh LNG, which commenced on May 1, 2020. Currently operating under the NFE Charter with subsidiaries of New Fortress, which commenced in March 2022.
<i>Höegh Grace</i>	Delivered in March 2016. Acquired 51% ownership interest on January 3, 2017 and acquired the remaining 49% ownership interest on December 1, 2017. Has operated under a long-term time charter with SPEC since acquisition date.

Items You Should Consider When Evaluating Our Historical Financial Performance and Assessing Our Future Prospects

You should consider the following facts when evaluating our historical results of operations and assessing our future prospects:

- *Preferred unitholders have an interest in net income.* The Series A preferred units represent perpetual equity interests in us. The Series A preferred units rank senior to our common units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up. The distribution rate on the Series A preferred units is 8.75% per annum. The distributions accrue and are cumulative. Distributions are payable quarterly, when, and if declared by the Partnership's board of directors out of legally available funds for such purpose. The preferred unitholders' interest in net income is equivalent to the amount of preferred unitholders' distribution for the given quarter or annual period and reduces the net income attributable to the limited partners' interest in net income.
- *Our historical results of operations are affected by significant gains and losses relating to derivative transactions.* Our historical results of operations reflect significant gains and losses relating to the joint ventures' interest rate swap contracts that impact our equity in earnings (losses) for our joint ventures. The joint ventures' interest rate swap contracts have previously not been designated as hedges for accounting purposes. After refinancing of the Neptune debt facility (as defined below), hedge accounting is applied for the *Neptune* interest rate swap contracts. As a result, there is volatility in earnings for the unrealized exchange gains and losses on the interest rate swap contracts. On March 17, 2014, we entered into interest rate swap contracts related to the Lampung facility (as defined below). On October 1, 2015, we assumed the interest rate swap contracts related to the Gallant facility (as defined below) as part of the acquisition of the *Höegh Gallant*. On January 1, 2017, we assumed the interest rate swap contracts related to the Grace facility (as defined below) as part of the acquisition of 51% ownership interest in the *Höegh Grace* entities. The interest rate swaps related to the Lampung facility, the Gallant facility and the Grace facility were designated as cash flow hedges for accounting purposes, however, certain amortization and the ineffective portion of the hedge for the years up to and including December 31, 2018, impacts the results of operations. Starting January 1, 2019, under the revised accounting guidance for hedge accounting, the impact of the ineffective portion of the hedge is recorded as a component of other comprehensive income and does not impact the results of operations. Hedge accounting was discontinued for interest rate swaps related to the Gallant and Grace facilities in the fourth quarter of 2018.

[Table of Contents](#)

as a result of firm commitment for the refinancing of the facilities which occurred on January 29, 2019. On January 31, 2019, the interest rate swaps related to the Gallant and Grace facilities were settled. In December 2018 and February 2019, the Partnership entered into interest rate swaps for the commercial tranches of a new \$385 million facility to refinance the debt facility for the *Höegh Gallant* and the *Höegh Grace*, which were designed as cash flow hedges. Refer to note 16 of our consolidated financial statements. We may enter into (i) additional interest rate swap contracts to economically hedge all or a portion of our exposure to floating interest rates and (ii) foreign currency swap contracts to economically hedge risk from foreign currency fluctuations.

- *Our historical results of operations are impacted by management and service fees for vessel operating and administrative expenses provided by Höegh LNG's affiliates.* Our operating entities entered into a variety of management, technical service and consulting agreements with affiliates of Höegh LNG related to the operations of the vessels. In addition, we and our operating company entered into administrative services agreements with affiliates of Höegh LNG. Refer to “Item 7. B. Related Party Transactions” for information on the management and service fees for these agreements.
- *Our results of operations are affected by accounting for the PGN FSRU Lampung time charter as a financing lease.* When the *PGN FSRU Lampung* began operating under her charter, we recorded a receivable (net investment in financing lease) and removed the *PGN FSRU Lampung* from our balance sheet. The lease element of time charter payments under the *PGN FSRU Lampung* time charter is split between revenues and the repayment of part of the receivable. The revenues are recorded using the effective interest method, which provides for a constant rate of return on the net investment. As a result, the revenues will decline over time as more of the time charter payments are treated as a repayment of the receivable. However, the cash flows from the *PGN FSRU Lampung* are not impacted by the accounting treatment. In addition, since there is no vessel on the balance sheet, there is no charge for depreciation expense. In our consolidated statements of cash flows for the year ended December 31, 2021, 2020 and 2019 the time charter payments reflected as revenues and for repayment of the receivable are included under net cash provided by (used in) operating activities.
- *Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect our business.* Our operations are subject to risks related to outbreaks of infectious diseases. For example, the recent COVID-19 outbreak has negatively affected economic conditions and may otherwise impact our operations, including availability of crew, and the operations of our customers and suppliers. Although our operations have not been materially affected by the COVID-19 outbreak to date, the ultimate length and severity of the COVID-19 outbreak is uncertain at this time.
- *Our future business and prospects may be impacted by the Amalgamation.* Following the Amalgamation, some provisions of the omnibus agreement that we entered into with Höegh LNG in connection with the IPO terminated by their terms, including (i) the prohibition on Höegh LNG from acquiring, owning, operating or chartering any Five-Year Vessels, (ii) the prohibition on us from acquiring, owning, operating or chartering any Non-Five-Year Vessels, and (iii) the rights of first offer associated with those rights. As a consequence, following the consummation of the Amalgamation, Höegh LNG is not be required to offer us Five-Year Vessels and is permitted to compete with us.

Factors Affecting Our Results of Operations

We believe the principal factors that will affect our future results of operations include:

- the number of vessels in our fleet;
- our ability to successfully employ our vessels at economically attractive hire rates as long-term charters expire or are otherwise terminated;

[Table of Contents](#)

- our ability to maintain strong relationships with our existing customers and to increase the number of customer relationships;
- the operating performance of our vessels and any related performance warranty claims by customers;
- our ability to acquire additional vessels, including Höegh LNG's other vessels and any effect the Amalgamation may have on such ability;
- our ability to raise capital to fund acquisitions;
- the levels of demand for FSRU and LNG carrier services and other LNG infrastructure;
- the supply and capacities of FSRUs;
- the hire rate earned by our vessels, unscheduled off-hire days and the level of our vessel operating expenses;
- the effective and efficient technical and maritime management and crewing of our vessels;
- economic, regulatory, political and governmental conditions that affect the floating LNG industry;
- interest rate changes;
- mark-to-market changes in interest rate swap contracts;
- foreign currency exchange gains and losses;
- our access to capital required to acquire additional vessels and/or to implement our business strategy;
- variations in crewing and insurance costs;
- the level of our debt and the related interest expense;
- the amount of distributions on our common and preferred units; and
- the outcome of the arbitration.

Please read "Item 3.D. Risk Factors" for a discussion of certain risks inherent in our business.

Customers

For the years ended December 31, 2021, 2020 and 2019 time charter revenues in the consolidated statement of income are from PGN LNG, a subsidiary of PGN, a subsidiary of PT Pertamina, a government controlled Indonesian oil and gas producer, natural gas transportation and distribution company; EgyptCo, a subsidiary of Höegh LNG; CharterCo, a subsidiary of Höegh LNG; NFE South Holdings Limited and NFE International Shipping LLC, subsidiaries of New Fortress, a U.S. publicly listed company; and SPEC, which is owned 51% by Promigas S.A. ESP, a Colombian company focused on the transportation and distribution of natural gas, and 49% by private equity investors. Revenues included as a component of equity in earnings (losses) of joint ventures are from Total Gas & Power and accounted for 100% of our joint ventures' time charter revenues for all periods presented. Total Gas & Power is a subsidiary of Total, a French publicly listed company.

Inflation and Cost Increases

Inflation has not had a significant impact on operating expenses, including crewing costs, for the *Neptune* and the *Cape Ann*. FSRUs are specialized vessels, and there has been demand for experienced crew, which has led to higher crew costs. The *Neptune* and the *Cape Ann* time charters provide for operating cost pass-through, which means that we will be able to pass on the cost increases to the charterer.

A portion of the operating cost for the *PGN FSRU Lampung* will increase for inflation in Indonesia, including part of the crew cost and certain supplies. Indonesian inflation has ranged from approximately 1.6% to approximately 4.0% in recent years. The *PGN FSRU Lampung* time charter provides that the operating cost component of the hire rate, established at the beginning of the time charter, will increase by a fixed percentage per year for the first five years and be reset each fifth year based on the average increase over the previous five years, which is expected to somewhat mitigate cost increases.

The *Höegh Gallant* operated as an LNG carrier during 2021, 2020 and 2019. Inflation has not had a significant impact on operating expenses during these years. There is no cost adjustment or inflation adjustment clause in the OSA with a subsidiary of New Fortress, and as such we are exposed to risk of cost increases due to inflation or changes in exchange rates under the NFE Charter.

The *Höegh Grace* operates in Colombia and inflation in Colombia has ranged from approximately 2.0% to over 7.0% in recent years. All revenues under the *Höegh Grace* charter are received in U.S. dollars. A limited amount of operating expenses related to the *Höegh Grace* is denominated in Colombian Pesos, and as such, we bear a limited risk of cost increase due to inflation or exchange rates.

Insurance and indemnifications

Please read “Item 4.B. Business Overview—Risk of Loss, Insurance and Risk Management” for information on the insurance coverage of certain risks inherent in our business.

Under the omnibus agreement, Höegh LNG agreed to indemnify the Partnership for, among other items, losses related to certain tax liabilities attributable to the operation of the assets contributed or sold to the Partnership prior to the time they were contributed or sold. Pursuant to a letter agreement dated August 12, 2015, Höegh LNG confirmed that the indemnification provisions of the omnibus agreement include indemnification for all non-budgeted, non-creditable Indonesian value added taxes and non-budgeted Indonesian withholding taxes, including any related impact on cash flow from PT Höegh and interest and penalties associated with any non-timely Indonesian tax filings related to the ownership or operation of the *PGN FSRU Lampung* and the Mooring whether incurred (i) prior to the closing date of the IPO, (ii) after the closing date of the IPO to the extent such taxes, interest, penalties or related impact on cash flows relate to periods of ownership or operation of the *PGN FSRU Lampung* and the Mooring and are not subject to prior indemnification payments or deemed reimbursable by the charterer under its audit of the taxes related to the *PGN FSRU Lampung* time charter for periods up to and including June 30, 2015, or (iii) after June 30, 2015 to the extent withholding taxes exceed the minimum amount of withholding tax due under Indonesian tax regulations due to lack of documentation or untimely withholding tax filings.

For the year ended December 31, 2019, the Partnership refunded to Höegh LNG approximately \$0.1 million related to insurance proceeds received related to the warranty provision and costs for previous years determined to be reimbursable by the charterer. No indemnification was filed or received for the years ended December 31, 2021 and 2020. Refer to notes 14 and 17 to our consolidated financial statements.

Under the contribution, purchase and sale agreement entered into with respect to the purchase of the entity that indirectly owns the *Höegh Gallant*, Höegh LNG will indemnify the Partnership for, among other items:

- losses from breach of warranty;
- losses related to certain tax liabilities attributable to the operation of the *Höegh Gallant* prior to the closing date; and

[Table of Contents](#)

- any recurring non-budgeted costs owed to Höegh LNG Management with respect to payroll taxes.

No indemnification claims were filed or received for the years ended December 31, 2021, 2020 and 2019. Refer to notes 14 and 17 to our consolidated financial statements.

Under the contribution, purchase and sale agreement entered into with respect to the acquisition of the 51% and 49% ownership interest in the *Höegh Grace* entities, Höegh LNG will indemnify the Partnership for, among other items:

- losses from breach of warranty;
- losses related to certain environmental liabilities, damages or repair costs and tax liabilities attributable to the operation of the *Höegh Grace* prior to the closing date; and
- any recurring non-budgeted costs owed to tax authorities with respect to payroll taxes, taxes related to social security payments, corporate income taxes (including income tax for equality and surcharge on income tax for equality), withholding tax, port associations, local Cartagena tax, and financial transaction tax, including any penalties associated with taxes to the extent not reimbursed by the charterer.

No indemnification claims were filed or received for the years ended December 31, 2021, 2020 and 2019. Refer to notes 14 and 17 to our consolidated financial statements.

On September 27, 2017, the Partnership entered into an indemnification agreement with Höegh LNG with respect to the boil-off claims under the *Neptune* and the *Cape Ann* time charters, pursuant to which Höegh LNG will, among other things, indemnify the Partnership for its share of any losses and expenses related to or arising from the failure of either *Neptune* or *Cape Ann* to meet the performance standards related to the daily boil-off of LNG under their respective time charters (including any cash impact that may result from any settlement with respect to such claims.) For the year ended December 31, 2020, the Partnership was indemnified by Höegh LNG for its share of the joint ventures boil-off settlement payments to its charterer by a reduction of \$11.9 million on its outstanding balance on the \$85 million revolving credit facility from Höegh LNG. For the year ended December 31, 2021, the Partnership was indemnified by Höegh LNG for its share of the joint ventures performance claims for the year ended December 31, 2020 by a reduction of \$0.3 million on its outstanding balance on the \$85 million revolving credit facility from Höegh LNG. Indemnification payments and the non-cash settlements were recorded as a contribution to equity and increase to equity, respectively. Refer to notes 14 and 17 to our consolidated financial statements.

[Table of Contents](#)**A. Operating Results**

The following table summarizes our operating results for the years ended December 31, 2021, 2020 and 2019:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Statement of Income Data:			
Time charter revenues	\$ 141,260	\$ 143,095	\$ 145,321
Other revenue	—	—	115
Total revenues	141,260	143,095	145,436
Vessel operating expenses	(28,845)	(24,072)	(30,870)
Administrative expenses	(12,410)	(9,740)	(9,861)
Depreciation and amortization	(20,418)	(20,937)	(21,477)
Total operating expenses	(61,673)	(54,749)	(62,208)
Equity in earnings (losses) of joint ventures	25,836	6,420	6,078
Operating income (loss)	105,423	94,766	89,306
Interest income	553	605	947
Interest expense	(26,829)	(24,430)	(27,692)
Gain (loss) on debt extinguishment	—	—	1,030
Other items, net	(2,862)	(2,232)	(3,575)
Income (loss) before tax	76,285	68,709	60,016
Income tax expense	(16,290)	(5,564)	(7,275)
Net income (loss)	\$ 59,995	\$ 63,145	\$ 52,741
Preferred unitholders' interest in net income	15,508	14,802	13,850
Limited partners' interest in net income (loss)	\$ 44,487	\$ 48,343	\$ 38,891

Financial Highlights in 2021

The following sets forth our significant developments for the year ended December 31, 2021:

- Reported time charter revenues were \$141.3 million for the year ended December 31, 2021 compared to \$143.1 million for the year ended December 31, 2020;
- Operating income was \$105.4 million for the year ended December 31, 2021 compared to \$94.8 million for the year ended December 31, 2020; operating income was impacted by unrealized losses on derivative instruments for the years ended December 31, 2021 and 2020 on the Partnership's share of equity in earnings (losses) of joint ventures;
- Unrealized gain on derivative instruments was \$12.0 million on the Partnership's share of equity in earnings of joint ventures for the year ended December 31, 2021, compared to unrealized loss on derivative instruments of \$6.1 million on the Partnership's share of equity in earnings of joint ventures for the year ended December 31, 2020;
- Net income was \$60.0 million for the year ended December 31, 2021 compared to \$63.1 million for the year ended December 31, 2020.

[Table of Contents](#)**Year Ended December 31, 2021 Compared with the Year Ended December 31, 2020**

Time Charter Revenues. The following table sets forth details of our time charter revenues for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Time charter revenues	\$ 141,260	\$ 143,095	\$ (1,835)

Time charter revenues for the year ended December 31, 2021 were \$141.3 million, a decrease of \$1.8 million from \$143.1 million for the year ended December 31, 2020. The decrease was mainly due to lower time charter revenues for the *Höegh Gallant*. On May 1, 2020, the *Höegh Gallant* commenced the Suspended Gallant Charter (as described below) with a subsidiary of Höegh LNG. The hire rate under the Suspended Gallant Charter was lower than under the prior time charter, resulting in lower time charter revenues for the *Höegh Gallant* for the year ended December 31, 2021 compared with the year ended December 31, 2020.

Time charter revenues for the *PGN FSRU Lampung* consist of the lease element of the time charter, accounted for as a financing lease using the effective interest rate method, as well as variable consideration for providing time charter services, reimbursement for vessel operating expenses, performance warranties, if any, and withholding taxes borne by the charterer. Time charter revenues for the *Höegh Gallant* consist of the fixed daily hire rate which covers the operating lease and the provision of time charter services including the costs incurred to operate the vessel and performance warranties, if any. Time charter revenues for the *Höegh Grace* consist of a lease element accounted for as an operating lease, as well as variable consideration for providing time charter services, reimbursement of vessel operating expenses, performance warranties, if any, and certain taxes incurred.

On April 30, 2020, the Partnership entered into the Suspended Gallant Charter with CharterCo, a subsidiary of Höegh LNG for the time charter of the *Höegh Gallant*. The hire rate under the Suspended Gallant Charter is equal to 90% of the rate payable pursuant to the prior charter of the *Höegh Gallant*, subject to certain adjustments for i) avoided FSRU related costs only when operating in LNG carrier mode and ii) higher incremental taxes or operating expenses when operating in FSRU mode. The Suspended Gallant Charter commenced on May 1, 2020 and was suspended upon the commencement of the NFE Charter.

On September 23, 2021, we entered into the NFE Charter with subsidiaries of New Fortress to charter the *Höegh Gallant*, with FSRU operations commencing on March 20, 2022. From November 26, 2021 until the FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations. The Partnership has also entered into the Suspension and Make-Whole Agreements to suspend the Suspended Gallant Charter, with effect from the commencement of the NFE Charter, and pursuant to which Höegh LNG's subsidiary will compensate us monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. Afterwards, the Partnership will continue to receive the charter rate agreed with New Fortress for the remaining term of the NFE Charter. In addition, pursuant to the Suspension and Make-Whole Agreements, certain capital expenditures incurred to ready and relocate the *Höegh Gallant* for performance under the NFE Charter will be shared 50/50 between Höegh LNG and the Partnership, subject to a maximum obligation of the Partnership.

Vessel Operating Expenses. The following table sets forth details of our vessel operating expenses for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Vessel operating expenses	\$ (28,845)	\$ (24,072)	\$ (4,773)

[Table of Contents](#)

Vessel operating expenses for the year ended December 31, 2021 were \$28.8 million, an increase of \$4.8 million from \$24.1 million for the year ended December 31, 2020. The increase was mainly due to higher operating expenses for the *Höegh Gallant* for the year ended December 31, 2021 compared with the year ended December 31, 2020 as a result of preparing and relocating the vessel for performance under the NFE Charter.

Administrative Expenses. The following table sets forth details of our administrative expenses for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Administrative expenses	\$ (12,410)	\$ (9,740)	\$ (2,670)

Administrative expenses for the year ended December 31, 2021 were \$12.4 million, an increase of \$2.7 million from \$9.7 million for the year ended December 31, 2020. The increase mainly reflects higher administrative expenses for the *PGN FSRU Lampung* and higher partnership expenses for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Depreciation and Amortization. The following table sets forth details of our depreciation and amortization for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Depreciation and amortization	\$ (20,418)	\$ (20,937)	\$ 519

Depreciation and amortization for the year ended December 31, 2021 were \$20.4 million, a decrease of \$0.5 million from \$20.9 million for the year ended December 31, 2020. During the first half of 2021, part of the procedures for the on-water class renewal survey for the *Höegh Grace* was performed and the on-water renewal survey was completed during the second quarter of 2021. As a result, the depreciation for the drydock component for the *Höegh Grace* is lower for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Total Operating Expenses. The following table sets forth details of our total operating expenses for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Total operating expenses	\$ (61,673)	\$ (54,749)	\$ (6,924)

Total operating expenses for the year ended December 31, 2021 were \$61.7 million, an increase of \$6.9 million from \$54.7 million for the year ended December 31, 2020. The increase is principally a result of the higher vessel operating expenses and administrative expenses for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Equity in Earnings (Losses) of Joint Ventures. The following table sets forth details of our equity in earnings (losses) of joint ventures for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Equity in earnings (losses) of joint ventures	\$ 25,836	\$ 6,420	\$ 19,416

Equity in earnings of joint ventures for the year ended December 31, 2021 was \$25.8 million, an increase of \$19.4 million from equity in earnings of \$6.4 million for the year ended December 31, 2020. Equity in earnings of joint

[Table of Contents](#)

ventures was impacted by unrealized gains on derivative instruments of \$12.0 million for the year ended December 31, 2021 compared with unrealized losses on derivative instruments of \$6.1 million for the year ended December 31, 2020.

Our share of our joint ventures' operating income was \$24.4 million for the year ended December 31, 2021, an increase of \$0.2 million compared with \$24.2 million for the year ended December 31, 2020.

Our share of other income (expense), net, principally consisting of interest expense, was \$10.6 million for the year ended December 31, 2021, a decrease of \$1.1 million from \$11.7 million for the year ended December 31, 2020. The reduction in interest expense was principally due to repayment of principal on debt between the two periods.

Our share of unrealized gains on derivative instruments was \$12.0 million for the year ended December 31, 2021, an increase of \$18.1 million compared to our share of unrealized losses on derivative instruments of \$6.1 million for the year ended December 31, 2020. The joint ventures utilize interest rate swap contracts to exchange floating interest rate payments for fixed interest rate payments to reduce the exposure to interest rate variability on their outstanding floating-rate debt. The interest rate swap contracts have not been designated as hedges for accounting purposes. As a result, there is volatility in earnings for the unrealized exchange gains and losses on the interest rate swap contracts. However, in relation to the refinancing of the Neptune debt facility on November 30, 2021, hedge accounting is applied for the related interest rate swaps.

There was no accrued income tax expense for the years ended December 31, 2021 and 2020. Our joint ventures did not pay any dividends for the years ended December 31, 2021 and 2020.

Operating Income. The following table sets forth details of our operating income for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Operating income (loss)	\$ 105,423	\$ 94,766	\$ 10,657

Operating income for the year ended December 31, 2021 was \$105.4 million, an increase of \$10.7 million from \$94.8 million for the year ended December 31, 2020. Excluding the unrealized gains on derivatives for the year ended December 31, 2021 and 2020 impacting the equity in earnings of joint ventures, operating income for the year ended December 31, 2021 would have been \$93.4 million, a decrease of \$7.4 million from \$100.8 million for the year ended December 31, 2020. Excluding the impact of the unrealized gains and losses on derivatives, the decrease for the year ended December 31, 2021 is primarily due to lower time charter revenues, higher vessel operating expenses and administrative expenses, partially offset by lower depreciation and amortization for the year ended December 31, 2021.

Interest Income. The following table sets forth details of our interest income for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Interest income	\$ 553	\$ 605	\$ (52)

Interest income was \$0.6 million for each of the years ended December 31, 2021 and 2020. Interest income is mainly related to interest on cash balances and accrued interest on the advances to our joint ventures for the years ended December 31, 2021 and 2020. The interest rate under the shareholder loans to our joint ventures is a fixed rate of 8.0% per year.

[Table of Contents](#)

Interest Expense. The following table sets forth details of our interest expense for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Interest expense	\$ (19,901)	\$ (21,830)	\$ 1,929
Amortization and gain (loss) on cash flow hedge	(274)	(173)	(101)
Commitment fees	(977)	(138)	(839)
Amortization of debt issuance cost	(5,677)	(2,289)	(3,388)
Total interest expense	<u>\$ (26,829)</u>	<u>\$ (24,430)</u>	<u>\$ (2,399)</u>

Total interest expense for the year ended December 31, 2021 was \$26.8 million, an increase of \$2.4 million from \$24.4 million for the year ended December 31, 2020. Interest expense consists of the interest incurred, amortization and gain (loss) on cash flow hedge, commitment fees and amortization of debt issuance cost for the period.

The interest incurred of \$19.9 million for the year ended December 31, 2021 decreased by \$1.9 million compared to \$21.8 million for the year ended December 31, 2020. The decrease was principally due to repayment of outstanding loan balances for the loan facilities related to the *PGN FSRU Lampung* (the “Lampung facility”) and the commercial and export tranches of the \$385 million facility financing the *Höegh Gallant*, the *Höegh Grace* and the Partnership’s liquidity needs (the “\$385 million facility”).

Amortization and gain (loss) on cash flow hedge was a loss of \$0.3 million for the year ended December 31, 2021 compared to a loss of \$0.2 million for the year ended December 31, 2020. For the years ended December 31, 2021 and 2020, the loss solely related to amortization of amounts excluded from hedge effectiveness for discontinued hedges and the initial fair values of interest rate swaps.

Commitment fees were \$1.0 million for the year ended December 31, 2021, an increase of \$0.8 million from \$0.1 million for the year ended December 31, 2020. During 2021, commitment fees were incurred on the proposed new Lampung facility which was not executed. For the years ended December 31, 2021 and 2020, the commitment fees also relate to the undrawn portion of the revolving credit tranche of the \$385 million facility.

Amortization of debt issuance cost for the year ended December 31, 2021 was \$5.7 million compared to \$2.3 million for the year ended December 31, 2020. The increase in amortization of debt issuance cost of \$3.4 million relates to expensing all the debt issuance costs related to the proposed new Lampung facility which was not executed.

Other Items, Net. The following table sets forth details of our other items for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Foreign exchange gain (loss)	\$ 22	\$ 444	\$ (422)
Bank charges, fees and other	(560)	(276)	(284)
Withholding tax on interest expense and other	(2,324)	(2,400)	76
Total other items, net	<u>\$ (2,862)</u>	<u>\$ (2,232)</u>	<u>\$ (630)</u>

Other items, net for the year ended December 31, 2021 were \$2.9 million, an increase of \$0.6 million from \$2.2 million for the year ended December 31, 2020. The increase is mainly due to reduced foreign exchange gain for the year ended December 31, 2021 compared to foreign exchange gain of \$0.4 million for the year ended December 31, 2020.

[Table of Contents](#)

Income (Loss) Before Tax. The following table sets forth details of our income before tax for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Income (loss) before tax	\$ 76,285	\$ 68,709	\$ 7,576

Income before tax for the year ended December 31, 2021 was \$76.3 million, an increase of \$7.6 million from \$68.7 million for the year ended December 31, 2020. Excluding all the unrealized gains (losses) on derivative instruments, income before tax for the year ended December 31, 2021 would have been \$64.2 million, a decrease of \$10.6 million from \$74.8 million for the year ended December 31, 2020. Excluding the unrealized gains (losses) on derivative instruments, the decrease is primarily due to lower time charter revenue, higher vessel operating expenses, higher administrative expenses and higher total interest expense.

Income Tax Expense. The following table sets forth details of our income tax expense for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Income tax expense	\$ (16,290)	\$ (5,564)	\$ (10,726)

Income tax expense was \$16.3 million for the year ended December 31, 2021, an increase of \$10.7 million compared to \$5.6 million for the year ended December 31, 2020. In June 2021, the tax audit for *PGN FSRU Lampung's* 2019 tax return was completed. The main finding was that the internal promissory note was reclassified from debt to equity such that 100% of the accrued interest was disallowed. The Partnership's Indonesian subsidiary has filed an Objection Request with the Central Jakarta Regional Tax Office. We and our Indonesian subsidiary disagree with the conclusion. Nevertheless, we and our Indonesian subsidiary may not be successful in the appeal and our Indonesian subsidiary has recorded an increase in the uncertain tax position, of \$6.3 million for the potential future obligation to the tax authorities for a disallowed interest deduction, as well as expensed the additional tax for 2019, including penalties of \$2.7 million as of December 31, 2021.

Benefits of uncertain tax positions are recognized when it is more-likely-than-not that a tax position taken in a tax return will be sustained upon examination based on the technical merits of the position. As of December 31, 2021, the unrecognized tax benefits were \$9.0 million. Refer to note 6 of our consolidated financial statements for additional information.

Net Income (Loss). The following table sets forth details of our net income for the years ended December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Net income (loss)	\$ 59,995	\$ 63,145	\$ (3,150)
Preferred unitholders' interest in net income	15,508	14,802	706
Limited partners' interest in net income (loss)	\$ 44,487	\$ 48,343	\$ (3,856)

As a result of the foregoing, net income for the year ended December 31, 2021 was \$60.0 million, a decrease of \$3.1 million compared with net income of \$63.1 million for the year ended December 31, 2020.

For the years ended December 31, 2021 and 2020, net income of \$15.5 million and \$14.8 million, respectively, was attributable to the holders of the Series A preferred units, an increase of \$0.7 million due to additional preferred units issued in 2021 as part of our at-the-market offering program. Our limited partners' interest in net income, for the year

[Table of Contents](#)

ended December 31, 2021 was \$44.5 million, a decrease of \$3.8 million compared to \$48.3 million for the year ended December 31, 2020.

Segments

There are two operating segments. The segment profit measure is Segment EBITDA, which is defined as earnings before interest, taxes, depreciation, amortization, impairment and other financial items (gain (loss) on debt extinguishment, gain (loss) on derivative instruments and other items, net). Segment EBITDA is reconciled to operating income and net income in the segment presentation below. Please read “—Non-GAAP Financial Measures” below for a definition of Segment EBITDA and a reconciliation of Segment EBITDA to net income. The two segments are “Majority held FSRUs” and “Joint venture FSRUs.” In addition, unallocated corporate costs, interest income from advances to joint ventures, and interest expense related to the outstanding balances on the \$85 million revolving credit facility and the \$385 million facility are included in “Other.”

For the years ended December 31, 2021 and 2020, Majority held FSRUs includes the financing lease related to the *PGN FSRU Lampung* and the operating leases related to the *Höegh Gallant* and the *Höegh Grace*.

For the years ended December 31, 2021 and 2020, Joint venture FSRUs include the operating leases related to two 50% owned FSRUs, the *Neptune* and the *Cape Ann*, that operate under long term time charters with one charterer.

In addition, unallocated corporate costs, interest income from advances to joint ventures, and interest expense related to the outstanding balances on the \$85 million revolving credit facility and the \$385 million facility are included in “Other.”

The accounting policies applied to the segments are the same as those applied in the consolidated financial statements, except that i) Joint venture FSRUs are presented under the proportional consolidation method for the segment note and under equity accounting for the consolidated financial statements and ii) internal interest income and interest expense between the Partnership's subsidiaries that eliminate in consolidation are not included in the segment columns for the other financial income (expense), net line. Under the proportional consolidation method, 50% of the Joint venture FSRUs' revenues, expenses and assets are reflected in the segment note. Management monitors the results of operations of joint ventures under the proportional consolidation method and not the equity method of accounting.

Majority Held FSRUs. The following table sets forth details of segment results for the Majority held FSRUs for the years ended December 31, 2021 and 2020:

Majority Held FSRUs (in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Time charter revenues	\$ 141,260	\$ 143,095	\$ (1,835)
Vessel operating expenses	(28,845)	(24,072)	(4,773)
Administrative expenses	(4,873)	(3,390)	(1,483)
Segment EBITDA	107,542	115,633	(8,091)
Depreciation and amortization	(20,418)	(20,937)	519
Operating income (loss)	87,124	94,696	(7,572)
Other financial income (expense), net	(12,957)	(9,072)	(3,885)
Income (loss) before tax	74,167	85,624	(11,457)
Income tax expense	(16,290)	(5,564)	(10,726)
Net income (loss)	\$ 57,877	\$ 80,060	\$ (22,183)

Time charter revenues for the year ended December 31, 2021 were \$141.3 million, a decrease of \$1.8 million from \$143.1 million for the year ended December 31, 2020. As discussed above, the decrease was mainly due to lower time charter revenues for the *Höegh Gallant*.

[Table of Contents](#)

Vessel operating expenses for the year ended December 31, 2021 were \$28.8 million compared to \$24.1 million for the year ended December 31, 2020. The increase in vessel operating expenses are mainly related to the *Höegh Gallant* as a result of preparing and relocating the vessel for performance under the NFE Charter.

Administrative expenses for the year ended December 31, 2021 were \$4.9 million, an increase of \$1.5 million from \$3.4 million for the year ended December 31, 2020. The increase mainly reflects higher administrative expenses for the *PGN FSRU Lampung* for the year ended December 31, 2021 compared with the year ended December 31, 2020.

Segment EBITDA for the year ended December 31, 2021 was \$107.5 million, a decrease of \$8.1 million from \$115.6 million for the year ended December 31, 2020. The decrease was mainly due to lower time charter revenues, higher operating expenses and higher administrative expenses for the year ended December 31, 2021 compared with the year ended December 31, 2020.

Joint Venture FSRUs. The following table sets forth details of segment results for the Joint venture FSRUs for the years ended December 31, 2021 and 2020:

Joint Venture FSRUs (in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Time charter revenues	\$ 42,531	\$ 43,572	\$ (1,041)
Vessel operating expenses	(7,711)	(8,576)	865
Administrative expenses	(503)	(876)	373
Segment EBITDA	34,317	34,120	197
Depreciation and amortization	(9,958)	(9,965)	7
Operating income (loss)	24,359	24,155	204
Gain (loss) on derivative instruments	12,048	(6,073)	18,121
Other financial income (expense), net	(10,571)	(11,662)	1,091
Income (loss) before tax	25,836	6,420	19,416
Income tax expense	—	—	—
Net income (loss)	\$ 25,836	\$ 6,420	\$ 19,416

Time charter revenues for the year ended December 31, 2021 were \$42.5 million, a decrease of \$1.0 million compared to \$43.6 million for the year ended December 31, 2020. Lower time charter revenues for the year ended December 31, 2021 reflects lower reimbursement of costs incurred for maintenance and projects for the charterer.

Vessel operating expenses for the year ended December 31, 2021 were \$7.7 million, a decrease of \$0.9 million compared to \$8.6 million for the year ended December 31, 2020. The decrease was primarily due to a decrease in vessel operating expenses for the *Cape Ann* for the year ended December 31, 2021. The higher vessel operating expenses for the *Cape Ann* in 2020 were due to the charterer's project in India, which were partially offset by the reversal of accrued indirect taxes due to the charterer's decision during 2020 not to deploy the *Cape Ann* in India. In addition, for the year ended December 31, 2020, the *Neptune* completed an on-water class renewal survey. As a result, vessel operating expenses were somewhat higher, reflecting routine maintenance completed during the survey. The *Neptune* was on-hire during the class renewal period.

Administrative expenses for the year ended December 31, 2021 were \$0.5 million, an increase of \$0.4 million compared to \$0.9 million for the year ended December 31, 2020. The higher administrative expenses for the *Cape Ann* in 2020 were due to the charterer's project in India and start-up expenses.

Segment EBITDA was \$34.3 million for the year ended December 31, 2021, an increase of \$0.2 million compared with \$34.1 million for the year ended December 31, 2020.

[Table of Contents](#)

Other. The following table sets forth details of other results of Other for the years ended December 31, 2021 and 2020:

Other (in thousands of U.S. dollars)	Year ended December 31,		Positive (negative) variance
	2021	2020	
Administrative expenses	\$ (7,537)	\$ (6,350)	\$ (1,187)
Segment EBITDA	(7,537)	(6,350)	(1,187)
Operating income (loss)	(7,537)	(6,350)	(1,187)
Other financial income (expense), net	(16,181)	(16,985)	804
Income (loss) before tax	(23,718)	(23,335)	(383)
Income tax benefit (expense)	—	—	—
Net income (loss)	\$ (23,718)	\$ (23,335)	\$ (383)

Administrative expenses and Segment EBITDA for the year ended December 31, 2021 were each \$7.5 million, a decrease of \$1.2 million from \$6.4 million for the year ended December 31, 2020.

The increase in administrative expenses of \$1.2 million for the year ended December 31, 2021 was principally related to higher partnership legal expenses as a result of the arbitration with the charterer of the *PGN FSRU Lampung* and also the Securities Class Action (as defined below).

Other financial income (expense), net, which is not part of the segment measure of profits, includes interest incurred, commitment fees and amortization of debt issuance costs, related to the \$385 million facility. In addition, other financial income (expense), net also includes interest income accrued on the advances to our joint ventures and interest expenses related to the \$85 million revolving credit facility from Høegh LNG.

Other financial income (expense), net for the year ended December 31, 2021 was an expense of \$16.2 million, a decrease of \$0.8 million from an expense of \$17 million for the year ended December 31, 2020 principally due to repayments made under the \$385 million facility.

For the year ended December 31, 2021 the drawn balance on the revolving credit tranche under the \$385 million facility was \$63.0 million, while the drawn balance was \$48.3 million on the revolving credit tranche under the \$385 million facility as of December 31, 2020. Refer to “Liquidity and Capital Resources” below as well as note 12 of our consolidated financial statements for more information on the refinancing of the Cape Ann, Neptune and Lampung facilities.

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

See “Item 5.A Operating and Financial Review and Prospects—Operating Results—Year Ended December 31, 2020 Compared with the Year Ended December 31, 2019” in our Annual Report on Form 20-F for the year ended December 31, 2020 (our “2020 20-F”) for a discussion of our results of operations for the year ended December 31, 2020 compared to the year ended December 31, 2019 and other financial information related to the year ended December 31, 2019.

Non-GAAP Financial Measures

Segment EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Segment EBITDA is defined as earnings before interest, taxes, depreciation, amortization, impairment and other financial items less non-controlling interest in Segment EBITDA. Other financial items consist of gain (loss) on debt extinguishment, gain (loss) on derivative instruments and other items, net (including foreign exchange gains and losses and withholding tax on interest expenses). Segment EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as the Partnership's lenders, to assess its financial and operating performance. The Partnership believes that Segment EBITDA assists its management and investors by increasing the comparability of its performance from period to period and against the performance of other companies in the industry that provide Segment EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, depreciation, amortization, impairment, taxes, and other financial items, which items

[Table of Contents](#)

are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Partnership believes that including Segment EBITDA as a financial and operating measure benefits investors in (a) selecting between investing in it and other investment alternatives and (b) monitoring its ongoing financial and operational strength in assessing whether to continue to hold common units or preferred units. Segment EBITDA is a non-GAAP financial measure and should not be considered an alternative to net income, operating income or any other measure of financial performance presented in accordance with US GAAP. Segment EBITDA excludes some, but not all, items that affect net income, and these measures may vary among other companies. Therefore, Segment EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following tables reconcile Segment EBITDA for each of the segments and the Partnership as a whole to net income (loss), the comparable US GAAP financial measure, for the periods presented:

Year ended December 31, 2021						
(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations (1)	Consolidated reporting
<i>Reconciliation to net income (loss)</i>						
Net income (loss)	\$ 57,877	25,836	(23,718)	59,995		\$ 59,995 (3)
Interest income	(178)	(1)	(375)	(554)	1 (4)	(553)
Interest expense	10,469	10,546	16,360	37,375	(10,546)(4)	26,829
Depreciation and amortization	20,418	9,958	—	30,376	(9,958)(5)	20,418
Other financial items (2)	2,666	(12,022)	196	(9,160)	12,022 (6)	2,862
Income tax (benefit) expense	16,290	—	—	16,290		16,290
<i>Equity in earnings of JVs:</i>						
Interest (income) expense, net	—	—	—	—	10,545 (4)	10,545
<i>Equity in earnings of JVs:</i>						
Depreciation and amortization	—	—	—	—	9,958 (5)	9,958
<i>Equity in earnings of JVs:</i>						
Other financial items (2)	—	—	—	—	(12,022)(6)	(12,022)
Segment EBITDA	\$ 107,542	34,317	(7,537)	134,322		\$ 134,322

Year ended December 31, 2020						
(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations (1)	Consolidated reporting
<i>Reconciliation to net income (loss)</i>						
Net income (loss)	\$ 80,060	6,420	(23,335)	63,145		\$ 63,145 (3)
Interest income	(249)	(51)	(356)	(656)	51 (4)	(605)
Interest expense	7,460	11,695	16,970	36,125	(11,695)(4)	24,430
Depreciation and amortization	20,937	9,965	—	30,902	(9,965)(5)	20,937
Other financial items (2)	1,861	6,091	371	8,323	(6,091)(6)	2,232
Income tax (benefit) expense	5,564	—	—	5,564		5,564
<i>Equity in earnings of JVs:</i>						
Interest (income) expense, net	—	—	—	—	11,644 (4)	11,644
<i>Equity in earnings of JVs:</i>						
Depreciation and amortization	—	—	—	—	9,965 (5)	9,965
<i>Equity in earnings of JVs:</i>						
Other financial items (2)	—	—	—	—	6,091 (6)	6,091
Segment EBITDA	\$ 115,633	34,120	(6,350)	143,403		\$ 143,403

[Table of Contents](#)

(in thousands of U.S. dollars)	Year ended December 31, 2019					
	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations (1)	Consolidated reporting
<i>Reconciliation to net income (loss)</i>						
Net income (loss)	\$ 70,934	6,078	(24,271)	52,741		\$ 52,741 (3)
Interest income	(449)	(415)	(498)	(1,362)	415 (4)	(947)
Interest expense	9,582	12,485	18,110	40,177	(12,485)(4)	27,692
Depreciation and amortization	21,477	10,030	—	31,507	(10,030)(5)	21,477
Other financial items (2)	2,348	5,211	197	7,756	(5,211)(6)	2,545
Income tax (benefit) expense	7,278	—	(3)	7,275		7,275
<i>Equity in earnings of JVs:</i>						
Interest (income) expense, net	—	—	—	—	12,070 (4)	12,070
<i>Equity in earnings of JVs:</i>						
Depreciation and amortization	—	—	—	—	10,030 (5)	10,030
<i>Equity in earnings of JVs:</i>						
Other financial items (2)	—	—	—	—	5,211 (6)	5,211
Segment EBITDA	\$ 111,170	33,389	(6,465)	138,094		\$ 138,094

- (1) Eliminations reverse each of the income statement reconciling line items of the proportional amounts for Joint venture FSRUs that are reflected in the consolidated net income for the Partnership's share of the Joint venture FSRUs net income (loss) on the Equity in earnings (loss) of joint ventures line item in the consolidated income statement. Separate adjustments from the consolidated net income to Segment EBITDA for the Partnership's share of the Joint venture FSRUs are included in the reconciliation lines starting with "Equity in earnings of JVs."
- (2) Other financial items consist of gain and loss on debt extinguishment, gains and losses on derivative instruments and other items, net including foreign exchange gains or losses and withholding tax on interest expense.
- (3) There is no adjustment between net income for Total Segment reporting and the Consolidated reporting because the net income under the proportional consolidation and equity method of accounting is the same.
- (4) Interest income and interest expense for the Joint venture FSRUs is eliminated from the Total Segment reporting to agree to the interest income and interest expense in the Consolidated reporting and reflected as a separate adjustment to the equity accounting on the line *Equity in earnings of JVs: Interest (income) expense* for the Consolidated reporting.
- (5) Depreciation and amortization for the Joint venture FSRUs is eliminated from the Total Segment reporting to agree to the depreciation and amortization in the Consolidated reporting and reflected as a separate adjustment to the equity accounting on the line *Equity in earnings of JVs: Depreciation and amortization* for the Consolidated reporting.
- (6) Other financial items for the Joint venture FSRUs is eliminated from the Segment reporting to agree to the Other financial items in the Consolidated reporting and reflected as a separate adjustment to the equity accounting on the line *Equity in earnings of JVs: Other financial items* for the Consolidated reporting.

B. Liquidity and Capital Resources

Liquidity and Cash Needs

We operate in a capital-intensive industry, and we expect to finance the purchase of additional vessels and other capital expenditures through a combination of cash from operations, the utilization of borrowings from commercial banks and debt and equity financings. Our liquidity requirements relate to paying our unitholder distributions, servicing interest and quarterly repayments on our debt ("debt amortization"), funding working capital, funding on-water surveys or drydocking and maintaining cash reserves against fluctuations in operating cash flows. The liquidity requirements of our

[Table of Contents](#)

joint ventures relate to the servicing of debt, including repayment of shareholder loans, funding working capital, including drydocking and on-water surveys, and maintaining cash reserves against fluctuations in operating cash flows.

On July 27, 2021, our board of directors announced a reduction in the quarterly cash distribution on our common units to \$0.01 per common unit, down from a distribution of \$0.44 per common unit in the first quarter of 2021, commencing with the distribution for the second quarter of 2021 and continuing in the third and fourth quarters of 2021. We intend to use our internally generated cash flow to reduce debt levels and strengthen our balance sheet.

Our sources of liquidity and potential sources of liquidity include cash balances, cash flows from our operations, interest payments from our advances to our joint ventures and our undrawn balance of \$60.1 million under the \$85 million revolving credit facility from Höegh LNG as of March 31, 2022. However, we have received notice from Höegh LNG that it will not extend the \$85 million revolving credit facility when it matures on January 1, 2023, and that it will have very limited capacity to extend any additional advances to us thereunder beyond what is currently drawn under such facility. Further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the arbitration notice received from the charterer of *PGN FSRU Lampung*, as described below. In addition, liquidity can also be supplemented, from time to time, by net proceeds of the ATM program, depending on market conditions.

Cash and cash equivalents are denominated primarily in U.S. dollars. We do not currently use derivative instruments for other purposes than managing interest rate risks. The advances to our joint ventures (accrued interest from prior periods on repaid shareholder loans) are subordinated to the joint ventures' long-term bank debt, consisting of the New Neptune Facility and the Cape Ann facility. Under terms of the shareholder loan agreements, the repayments shall be prioritized over any dividend payment to the owners of the joint ventures. As discussed in note 17 under "Joint ventures boil-off settlement" to our consolidated financial statements and further below, the joint ventures recorded accruals for the liability for the boil-off claim under the time charters. As a precaution, the joint ventures suspended payments on the shareholder loans as of September 30, 2017 pending the outcome of the boil-off claim since the amounts and timing of a potential settlement were not clear. In February 2020, each of the joint ventures and the charterer reached a commercial settlement addressing all the past and future claims related to boil-off with respect to the *Neptune* and the *Cape Ann*. The final installment of the settlement was paid in December 2020. As of December 31, 2021, both the 1.20 historical and projected debt service coverage ratios were met by SRV Joint Gas Ltd and SRV Joint Gas Two Ltd. As a result, both entities qualify to make payments on the shareholder loans or other distributions. Refer to note 9 of our consolidated financial statements. However, the Joint ventures expect to retain cash and are not likely to pay distributions or service the shareholder loans during 2022. Dividend distributions from our joint ventures require a) agreement of the other joint venture owners; b) fulfillment of requirements of the long-term bank loans (refer to note 9 of our consolidated financial statements); and c) under Cayman Islands law may be paid out of profits or capital reserves subject to the joint venture being solvent after the distribution. Dividends from Höegh Lampung may only be paid out of profits under Singapore law. Dividends from PT Höegh may only be paid if its retained earnings are positive under Indonesian law and requirements are fulfilled under the Lampung facility. In addition, PT Höegh, as an Indonesian incorporated company, is required to establish a statutory reserve equal to 20% of its paid in capital. The dividend can only be distributed if PT Höegh's retained earnings are positive after deducting the statutory reserve. As of December 31, 2021, PT Höegh is in the process of establishing the required statutory reserves and therefore is currently unable to make dividend payments under Indonesia law. Under the Lampung facility, distributions are subject to "waterfall" provisions that allocate revenues to specified priorities of use (such as operating expenses, scheduled debt service, targeted debt service reserves and any other reserves) with the remaining cash being distributable only on certain dates and subject to satisfaction of certain conditions, including meeting a 1.20 historical debt service coverage ratio, no default or event of default then continuing or resulting from such distribution and the guarantor not being in breach of the financial covenants applicable to it. Further, until the pending arbitration with the charterer of *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved, no shareholder loans may be serviced and no dividends may be paid to the Partnership by the subsidiary borrowing under the Lampung facility, PT Höegh. Furthermore, each quarter, 50% of the *PGN FSRU Lampung*'s generated cash flow after debt service must be applied to pre-pay outstanding loan amounts under the refinanced Lampung facility, applied pro rata across the commercial and export credit tranches. The remaining 50% will be retained by PT Höegh and pledged in favor of the lenders until the pending arbitration with the charterer of *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved. As a consequence, no cash flow from the *PGN FSRU Lampung* will be available for the Partnership until the pending arbitration has been terminated, cancelled or

[Table of Contents](#)

favorably resolved. This limitation does not prohibit the Partnership from paying distributions to preferred and common unitholders.

Under Cayman Islands law, Höegh FSRU IV and Höegh Colombia Holding may only pay distributions out of profits or capital reserves if the entity is solvent after the distribution. Dividends from Höegh Cyprus may only be distributed out of profits and not from the share capital of the company. Dividends and other distributions from Höegh Cyprus, Höegh Colombia and Höegh FSRU IV may only be distributed if after the dividend payment, the Partnership would remain in compliance with the financial covenants under the \$385 million facility.

During the year ended December 31, 2021, we sold 336,992 Series A preferred units under our ATM program at an average gross sales price of \$25.12 per unit and received net proceeds, after sales commissions, of \$8.3 million. For the year ended December 31, 2021, we sold 52,603 common units under our ATM program at an average gross sales price of \$15.75 per unit and received net proceeds, after sales commissions, of \$0.8 million. We have paid an aggregate of \$0.2 million in sales commissions to the Agent in connection with such sales for the year ended December 31, 2021. From the commencement of the Prior ATM program in January 2018 through December 31, 2021, we have sold 2,489,325 Series A preferred units and 358,869 common units under the ATM programs and received net proceeds of \$63.2 million and \$6.4 million, respectively. The compensation paid to the Agent for such sales was \$1.3 million.

For the period from January 1, 2022 to March 31, 2022, no Series A preferred units or common units were sold under our ATM program.

As of December 31, 2021, we did not have material commitments for capital expenditures for our current business. However, during the fourth quarter of 2021, the *Höegh Gallant* was modified and prepared for performance under the NFE Charter, and incurred expenditures of \$4.9 million during the quarter, of which \$3.5 million has been recorded as operating expenses and \$1.4 million has been capitalized under Vessel, net of accumulated depreciation on the consolidated balance sheet. Pursuant to the Suspension and Make-Whole Agreements, the Partnership received at the end of February 2022 indemnification payments for 50% of the amount of expenditures incurred in the fourth quarter of 2021. The indemnification payments will be recorded as contributions to equity.

The Partnership is indemnified by Höegh LNG for its share of the cash impact of the settlement agreements, effective April 1, 2020, related to the boil-off claims against the joint ventures, the arbitration costs and any legal expenses, the technical modifications of the vessels and any prospective boil-off claims or other direct impacts of the settlement agreement. On April 8, 2020 and December 11, 2020, the Partnership was indemnified by Höegh LNG for its share of the joint ventures boil-off settlement payments by a reduction of \$8.6 million and \$3.3 million, respectively, on its outstanding balance on the \$85 million revolving credit facility from Höegh LNG. On March 12, 2021, the Partnership was indemnified by Höegh LNG for its share of the joint ventures performance claims for the year ended December 31, 2020 by a reduction of \$0.3 million on its balance on the \$85 million revolving credit facility from Höegh LNG. Refer to note 17 under “Joint ventures boil-off settlement” in our consolidated financial statements.

As discussed in “—Year Ended December 31, 2021 Compared with the Year Ended December 31, 2020—Time Charter Revenues” above, we exercised the right on February 27, 2020 to cause Höegh LNG to charter the *Höegh Gallant* from the expiration of the initial charter in April 2020 until July 2025. We entered into the Suspended Gallant Charter with Höegh LNG for the *Höegh Gallant*. Further, on September 23, 2021, we entered into the NFE Charter with subsidiaries of New Fortress to charter *Höegh Gallant* primarily for FSRU operations for a period of ten years, with FSRU operations commencing on March 20, 2022. From November 26, 2021 until the FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations. We also entered into the Suspension and Make-Whole Agreements with Höegh LNG for the *Höegh Gallant*, with effect from the commencement of the NFE Charter. The charter rate under the NFE Charter, in line with the current market, is lower than under the Suspended Gallant Charter. However, under the Suspension and Make-Whole Agreements, Höegh LNG’s subsidiary will compensate the Partnership monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. Afterwards, we will continue to receive the charter rate agreed with New Fortress for the remaining term of the NFE Charter. In addition, pursuant to the Suspension and Make-Whole Agreements,

[Table of Contents](#)

certain capital expenditures incurred to ready and relocate the *Höegh Gallant* for performance under the NFE Charter will be shared 50/50 between Höegh LNG and the Partnership, subject to a maximum obligation of the Partnership.

Höegh LNG's ability to make payments to us under the Suspension and Make-Whole Agreements and funding requests under the revolving credit facility and any claims for indemnification may be affected by events beyond either of the control of Höegh LNG or us, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, Höegh LNG's ability to meet its obligations to us may be impaired. If Höegh LNG is unable to meet its obligations to us under the Suspension and Make-Whole Agreements or meet funding requests or indemnification obligations, our financial condition, results of operations and ability to make cash distributions to unitholders could be materially adversely affected.

As of December 31, 2021, there were no off-balance sheet arrangements.

The outbreak of COVID-19 has negatively affected economic conditions in many parts of the world which may impact our operations and the operations of our customers and suppliers. Although our operations have not been materially affected by the COVID-19 outbreak to date, the ultimate length and severity of the COVID-19 outbreak and its potential impact on our operations and financial condition is uncertain at this time. We believe our primary risk and exposure related to uncertainty of cash flows from our long-term time charter contracts is due to the credit risk and counter-party risk associated with the individual charterers. Payments are due under time charter contracts regardless of the demand for the charterers' gas output or the utilization of the FSRU. It is therefore possible that charterers may not make payments for time charter invoices in times of reduced demand. As of March 31, 2022, we have not experienced any reduced or non-payments for obligations under our time charter contracts. In addition, we have not provided concessions or made changes to the terms of payments for our customers. Furthermore, should there be an outbreak of the COVID-19 on board one of our FSRUs or an inability to replace critical supplies or replacement parts due to disruptions to third-party suppliers, adequate crewing or supplies may not be available to fulfill our obligations under our time charter contracts. This could result in off-hire or warranty payments under performance guarantees which would reduce revenues for the impacted period. To date, we have mitigated the risk of an outbreak of the COVID-19 on board our FSRUs by extending time between crew rotations on the FSRUs and developing mitigating actions for crew rotations. As a result, we expect that we will incur somewhat higher crewing expenses to ensure appropriate mitigating actions are in place to minimize risks of outbreaks.

To date, we have not had material service interruptions on our FSRUs. Management and administrative staffs have largely transitioned to working remotely from home to address the specific COVID-19 situation in the applicable geographic location. We have supported staffs by supplying needed internet boosters and office equipment to facilitate an effective work environment. In addition, if financial institutions providing our interest rate swaps are unable to meet their obligations, we could experience higher interest expense or be unable to obtain funding. From the commencement of the Prior ATM program in January 2018 through March 31, 2022, we have sold Series A preferred units and common units for total net proceeds of \$69.6 million which has supplemented our liquidity. In current market conditions with lower unit prices, sales under the ATM program are a less viable and more expensive option for accessing liquidity. If our charterers or lenders are unable to meet their obligations to us under their respective contracts or if we are unable to fulfill our obligations under our time charter contracts, our financial condition, results of operations and ability to make cash distributions to unitholders could be materially adversely affected.

As previously reported, by letter July 13, 2021, the charterer under the lease and maintenance agreement for the *PGN FSRU Lampung* ("LOM") raised certain issues with PT Höegh in relation to the operations of the *PGN FSRU Lampung* and the LOM and by further letter dated July 27, 2021, stated that it would commence arbitration against PT Höegh. On August 2, 2021 the charterer served a notice of arbitration ("NOA") to declare the LOM null and void, and/or to terminate the LOM, and/or seek damages. PT Höegh has served a reply refuting the claims as baseless and without legal merit and has also served a counterclaim against the charterer for multiple breaches of the LOM and a claim against the parent company of the charterer for the fulfillment of the charterer's obligations under the LOM as stated in a guarantee provided by the parent company, with a claim for damages. PT Höegh will take all necessary steps and will vigorously defend the charterer's claims in the legal process.

[Table of Contents](#)

No assurance can be given at this time as to the outcome of the dispute with the charterer of the *PGN FSRU Lampung*. Notwithstanding the NOA, both parties have continued to perform their respective obligations under the LOM. In the event that the outcome of such dispute is unfavorable to us, it could have a material adverse impact on our business, results of operations, financial condition and ability to pay distributions to unitholders.

For a description of our and our joint ventures' credit facilities, please read “—Borrowing Activities” below.

As discussed in note 17 under “Indonesian corporate income tax” and “Indonesian 2019 tax audit” of our consolidated financial statements, the Partnership's Indonesian subsidiary is subject to examination by the Indonesian tax authorities for corporate income tax for up to five years following the completion of a fiscal year. On January 22, 2021, the Partnership's Indonesian subsidiary received a letter from the Indonesian tax authorities that there would be an examination by the Indonesian tax authorities for the tax return from 2019 during 2021. Additionally, in April 2022 the Partnership's Indonesian subsidiary received a letter from the Indonesian tax authorities raising certain questions and requiring certain additional information about the tax return for 2018. In June 2021, the tax audit for the *PGN FSRU Lampung*'s 2019 tax return was completed. The main finding was that the internal promissory note was reclassified from debt to equity such that 100% of the accrued interest was disallowed. The Indonesian subsidiary filed an Objection Request with Central Jakarta Regional Tax Office on September 24, 2021. The Partnership and its Indonesian subsidiary disagree with the conclusion. However, the Partnership and its subsidiary may not be successful in the appeal and have expensed and paid the additional tax for 2019 including penalties of a total of \$2.7 million as of December 31, 2021. The examinations may lead to ordinary course adjustments or proposed adjustments to the subsidiary's income taxes with respect to years under examination. Further examinations may or may not result in changes the Partnership's provisions on tax filings for the open tax years that remain subject to a potential tax audit in Indonesia. The position for the open tax years was to take a tax deduction for the interest expense on the internal promissory note. For the year ended December 31, 2019, the Partnership concluded that it does not have the level of evidence necessary to support a conclusion that the tax position is more-likely-than-not of being sustained. Accordingly, in 2021 the Partnership has recorded an increase in the uncertain tax provision, or liability, for the potential future obligation to the tax authorities for a disallowed interest deduction for the open tax years. As of December 31, 2021, the unrecognized tax benefits for uncertain tax positions were \$9.0 million.

As discussed in note 17 under “Indonesian property tax” of our consolidated financial statements, the Partnership's Indonesian subsidiary was assessed a property tax and penalties of \$3.0 million by the Indonesian authorities for the period from 2015 through 2019. The retroactive assessment was due to the issuance of new Indonesian regulations which define an FSRU as a “Building” subject to the existing property tax law. The Partnership's Indonesian subsidiary has appealed the assessment. The appeal process could take a number of years to conclude. There can be no assurance of the result of the appeal or whether the Indonesian subsidiary will prevail. As a result, the property tax and penalties were expensed as a component of vessel operating expenses for the year ended December 31, 2019. Until the appeal is concluded, the Indonesian subsidiary will be required to pay an annual property tax of approximately \$0.5 million.

As discussed in note 17 under “Colombian Municipal Industry and Commerce Tax” of our consolidated financial statements, on April 1, 2022, the Partnership's Colombian subsidiary received a notification from the Tax Administration of Cartagena assessing a penalty of approximately \$1.8 million for failure to file the 2016 to 2018 ICT returns. Refer to note 17 for details and management's assessment.

As of December 31, 2021, the total outstanding principal on our long-term debt was \$416.7 million related to the Lampung facility, the \$385 million facility, including the associated \$63 million revolving credit tranche, and the \$85 million revolving credit facility. The book value of our total long-term debt was \$411.0 million as of December 31, 2021. Refer to “—Borrowing Activities—Long-term Debt” for a description of the facilities and notes 12 and 14 of our consolidated financial statements.

As of December 31, 2021, we had outstanding interest rate swap agreements for a total notional amount of \$272.8 million to hedge against the interest rate risks of our long-term debt under the Lampung facility and the \$385 million facility. We apply hedge accounting for derivative instruments related to those facilities. We receive interest based on three-month US dollar LIBOR and pay a fixed rate of 2.8% for the Lampung facility. We receive interest based on the three-month US dollar LIBOR and pay a fixed rate ranging from 2.650% to 2.941% for the \$385 million facility. The

[Table of Contents](#)

carrying value of the liability for derivative instruments was a net liability of \$12.9 million as of December 31, 2021. Refer to note 16 of our consolidated financial statements. In addition, our joint ventures have utilized interest rate swap contracts that are not designated as hedges for accounting purposes. Refer to note 8 of our consolidated financial statements for the carrying value of the liabilities for derivative instruments of our joint ventures.

As of December 31, 2021, our current portion of long-term debt of \$46.4 million reflects principal payments for the next twelve months including an additional payment of \$2.6 million that was settled in January 2022 due to the cash sweep mechanism in the refinanced Lampung facility. Further, our balance of \$24.9 million on the \$85 million revolving credit facility is payable on January 1, 2023. As of December 31, 2021, our estimated interest commitments owed in the year ending December 31, 2022 on long-term debt, including the \$85 million revolving credit facility, and our estimated interest commitments on interest rate swaps, calculated based on our varying margins by tranche of the Lampung facility and the \$385 million facility and the fixed interest rate of the interest rate swaps since we are fully hedged, is approximately \$16.8 million. We have no additional material commitments owed in the year ending December 31, 2022. Payments on long-term debt, including the Lampung facility and the \$385 million facility, of \$345.4 million are due after December 31, 2022. Our estimated interest commitments owed in the years ending after December 31, 2022, are approximately \$33.4 million.

At present, we have limited sources of available working capital borrowings. As of March 31, 2022, the Partnership has fully drawn on the \$63 million revolving credit tranche of the \$385 million facility and has an undrawn balance of \$60.1 million on the \$85 million revolving credit facility from Höegh LNG. However, we have received notice from Höegh LNG that it will not extend the \$85 million revolving credit facility when it matures on January 1, 2023, and that it will have very limited capacity to extend any additional advances to us beyond what is currently drawn under such facility. Also, further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the Notice of Arbitration ("NOA") received from the charterer of *PGN FSRU Lampung* on August 2, 2021. With these recent changes, our liquidity and financial flexibility were reduced. Höegh LNG's ability to make loans under the revolving credit facility may be further affected by events beyond its and our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our and their ability to comply with the terms of the revolving credit facility may be impaired.

As of December 31, 2021, we had cash and cash equivalents of \$42.5 million. Current restricted cash for operating obligations of the *PGN FSRU Lampung* was \$8.4 million and long-term restricted cash required under the Lampung facility was \$11 million as of December 31, 2021. As of March 31, 2022, we had an undrawn balance of \$60.1 million on the \$85 million revolving credit facility, while the \$63 million revolving credit tranche of the \$385 million facility was fully drawn.

As of December 31, 2021, our total current liabilities exceeded total current assets by \$4.9 million. This is partly a result of the current portion of long-term debt of \$46.4 million being classified as current while restricted cash of \$11 million associated with the Lampung facility is classified as long-term. The current portion of long-term debt reflects principal payments for the next twelve months and is expected to be funded, for the most part, by future cash flows from operations. The Partnership does not intend to maintain a cash balance to fund the next twelve months' net liabilities.

We believe our cash flows from operations, including distributions to us from Höegh Cyprus, and Höegh FSRU IV as payment of intercompany interest and/or intercompany debt or dividends and payments under the Suspension and Make-Whole Agreements, will be sufficient to meet our debt amortization and working capital needs, maintain cash reserves against fluctuations in operating cash flows and pay distributions to our unitholders at the current level of distributions, for the next twelve months assuming the closing of the new Cape Ann facility on a timely basis and continuing compliance with covenants under our credit facilities and assuming that our vessels remain fully operational and that revenues are generated as per existing contractual terms.

Generally, our long-term source of funds will be cash from operations, long-term bank borrowings and other debt and equity financings. However, we may rely upon external financing sources, including bank borrowings and the issuance of debt and equity securities, to fund acquisitions and other expansion capital expenditures.

[Table of Contents](#)

For information regarding estimated maintenance and replacement capital expenditures impacting our cash distributions, refer to “Item 8.A. Consolidated Statements and Other Financial Information—The Partnership’s Cash Distribution Policy—Estimated Maintenance and Replacement Capital Expenditures.”

Cash Flows

The following table summarizes our net cash flows from operating, investing and financing activities and our cash and cash equivalents for the years presented:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Net cash provided by (used in) operating activities	\$ 79,255	\$ 85,825	\$ 85,252
Net cash provided by (used in) investing activities	(2,983)	(8)	(269)
Net cash provided by (used in) financing activities	(65,392)	(94,622)	(70,625)
Increase (decrease) in cash, cash equivalents and restricted cash	10,880	(8,805)	14,358
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(23)	49	7
Cash, cash equivalents and restricted cash, beginning of period	51,063	59,819	45,454
Cash, cash equivalents and restricted cash, end of period	\$ 61,920	\$ 51,063	\$ 59,819

Cash Flows for the Years ended December 31, 2021 and 2020

Net Cash Provided by Operating Activities

Net cash provided by operating activities was \$79.3 million for the year ended December 31, 2021 compared with \$85.8 million for the year ended December 31, 2020. Before changes in working capital, net cash flows from operating activities were \$75.7 million and \$89.0 million for the years ended December 31, 2021 and 2020, respectively. The decrease of \$13.3 million was primarily due to lower time charter revenues received, higher vessel operating expenses and expenditures incurred in relation to drydocking of the *Höegh Grace* and the *Höegh Gallant* and higher administrative costs.

Changes in working capital increased net cash provided by operating activities by \$3.6 million for the year ended December 31, 2021 compared with a decrease of \$3.2 million for the year ended December 31, 2020. For the year ended December 31, 2021, the positive contribution of changes in working capital was largely due to cash provided by increased trade payables and accrued liabilities and other payables partly offset by increased balances of trade receivables and amounts due to owners and affiliates. For the year ended December 31, 2020, the negative contribution of changes in working capital was largely due to cash used in reducing the balances on prepaid expenses and other receivables, value added tax and withholding tax liability and accrued liabilities and other payables.

Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities increased by \$3.0 million for the year ended December 31, 2021 compared with net cash used in investing activities of \$- for the year ended December 31, 2020 \$3.0 million for the year ended December 31, 2021, relates to advances to joint ventures in relation to the refinancing of the Neptune facility.

Net Cash Provided by (Used in) Financing Activities

Net cash used in financing activities was \$65.4 million and \$94.6 million for the years ended December 31, 2021 and 2020, respectively.

Net cash used in financing activities for the year ended December 31, 2021 was mainly due to the repayment of long-term debt of \$44.4 million, which includes repayment of \$18.8 million on the Lampung facility and repayment of \$25.6 million on the \$385 million facility and our payment of cash distributions to our common unit holders of \$30.8 million and our payment of cash distributions to the holders of our Series A preferred units of \$15.5 million. These payments were partially offset by the proceeds of \$6.0 million under the \$85 million revolving credit facility, and proceeds of \$0.8

[Table of Contents](#)

million and \$8.3 million for the issuance of common units and Series A preferred units, respectively, under our ATM program.

Net cash used in financing activities for the year ended December 31, 2020 was mainly due to the repayment of long-term debt of \$44.7 million, which includes repayment of \$19.1 million on the Lampung facility and repayment of \$25.6 million on the \$385 million facility and our payment of cash distributions to our common unit holders of \$60.2 million and our payment of cash distributions to the holders of our Series A preferred units of \$14.7 million. This was partially offset by the proceeds of \$21.8 million under the \$85 million revolving credit facility, and proceeds of \$3.2 million for the issuance of Series A preferred units under our ATM program.

Cash Flows for the Years ended December 31, 2020 and 2019

See “Item 5.B. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Cash Flows — Cash Flows for the Years Ended December 31, 2020 and 2019” in our 2020 20-F for a discussion of changes in our cash flows from 2019 to 2020 and other financial information related to the year ended December 31, 2019.

Borrowing Activities

Revolving Credit Facility Due to Owners and Affiliates

The following table sets forth the revolving credit facility due to owners and affiliates as of December 31, 2021 and 2020:

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Revolving credit facility due to owners and affiliates	\$ 24,942	\$ 18,465

Revolving Credit Facility with Höegh LNG

In connection with the IPO, we entered into an \$85 million revolving credit facility with Höegh LNG.

On February 28, 2016, the maturity date of the \$85 million revolving credit facility with Höegh LNG was extended to January 1, 2020, unless otherwise terminated due to an event of default. Interest on drawn amounts is payable quarterly at a rate equal to LIBOR plus a margin of 4.0%. Originally, we were required to pay a 1.4% annual commitment fee, payable quarterly, to Höegh LNG on undrawn available amounts under the revolving credit facility. On January 29, 2018, the revolving credit facility was amended eliminating the requirement to pay a commitment fee on the undrawn balance of the facility. On May 28, 2019, the repayment date on the \$85 million revolving credit facility was extended to January 1, 2023 and the terms amended for the interest rate to be LIBOR plus a margin of 1.4% in 2019, 3.0% in 2020 and 4.0% thereafter. On April 8, 2020 and December 11, 2020, we were indemnified by Höegh LNG for our share of the joint ventures' boil-off settlement payments by a reduction of \$8.6 million and \$3.3 million, respectively, on the outstanding balance on the \$85 million revolving credit facility. On April 24, 2020, August 7, 2020 and October 23, 2020, we drew \$4.5 million, \$6.6 million and \$10.7 million, respectively, on the \$85 million revolving credit facility.

On March 12, 2021, we were indemnified by Höegh LNG for our share of the joint ventures' performance claims for the year ended December 31, 2020 by a reduction of \$0.3 million on the outstanding balance on the \$85 million revolving credit facility. On May 7, 2021, we drew \$6.0 million on the \$85 million revolving credit facility. For the year ended December 31, 2021, interest expense of \$0.8 million is added to the outstanding balance on the \$85 million revolving credit facility. In July 2021, we received notice from Höegh LNG that the revolving credit line of \$85 million will not be extended when it matures in January 1, 2023, and that Höegh LNG will have very limited capacity to extend any additional advances to us beyond what is currently drawn under such facility. Also, further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the NOA received from the charterer of *PGN FSRU Lampung*.

[Table of Contents](#)

The revolving credit facility identifies various events of default that may trigger acceleration and cancellation of the facility, such as:

- failure to repay principal and interest;
- inaccuracy of representations and warranties;
- cross-default to other indebtedness held by us or our subsidiaries; and
- bankruptcy and certain other insolvency events.

Long-term Debt

The following table sets forth our long-term debt as of December 31, 2021 and 2020:

(in thousands of U.S. dollars)	As of	
	December 31,	
	2021	2020
<i>Lampung facility:</i>		
Export credit tranche	\$ 64,437	\$ 79,324
FSRU tranche	14,688	18,635
<i>\$385 million facility:</i>		
Commercial tranche	211,774	230,705
Export credit tranche	37,833	44,500
Revolving credit tranche	63,050	48,300
Outstanding principal	391,782	421,464
Lampung facility unamortized debt issuance cost	(2,751)	(2,999)
\$385 million facility unamortized debt issuance costs	(2,959)	(3,876)
Total debt	386,072	414,589
Less: Current portion of long-term debt	(46,385)	(59,119)
Long-term debt	\$ 339,687	\$ 355,470

Refer to note 12 of our consolidated financial statements for the maturity profile of the debt.

Lampung facility

In September 2013, PT Høegh (the “Borrower”) entered into a secured \$299 million term loan facility (as amended, the “Lampung facility”) with a syndicate of banks and an export credit agency for the purpose of financing a portion of the construction of the *PGN FSRU Lampung* and the Mooring. On December 24, 2021, the commercial tranche’s outstanding amount of \$15.5 million was refinanced in full and the Lampung facility was amended and restated. The Partnership is the guarantor for the Lampung facility. The term loan facility includes a commercial tranche, also referred to as the FSRU tranche, and the export credit tranche. The interest rates vary by tranche.

The refinanced FSRU tranche has an interest rate of three months LIBOR plus a margin of 3.75%. The interest rate for the export credit tranche is three months LIBOR plus a margin of 2.3%. The refinanced FSRU tranche and the export credit tranche are repayable and will amortize with equal quarterly installments to zero by June 2026, subject to a cash sweep mechanism. The weighted average interest rate, including the amortization of debt issuance costs and excluding the impact of the associated interest rate swaps, for the years ended December 31, 2021 and 2020 was 3.9% and 4.7% respectively.

The primary financial covenants under the Lampung facility are as follows:

- Borrower must maintain a minimum debt service coverage ratio of 1.10 to 1.00 for the preceding nine-month period tested on each quarterly repayment date;

[Table of Contents](#)

- The Partnership’s consolidated book equity must be greater than the higher of (i) \$200 million and (ii) 25% of total assets; and
- The Partnership’s consolidated working capital (current assets, excluding marked-to-market value of any financial derivative, less current liabilities, excluding marked-to-market value of any financial derivative and the current portion of interest-bearing debt) shall at all times be greater than zero

- The Partnership’s consolidated free liquid assets (cash and cash equivalents or available draws on credit facilities) must equal or exceed the higher of;
 - \$15 million, and
 - \$2.5 million multiplied by the number of vessels owned or leased by the Partnership (prorated for partial ownership), subject to a cap of \$20 million

The refinanced Lampung facility includes certain restrictions on the use of cash generated by *PGN FSRU Lampung* as well as a cash sweep mechanism. Until the pending arbitration with the charterer of the *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved, no shareholder loans may be serviced and no dividends may be paid to the Partnership by the Borrower under the Lampung facility. Furthermore, each quarter, 50% of the *PGN FSRU Lampung*’s generated cash flow after debt service must be applied to pre-pay outstanding loan amounts under the refinanced Lampung facility, applied pro rata across the FSRU and export tranches. The remaining 50% will be retained by the Borrower and pledged in favor of the lenders until the pending arbitration with the charterer of the *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved. As a consequence, no cash flow from the *PGN FSRU Lampung* will be available for the Partnership until the pending arbitration has been terminated, cancelled or favorably resolved. This limitation does not prohibit the Partnership from paying distributions to preferred and common unitholders.

In addition, a security maintenance ratio based on the aggregate market value of the *PGN FSRU Lampung* and any additional security must be at least 120% of the aggregate outstanding loan balance.

As of December 31, 2021 and 2020, the Borrower and the guarantor were in compliance with the financial covenants.

All project agreements and guarantees are assigned to the bank syndicate and the export credit agent and all cash accounts and the shares in PT Höegh and Höegh Lampung are pledged in favor of the bank syndicate and the export credit agent.

The Lampung facility requires cash reserves that are held for specifically designated uses, including working capital, operations and maintenance and debt service reserves. Distributions are subject to “waterfall” provisions that allocate revenues to specified priorities of use (such as operating expenses, scheduled debt service, targeted debt service reserves and any other reserves) with the remaining cash being distributable only on certain dates and subject to satisfaction of certain conditions, including meeting a 1.20 historical debt service coverage ratio, no default or event of default then continuing or resulting from such distribution and the guarantor not being in breach of the financial covenants applicable to it. The Lampung facility limits, among other things, the ability of the Borrower to change its business, sell or grant liens on its property including the *PGN FSRU Lampung*, incur additional indebtedness or guarantee other indebtedness, make investments or acquisitions, enter into intercompany transactions and make distributions.

The Lampung facility identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including total loss or sale of the *PGN FSRU Lampung*. The Lampung facility contains customary events of default such as:

- change of ownership;
- inaccuracy of representations and warranties;
- failure to repay principal and interest;
- failure to comply with the financial or insurance covenants;

[Table of Contents](#)

- cross-default to other indebtedness held by the Partnership or PT Höegh;
- occurrence of certain litigation events at the Partnership or PT Höegh;
- the occurrence of a material adverse effect in respect of the Partnership, PT Höegh or the charterer;
- breach by the contractor of any technical services agreement, master maintenance agreement or a master parts agreement pertaining to the vessel;
- termination or breach of the charter; and
- cross-default to certain material project contracts.

\$385 million Facility

On January 29, 2019, the Partnership entered into a loan agreement with a syndicate of banks to refinance the outstanding balances of the prior facility secured by the *Höegh Grace* and *Höegh Gallant*. The Partnership is the borrower (the “Borrower”) for the senior secured term loan and revolving credit facility (the “\$385 million facility”). The aggregate borrowing capacity is \$320 million on the senior secured term loan and \$63 million on the revolving credit tranche. Höegh Cyprus, which owns the *Höegh Gallant*, Höegh FSRU IV, the owner of the *Höegh Grace*, (collectively, the “Vessel Owners”), and Höegh Colombia, are guarantors for the facility (collectively, the “guarantors”). The facility is secured by, among other things, a first priority mortgage of the *Höegh Gallant* and the *Höegh Grace*, an assignment of the Höegh LNG Cyprus’, Höegh FSRU IV’s, Höegh Colombia’s rights under their respective time charters and earnings and a pledge of the Borrower’s and Guarantor’s cash accounts. The Partnership and its subsidiaries have provided a pledge of shares in Höegh Cyprus, Höegh FSRU IV and Höegh Colombia.

The senior secured term loan related to the \$385 million facility includes a commercial tranche and the export credit tranche. Each tranche is divided into two term loans for each of the *Höegh Gallant* and the *Höegh Grace*.

On January 31, 2019, the Partnership drew \$320 million under the commercial and the export credit tranches on the \$385 million facility to settle \$303.2 million and \$1.6 million of the outstanding balance and accrued interest, respectively, on the prior facility and used proceeds of \$5.5 million to pay arrangement fees due under the \$385 million facility. The remaining proceeds of \$9.6 million were used for general partnership purposes. On August 12, 2019, the Partnership drew \$48.3 million under the revolving credit tranche of the \$385 million facility, of which \$34.0 million was used to repay part of the outstanding balance on the \$85 million revolving credit facility due to Höegh LNG. There were no draws during the year ended December 31, 2020. On September 3, 2021, the Partnership drew the remaining \$14.7 million available on the revolving credit tranche of the \$385 million facility.

The commercial tranche and the revolving credit tranche related to the \$385 million facility have an interest rate of LIBOR plus a margin of 2.30%. The commitment fee on the undrawn portion of the revolving credit tranche is approximately 1.6%. The interest rate for the export credit tranche related to the \$385 million facility have fixed interest rates and guarantee commissions of 3.98% and 3.88% on the term loans related to the *Höegh Gallant* and the *Höegh Grace*, respectively. The commercial tranche is repayable quarterly with a final balloon payment of \$136.1 million due in January 2026. The term loans for export credit tranche related to the *Höegh Gallant* and the *Höegh Grace* are repayable in quarterly installments with the final payments in October 2026 and April 2028, respectively, assuming the balloon payments of the commercial tranches are refinanced. If not, the export credit agent can exercise a prepayment right for repayment of the total outstanding balance on both the terms loans of the export credit tranche of \$9.5 million upon maturity of the commercial tranche. Any outstanding balance on the revolving credit facility is due in full in January 2026. The weighted average interest rate, including the amortization of debt issuance cost and excluding the impact of the associated interest rate swaps, for the years ended December 31, 2021 and 2020 was 2.6% and 3.4%, respectively.

[Table of Contents](#)

The primary financial covenants under the \$385 million facility are as follows:

- The Partnership must maintain
 - Consolidated book equity (excluding hedge reserves and mark to market value of derivatives) equal to the greater of
 - 25% of total assets, and
 - \$150 million
 - Consolidated working capital (current assets, excluding intercompany receivables and marked-to-market value of any financial derivative, less current liabilities, excluding intercompany payables, marked-to-market value of any financial derivative and the current portion of long-term debt) shall at all times be greater than zero
 - Minimum liquidity (cash and cash equivalents and available draws under a bank credit facility for a term of more than 12 months) equal to the greater of
 - \$15 million, and
 - \$2.5 million multiplied by the number of vessels owned or leased by the Partnership (prorated for partial ownership), subject to a cap of \$20 million
 - A ratio of combined EBITDA for the Vessel Owners to debt service (principal repayments, guarantee commission, commitment fees and interest expense) for the preceding twelve months of a minimum of 115%

As of December 31, 2021 and 2020, the Borrower and the Vessel Owners were in compliance with the financial covenants.

In addition, a security maintenance ratio based on the aggregate market value of the *Höegh Gallant*, the *Höegh Grace* and any additional security must be at least 125% of the aggregate outstanding loan balance.

If the security maintenance ratio is not maintained, the relevant Borrower has 30 days to provide more security or to repay part of the loan to be in compliance with the ratio no later than 30 days after notice from the lenders.

The \$385 million facility provides that if, by January 2024, a charter with a specified rate and backlog has not been obtained for the *Höegh Gallant*, the revolving credit tranche will be cancelled and early quarterly repayments will be due under the commercial tranche and the export credit tranche. The lenders under the facility have agreed that, provided the NFE Charter remains in effect on such date, it will satisfy the requirement of this provision and no cancellation or repayment will be required.

Under the \$385 million facility, cash accounts are freely available for the use of the Borrower and the guarantors, unless there is an event of default. Cash can be distributed as dividends or to service loans of owners and affiliates provided that after the distribution the Borrower and guarantors would remain in compliance with the financial covenants. The \$385 million facility limits, among other things, the ability of the Borrower and the guarantors to change their business, grant liens on the *Höegh Gallant* or the *Höegh Grace*, incur additional indebtedness that is not *pari passu* with the \$385 million facility, enter into intercompany debt that is not subordinated to the \$385 million facility and for the Vessel Owners to make investments or acquisitions.

The \$385 million facility identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including total loss or sale of the *Höegh Gallant* or the *Höegh Grace*. The facility contains events of default such as:

- failure to repay principal and interest;
- failure to comply with the financial or insurance covenants;
- inaccuracy of representations;

[Table of Contents](#)

- cross-default to other indebtedness held by the Partnership or any its subsidiaries;
- bankruptcy and other insolvency events for the Partnership or the Guarantors;
- occurrence of certain litigation events for the Partnership or the Guarantors;
- expiration or termination of time charter contracts without replacement contracts meeting certain criteria; and
- change of control of Høegh LNG or the Partnership due to the failure of Høegh LNG to own at least 25% of our common units.

Joint Ventures Debt

The debt of our joint ventures is not consolidated on our consolidated financial statements, but it is included as a component in “Investment in and advances to joint ventures” on our consolidated balance sheet in accordance with the equity method of accounting.

Loans Due to Owners (Shareholder Loans)

The loans due to owners consist of shareholder loans where the principal amounts, including accrued interest, are repaid based on available cash after servicing of long-term bank debt. As of December 31, 2021, our 50.0% share of the outstanding balance was \$7.5 million. The shareholder loans were amended during the fourth quarter of 2021 and in January 2022 to extend the maturity and increase the loan amount by \$1.1 million to \$8.6 million in the aggregate. The shareholder loans are due not later than the 20th anniversary of the delivery date of each FSRU. The *Neptune* and the *Cape Ann* were delivered November 30, 2009 and June 1, 2010, respectively. Accordingly, the outstanding balances on the shareholder loans are classified as non-current portion of advances to joint ventures in our consolidated financial statements as of December 31, 2021. Refer to note 9 of our consolidated financial statements.

The shareholder loans are subordinated to the long-term bank debt, consisting of the New Neptune Facility and the Cape Ann facility (described below). Under terms of the shareholder loan agreements, the repayments shall be prioritized over any dividend payment to the owners of our joint ventures. The shareholder loans bear interest at a fixed rate of 8.0% per year. The Partnership is due 50.0% of the outstanding balance and the other joint venture partners have, on a combined basis, an equal amount of shareholder loans outstanding at the same terms to each of our joint ventures.

As of September 30, 2017, the joint ventures suspended payments on the shareholder loans pending the outcome of the boil-off claim. Accordingly, the outstanding balance on the shareholder loans was classified as long-term as of December 31, 2019. As of April 1, 2020, the joint ventures reached an agreement on the boil-off claim requiring full settlement during 2020. The first instalment of the settlement was paid by the joint ventures in April 2020 and the second and final instalment of the settlement was paid by the joint ventures in December 2020. Refer to note 17 of our consolidated financial statements under “Joint ventures boil-off settlement.” The shareholder loans are subordinated to long-term bank debt and the repayment plan is subject to quarterly discretionary revisions based on available cash after servicing of the long-term bank debt and meeting a 1.20 historical and projected debt service coverage ratio. As of December 31, 2021, both the 1.20 historical and projected debt service coverage ratios were met by SRV Joint Gas Ltd and SRV Joint Gas Two Ltd. As a result, both SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. qualify to make payments on the shareholder loans or other distributions.

Neptune Facility

In December 2007, our joint venture owning the *Neptune*, as the borrower, entered into a \$300 million secured facility with a syndicate of banks as long-term financing of the construction of the *Neptune* (the “Neptune facility”). On November 30, 2021, our joint venture and the owner of the Neptune, closed the refinancing of the Neptune debt facility (the “New Neptune Facility”) which has an initial loan amount of \$154 million and which is scheduled to be fully amortized with quarterly debt service over a period of 8 years based on an annuity repayment profile. As of

[Table of Contents](#)

December 31, 2021, our 50.0% share of the outstanding balance, excluding deferred debt issuance cost, was \$77.0 million. The New Neptune Facility is secured with a first priority mortgage of the *Neptune*, an assignment of its rights under the time charter and a pledge of the borrower's cash accounts. We and the other owners of the borrower have provided a pledge of shares in the borrower as security for the facility. In addition, each of the Partnership and MOL guarantee payment of their 50.0% share of amounts owed under the New Neptune Facility, up to a specified cap of \$15 million in aggregate and until the date falling three years after utilization of the New Neptune Facility.

The New Neptune Facility is repayable in quarterly installments over 8 years going to zero in 2029. The New Neptune Facility bears interest at a rate equal to three months LIBOR plus a margin of 1.75%. The syndicate of banks also provides interest rate swap contracts to the borrower covering the period to 2029, which are not reflected in the LIBOR rate for the facility. The fair value of the swaps as of December 31, 2021 was negative \$29.8 million. The interest rate swap contracts were adjusted and continued upon refinancing of the Neptune facility in 2021.

Under the New Neptune Facility, the borrower must maintain a debt service coverage ratio of not less than 1.05 for the preceding twelve-month period, being tested on a quarterly basis.

Furthermore, the borrower is required to maintain insurance coverage for damage to the FSRU equivalent to 120.0% of the aggregate outstanding loan balance and loss of hire insurance. The borrower must maintain cash accounts with the syndicate of banks for its operating account and restricted cash for debt service for the next 6 months, including interest payments on the facility and associated interest rate swap contracts and certain distribution accounts. Cash in the operating account from hire rates will be applied for the following purposes in the following order; first, to pay operating costs, insurance, taxes and technical management fees; second, to transfer to the debt service retention account on each debt service retention date all or part of the debt service retention amount for such debt service retention date; third, to transfer funds to the restricted cash account for debt service until reserve requirements are met; finally, to transfer funds to certain distribution accounts. Certain conditions apply to making distributions from the distribution accounts, including meeting a 1.20 historical and projected debt service coverage ratio, no event of default must then be continuing, and debt service reserve and retention accounts are fully funded. The facility agreement limits the borrower's ability to raise additional debt, enter into certain material transactions and make guarantees.

The New Neptune Facility identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including total loss or sale of the *Neptune*. The New Neptune Facility contains customary events of default such as:

- change of ownership;
- inaccuracy of representations and warranties;
- failure to repay principal and interest;
- cross-default to other indebtedness held by the borrower;
- bankruptcy and other insolvency events related to the borrower; and
- breach of the charter.

Cape Ann Facility

In December 2007, our joint venture owning the *Cape Ann*, as the borrower, entered into a \$300 million secured facility with a syndicate of banks as long-term financing of the construction of the *Cape Ann* (the "Cape Ann facility"). As of December 31, 2021, our 50.0% share of the outstanding balance, excluding deferred debt issuance cost, was \$88.4 million. The Cape Ann facility is secured with a first priority mortgage of the *Cape Ann*, an assignment of its rights under the time charter and a pledge of the borrower's cash accounts. We and the other owners of the borrower have

[Table of Contents](#)

provided a negative pledge of shares in the borrower as security for the facility. In addition, Höegh LNG and MOL guarantee funding of drydocking costs and remarketing efforts in the event of an early termination of the charter.

The Cape Ann facility is repayable in quarterly installments over 12 years with a final balloon payment of \$169 million, of which \$84.5 million is our share, due in June 2022. The Cape Ann facility bears interest at a rate equal to three months LIBOR plus a margin of 0.5%. The syndicate of banks also provides interest rate swap contracts to the borrower covering the period until 2030, which are not reflected in the LIBOR rate for the facility. The fair value of the swaps as of December 31, 2021 was negative \$30.2 million.

There are no financial covenants in the Cape Ann facility, but certain other covenants and restrictions apply. The borrower is required to maintain insurance coverage for damage to the FSRU equivalent to 120.0% of the aggregate outstanding loan balance and loss of hire insurance. The borrower must maintain cash accounts with the syndicate of banks for its operating account and restricted cash for debt service for the next 6 months, including interest payments on the facility and associated interest rate swap contracts and certain distribution accounts. Cash in the operating account from hire rates will be applied for the following purposes in the following order; first, to pay operating costs, insurance, taxes and technical management fees; second, to transfer to the debt service retention account on each debt service retention date all or part of the debt service retention amount for such debt service retention date; third, to transfer funds to the restricted cash account for debt service until reserve requirements are met; finally, to transfer funds to certain distribution accounts. Certain conditions apply to making distributions from the distribution accounts, including meeting a 1.20 historical and projected debt service coverage ratio, no event of default then continuing, and debt service reserve and retention accounts are fully funded. The facility agreement limits the borrower's ability to raise additional debt, enter into certain material transactions and make guarantees.

The Cape Ann facility identifies various events that may trigger mandatory reduction, prepayment and cancellation of the facility, including total loss or sale of the *Cape Ann*. The Cape Ann facility contains customary events of default such as:

- change of ownership;
- inaccuracy of representations and warranties;
- failure to repay principal and interest;
- cross-default to other indebtedness held by the borrower;
- bankruptcy and other insolvency events related to the borrower; and
- termination or breach of the charter.

On December 15, 2021, our joint venture and the owner of the *Cape Ann*, signed a new loan agreement to refinance the existing Cape Ann debt facility that matures on June 1, 2022. The new loan facility is for an amount of \$154.1 million. Subject to customary closing conditions, the closing and the drawdown under the new facility are expected to occur on or about the maturity date of the existing facility. The above-mentioned interest rate swap contracts have to be restructured and potentially settled upon maturity of the Cape Ann facility in 2022. The terms and conditions for the new Cape Ann facility are largely identical to the New Neptune Facility.

C. Research and Development, Patents and Licenses, Etc.

Not applicable.

D. Trend Information

Outlook

The Partnership believes its primary risk and exposure related to uncertainty of cash flows from its long-term time charter contracts is due to the credit risk and counterparty risk associated with the individual charterers. Payments are due under time charter contracts regardless of the demand for the charterer's gas output or the utilization of the FSRU. It is therefore possible that charterers may not make payments for time charter services in times of reduced demand. While there is a pending arbitration, as of March 31, 2022, the Partnership has not experienced any reduced or non-payments for obligations under the Partnership's time charter contracts. In addition, the Partnership has not provided concessions or made changes to the terms of payment for its customers.

Höegh LNG has indemnified the Partnership for the joint ventures' boil-off settlement, leased the *Höegh Gallant* under the Suspended Gallant Charter, entered into the Suspension and Make-Whole Agreements and provided the Partnership the \$85 million revolving credit facility. However, in July 2021, the Partnership received notice from Höegh LNG that the revolving credit line of \$85 million will not be extended when it matures on January 1, 2023, and that Höegh LNG will have very limited capacity to extend any additional advances to the Partnership beyond what is currently drawn under such facility. Also, further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the NOA received from the charterer of *PGN FSRU Lampung*. With these recent changes, the Partnership's liquidity and financial flexibility has been reduced. If Höegh LNG is unable to meet its obligations to us under the Suspension and Make-Whole Agreements or meet funding requests or indemnification obligations, our financial condition, results of operations and ability to make cash distributions to unitholders could be materially adversely affected.

Höegh LNG's ability to make payments to the Partnership under the Suspension & Make-Whole Agreements and any funding requests under the \$85 million revolving credit facility and any claims for indemnification may be affected by events beyond the control of Höegh LNG or us, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, Höegh LNG's ability to meet its obligations to us may be impaired.

If financial institutions providing the Partnership's interest rate swaps are unable to meet their obligations, the Partnership could experience a higher interest expense or be unable to obtain funding. Furthermore, if the Partnership's charterers or lenders are unable to meet their obligations under their respective contracts or if the Partnership is unable to fulfill its obligations under time charters, its financial condition, results of operations and ability to make cash distributions to unitholders could be materially adversely affected.

As previously reported, by letter dated July 13, 2021, the charterer under the LOM for the *PGN FSRU Lampung* raised certain issues with PT Höegh in relation to the operations of the *PGN FSRU Lampung* and the LOM and by further letter dated July 27, 2021, stated that it would commence arbitration against PT Höegh. On August 2, 2021 the charterer served a notice of arbitration to declare the LOM null and void, and/or to terminate the LOM, and/or seek damages. PT Höegh has served a reply refuting the claims as baseless and without legal merit and has also served a counterclaim against the charterer for multiple breaches of the LOM and a claim against the parent company of the charterer for the fulfilment of the charterer's obligations under the LOM as stated in a guarantee provided by the parent company, with a claim for damages. PT Höegh will take all necessary steps and will vigorously defend against the charterer's claims in the legal process.

No assurance can be given at this time as to the outcome of the dispute with the charterer of the *PGN FSRU Lampung*. Notwithstanding the NOA, both parties have continued to perform their respective obligations under the LOM. In the event the outcome of the dispute is unfavorable to the Partnership, it could have a material adverse impact on its business, financial condition, results of operations and ability to make distributions to unitholders.

Since implementing its prior ATM program in January 2018 until March 31, 2022, the Partnership has sold preferred units and common units for total net proceeds of \$69.6 million which have supplemented the Partnership's liquidity. In current market conditions with lower unit prices, sales under the new ATM program are a less viable and more expensive option for accessing liquidity.

[Table of Contents](#)

The outbreak of COVID-19 has negatively affected economic conditions in many parts of the world which may impact the Partnership's operations and the operations of its customers and suppliers. Although the Partnership's operations have not been materially affected by the COVID-19 outbreak to date, the ultimate length and severity of the COVID-19 outbreak and its potential impact on the Partnership's operations and financial condition is uncertain at this time. Furthermore, should there be an outbreak of COVID-19 on board one of the Partnership's FSRUs or an inability to replace critical supplies or replacement parts due to disruptions to third-party suppliers, adequate crewing or supplies may not be available to fulfill the Partnership's obligations under its time charter contracts. This could result in off-hire or warranty payments under performance guarantees which would reduce revenues for the impacted period. To date, the Partnership has mitigated the risk of an outbreak of COVID-19 on board its vessels by extending time between crew rotations on the vessels and developing mitigating actions for crew rotations. As a result, the Partnership expects that it will incur somewhat higher crewing expenses to ensure appropriate mitigating actions are in place to minimize the risk of outbreaks. To date, the Partnership has not had material service interruptions on the Partnership's vessels. Management and administrative staffs have largely transitioned to working remotely from home to address the specific COVID-19 situation in the applicable geographic location. The Partnership has supported staffs by supplying needed internet boosters and office equipment to facilitate an effective work environment.

Pursuant to the omnibus agreement that the Partnership entered into with Höegh LNG at the time of the initial public offering, Höegh LNG was obligated to offer to the Partnership any FSRU or LNG carrier operating under a charter of five or more years.

Following the Amalgamation some provisions of the omnibus agreement terminated by their terms, including (i) the prohibition on Höegh LNG from acquiring, owning, operating or chartering any Five-Year Vessels, (ii) the prohibition on us from acquiring, owning, operating or chartering any Non-Five-Year Vessels, and (iii) the rights of first offer associated with those rights. As a consequence, following the consummation of the Amalgamation, Höegh LNG is not required to offer us Five-Year Vessels and is permitted to compete with us.

On October 27, 2021, a federal securities class action lawsuit was filed against the Partnership and certain of its current and former officers in the United States District Court for the District of New Jersey. The name of the case is *In re Höegh LNG Partners LP, Securities Litigation*, Case No. 2:21-cv-19374 KM-JBC (the "Securities Class Action"). The complaint alleges that the Partnership made materially false and misleading statements about its business and operations, and seeks unspecified damages, attorneys' fees and any other relief the court deems proper. On March 11, 2022, the Court appointed lead plaintiffs and lead counsel for the class, and the Court has issued a schedule for the filing of a consolidated amended complaint and briefing on defendants' anticipated motion to dismiss. The Partnership believes the allegations in this suit are without merit and intends to vigorously defend against it.

On December 6, 2021, the Partnership announced that the HMLP Board received an unsolicited non-binding proposal, dated December 3, 2021, from Höegh LNG pursuant to which Höegh LNG would acquire through a wholly owned subsidiary all publicly held common units of the Partnership in exchange for \$4.25 in cash per common unit. Höegh LNG has proposed that a transaction would be effectuated through a merger between the Partnership and a subsidiary of Höegh LNG (the "Offer"). The HMLP Board has authorized the Conflicts Committee of the HMLP Board, comprised only of non-Höegh LNG affiliated directors, to review and evaluate the Offer. The Conflicts Committee has retained advisors and discussions regarding a potential transaction are ongoing. The proposed transaction is subject to a number of contingencies, including the approval by the Conflicts Committee, the HMLP Board and the Höegh LNG board of directors of any definitive agreement and, if a definitive agreement is reached, the approval by the holders of a majority of outstanding common units in the Partnership. The transaction would also be subject to customary closing conditions. There can be no assurance that definitive documentation will be executed or that any transaction will materialize.

The statements in this section are forward-looking statements based on management's current expectations and certain material assumptions and, accordingly, involve risks and uncertainties that could cause actual results, performance and outcomes to differ materially from those expressed herein. Please also see "Item 3.D. Key Information — Risk Factors" and "Item 5. Operating and Financial Review and Prospects — Items You Should Consider When Evaluating Our Historical Financial Performance and Assessing Our Future Prospects."

E. Critical Accounting Estimates

Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with US GAAP requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The following is a discussion of the accounting policies applied by us that are considered to involve a higher degree of judgment in their application. Please read note 2 of our consolidated financial statements.

Time Charter Revenue Recognition

Lease revenue recognition:

In February 2016, the Financial Accounting Standards Board (“FASB”) issued revised guidance for leasing, *Leases*, that amends the accounting guidance on leases for both lessors and lessees. On January 1, 2019, we adopted the new standard using the optional transition method to apply the new standard at the transition date of January 1, 2019 with no retrospective adjustments to prior periods. We are the lessor for time charters for our FSRUs. There were no changes to the timing or amount of revenue recognized and, therefore, no cumulative effect adjustment to retained earnings of initially applying the standard related to the lessor accounting.

Leases are classified based upon defined criteria either as sale-type/direct financing leases (“financing leases”) or operating leases. A lease that transfers substantially all of the benefits and risks of the FSRU to the charterer is accounted for as a financing lease by the lessor. All other leases that do not meet the criteria are classified as operating leases. On January 1, 2019, when adopting the revised leasing guidance, we elected the package of practical expedients and did not reassess conclusions under the previous standard about whether any existing contracts are, or contain leases, lease classification, and initial direct costs for any existing leases. Accordingly, outstanding leases on January 1, 2019, continue to be classified in accordance with the prior lease guidance.

The lease component of time charters that are accounted for as operating leases is recognized on a straight-line basis over the term of the charter. The Suspended Gallant Charter was, and the NFE Charter is, accounted for as an operating lease. The *Höegh Grace’s* time charter contracts, which have a non-cancellable charter period of ten years, are accounted for as an operating lease. Under one of the time charter contracts, the contract provides for additional variable payments, including a finance component, over the initial term depending upon the actual commencement date of the contract within a defined window of potential commencement dates. The variable payments are considered directly related to the lease performance obligation. The revenue, excluding the financing component, is recognized over the initial 10-year term. Payments made by the charterer directly to the tax authorities on behalf of the subsidiaries for final income tax directly related to the provision of the lease is recorded as a component of lease revenues. The amount of non-cash revenue is disclosed separately in the consolidated statement of cash flows.

The lease component of time charters that are accounted for as financing leases is recognized over the lease term using the effective interest rate method and is included in time charter revenues. Origination costs related to the time charter are a component of the net investment in financing lease and amortized over the lease term using the effective interest method. Financing leases are reflected on the consolidated balance sheets as net investments in financing leases. The *PGN FSRU Lampung* time charter, which had a 20-year lease term at inception, meets the criteria of transferring substantially all of the benefits and risks to the charterer and is accounted for as a financing lease.

[Table of Contents](#)

Time charter services revenue recognition:

Variable consideration for the time charter services performance obligation, including amounts allocated to time charter services, estimated reimbursements for vessel operating expenses and estimated reimbursements of certain types of costs and taxes, are recognized as revenues as the performance obligation for the 24-hour interval is fulfilled, subject to adjustment for off-hire and performance warranties. Constrained variable consideration is recognized as revenue on a cumulative catch-up basis when the significant uncertainty related to that amount of variable consideration to be received is resolved. Estimates for variable consideration, including constrained variable consideration, are reassessed at the end of each period. Payments made by the charterer directly to the tax authorities on behalf of the subsidiaries for advance collection of income taxes directly related to the provision of the time charter services are recorded as a component of time charter service revenues. The amount of non-cash revenue is disclosed separately in the consolidated statement of cash flows.

Joint venture FSRUs lease and time charter services revenue recognition:

Our interest in the Joint venture FSRUs' net income is included in the consolidated financial statements under the equity method of accounting, however, the Joint venture FSRUs' results are presented under the proportional consolidation method for the segment note and the time charter revenue note (notes 3 and 4, respectively, of our consolidated financial statements). The *Neptune's* and the *Cape Ann's* time charters, which had a twenty-year lease term at inception, are accounted for as operating leases. The joint ventures' time charters include provisions for the charterer to make upfront payments to compensate for variable cost for certain vessel modifications, drydocking costs, other additions to equipment or spare parts. The expenditures are considered costs required to fulfill the lease component of the contract. Payments for modifications are deferred and amortized over the shorter of the remaining charter period or the useful life of the additions. Payments for reimbursement of drydocking costs are deferred and recognized on a straight-line basis over the period to the next drydocking.

The accounting policy for time charter services for the joint ventures is the same as described above.

Significant judgments in revenue recognition:

We do not provide stand-alone bareboat leases or time charter services for FSRUs. As a result, observable stand-alone transaction prices for the performance obligations are not available. The estimation of the transaction price for the lease and the time charter service performance obligation is complex, subject to a number of input factors, such as market conditions when the contract is entered into, internal return objectives and pricing policies, and requires substantial judgment. Significant changes in the transaction price between the two performance obligations could impact conclusions on the accounting for leases as financing or operating leases. In addition, variable consideration is estimated at the most likely amount that we expect to be entitled to. Variable consideration is reassessed at the end of the reporting period taking into account performance warranties. The time charter contracts include provisions for performance guarantees that can result in off-hire, reduced hire, liquidated damages, or other payments for performance warranties. Measurement of some of the performance warranties can be complex and require properly calibrated equipment on the vessel, complex conversions and computations based on substantial judgment in the interpretation of the contractual provisions. Conclusions on compliance with performance warranties impact the amount of variable consideration recognized for time charter services.

Evaluation of whether a time charter should be accounted for as an operating or financing lease requires use of judgment. In addition to estimating the transaction price for the lease element, our evaluations of each time charter require that we estimate the fair value of our FSRUs, the estimated useful lives of those vessels, whether the option price, if any, represents a bargain purchase option, whether options to extend the time charter are reasonably assured and other factors. The impact of the change in such estimates could impact our evaluation of the accounting for the time charters as financing leases, if the criteria are met, or operating leases.

[Table of Contents](#)

Estimated Useful Lives

The estimated economic life of our FSRUs is 40 years. Depreciation of FSRUs is calculated on a straight-line basis using our estimated useful life, less the estimated residual value. Our estimated useful life represents our best estimate of the period we will use the vessel, while the estimated economic life may involve periods an asset will be used by others. Our business model is to provide time charters of five years or more. Charterers tend to prefer newer vessels for long-term charters. Accordingly, we have estimated that the estimated useful life, or depreciable life, to us is 35 years.

Valuation of Derivative Instruments

Under our risk management policies, we currently use derivative instruments to manage interest rate risk. On January 1, 2019, the Partnership adopted *Derivatives and Hedging, Targeted Improvements to Accounting for Hedging Activities* on a prospective basis. For interest rate swaps qualifying as cash flow hedges, the entire change in fair value of the cash flow hedge included in the assessment of hedge effectiveness is included in other comprehensive income (OCI) with the result that the hedge ineffectiveness is no longer recognized in earnings. Those amounts are reclassified to earnings in the same income statement line as the hedged item when hedged item affects earnings. In order to designate a derivative as a cash flow hedge, formal documentation of the relationship between the derivative and the hedged item is required. This documentation includes the strategy and risk management objective for undertaking the hedge and the method that will be used to assess the effectiveness of the hedge.

The fair values of the interest rates swaps are estimated based on the present value of cash flows over the term of the instruments based on the relevant LIBOR interest rate curves, adjusted for our credit worthiness and the credit worthiness of the counterparty to the derivative. Determining credit worthiness is highly subjective and requires significant judgment.

Loss contingencies

Accruals are recorded for loss contingencies or claims when it is probable that a liability will be incurred, and the amount of loss can be reasonably estimated. Significant judgment is required to determine the probability and the estimated amount of loss. Such assessments involve complex judgments about future events and estimates and assumptions that are deemed reasonable by management. Accruals are reviewed quarterly and adjusted to reflect the impact of additional information such as the impact of negotiations, advice of legal counsel or settlements.

As discussed in note 17 under “Joint ventures boil-off settlement” to our consolidated financial statements, the joint ventures had as of December 31, 2019 recorded accruals for the probable liability for boil-off claim related to performance standards as specified in the time charters which has been settled in full during 2020. Significant judgment is required to assess the interpretation of the contractual provisions related to performance standards, warranties, associated exclusions, the interaction of the contractual provisions, advice of legal counsel, the arbitration determination of key contractual interpretations and the application of the performance data and technical input associated with quantification of potential ranges of outcomes which might occur as a result of future events, such as a final arbitration award or a negotiated settlement, for the claim. In February 2020, each of the joint ventures and the charterer reached a commercial settlement addressing all past and future claims related to boil-off with respect to the *Neptune* and the *Cape Ann*. The settlement amount is in line with the accrual made by the joint ventures. Accordingly, the accrual was unchanged as of December 31, 2019. The final settlement and release agreements were signed on and had an effective date of April 1, 2020 and the boil-off claim has been fully settled and paid in two instalments during 2020.

Recent Accounting Pronouncements

Recently adopted accounting pronouncements

Refer to note 2, under “Recently adopted accounting pronouncements,” of our consolidated financial statements for a complete discussion of recent accounting pronouncements.

Item 6. Directors, Senior Management and Employees

Management of Höegh LNG Partners LP

Our partnership agreement provides that our general partner will irrevocably delegate to our board of directors the authority to oversee and direct our operations, management and policies on an exclusive basis, and such delegation will be binding on any successor general partner of the Partnership. Our general partner, Höegh LNG GP LLC, is wholly owned by Höegh LNG. Our officers will manage our day-to-day activities consistent with the policies and procedures adopted by our board of directors.

Employees of affiliates of Höegh LNG provide services to us under the administrative services Agreement. Please read “Item 7.B. Related Party Transactions—Administrative Services Agreements.”

A. Directors and Senior Management

The following table provides information about our directors and executive officer. The business address for each of our directors and executive officer is Canon’s Court, 5th Floor, 22 Victoria Street, Hamilton, HM12, Bermuda.

Name	Age	Position
John V. Veech	63	Chairman of the Board of Directors
Tonesan Amissah	56	Director
Alberto Donzelli	46	Director
Carlo Ravizza	40	Director
Kathleen McAllister	57	Director, Member of Audit Committee, Member of the Conflicts Committee
Robert Shaw	66	Director, Member of Audit Committee, Member of the Conflicts Committee
David Spivak	54	Director, Member of Audit Committee, Member of the Conflicts Committee
Håvard Furu	47	Interim Chief Executive Officer and Chief Financial Officer

John V. Veech was appointed as chairman of our board of directors in June 2021. Mr. Veech is a Senior Advisor for Morgan Stanley Infrastructure Partners (“MSIP”). From February 2009 until May 2021, he was a Managing Director and Head/Chairman of the Americas Region for MSIP. With over 30 years of principal investing, advisory, and project finance experience, Mr. Veech has extensive knowledge in acquisitions, financings and management of infrastructure assets. Prior to joining MSIP, Mr. Veech was a Managing Director in Lehman Brothers’ Private Equity Division, and prior to that, was Global Head of Project Finance. Prior to joining Lehman Brothers, Mr. Veech was a Vice President at Salomon Brothers and an attorney with Skadden, Arps, Slate, Meagher & Flom LLP and with the U.S. Securities and Exchange Commission. He holds a J.D., cum laude, from Boston University School of Law, where he was an editor of the Annual Review of Banking Law, and a B.S. magna cum laude, from Lehigh University. Mr. Veech currently serves on the boards of directors of Brazos Midstream, Bayonne Energy Center, LLC and Red Oak Power LLC, all of which are MSIP portfolio companies.

Tonesan Amissah has served as our director since June 2021. Ms. Amissah is the Managing Director of Appleby Global Services Bermuda (“AGS”), where she oversees all aspects of client service and is a former partner of Appleby (Bermuda) Limited (“Appleby”), where she practiced within the corporate department as a member of the corporate finance and funds & investment services teams, having joined Appleby in 1989. She also serves as a director of Höegh LNG and a number of other companies, the majority of which are clients of AGS. Ms. Amissah holds a law degree from the London School of Economics and Political Science and qualified as a Barrister at Holborn Law Tutors in 1988. She is a member of the Bermuda Bar Association, the Institute of Directors and has been an accredited speaker for the Regulatory and Compliance Association since 2015.

Alberto Donzelli has served as our director since June 2021. Mr. Donzelli is a Managing Director and co-head of Europe for MSIP. Prior to joining MSIP in 2009, Mr. Donzelli worked in the investment banking businesses of UBS and Credit Suisse. He also serves as a director of Höegh LNG. Mr. Donzelli holds a degree in Business Administration from Bocconi University in Milan, Italy.

[Table of Contents](#)

Carlo Ravizza has served as our director since June 2021. Mr. Ravizza joined Hoegh Capital Partners (“HCP”) in 2010 and is an Investment Director at HCP’s London office. He is primarily involved on the direct investment side of the portfolio with responsibility over a number of HCP’s strategic investments where he has undertaken various initiatives entailing acquisitions, disposals, fundraising, restructuring, performance improvement and governance. Before joining HCP, Mr. Ravizza spent four years in the advisory business while working at McKinsey & Company, Bain & Company, JP Morgan, Alvarez & Marsal and AlixPartners. In this context, he advised leading European clients in cross border strategy, corporate finance and restructuring projects. Mr. Ravizza holds a degree in Business Administration Cum Laude from University of Turin (Italy) and an MBA from London Business School.

Kathleen McAllister has served as our director since July 2017. Ms. McAllister served as President, Chief Executive Officer, and Director of Transocean Partners LLC from 2014 and as Chief Financial Officer in 2016. From 2011 to 2014 Ms. McAllister served as Vice President and Treasurer of Transocean Ltd. and led the initial public offering of Transocean Partners in 2014 after holding roles of increasing responsibility in corporate and operations, finance, treasury, accounting and tax with Transocean. Ms. McAllister began her career at Deloitte in 1989 and served in various finance, treasury, accounting and tax roles at Baker Hughes, Helix Energy Solutions Group and Veritas DGC Inc. prior to joining Transocean. Ms. McAllister serves as an independent non-executive director of Black Hills Corporation (since 2019) and The Metals Company (since 2022) where she chairs the Audit Committee, and previously served as an independent non-executive board member of Maersk Drilling (2019 to 2021) where she chaired the Audit and Risk Committee. Ms. McAllister serves on the National Association Corporate Directors Board (NACD) Texas TriCities Chapter Board and as Program Committee Co-chair, the University of Houston-Clear Lake College of Business Dean’s Advisory Council and the Board of Aid to Victims of Domestic Abuse (AVDA). Ms. McAllister holds a Bachelor of Science degree in Accounting (with Honors) from the University of Houston-Clear Lake and is a NACD Board Leadership Fellow and a Certified Public Accountant.

Robert Shaw has served as our director since April 2014. Since 2008, Mr. Shaw has been an owner and a managing director of Mystras Ventures LLC, which makes dry bulk shipping industry-related investments. He is a managing director of Sea Trade Holdings Inc., that owns and operates dry bulk carriers. Mr. Shaw is a director of The Steamship Mutual Underwriting Association (Bermuda) Limited, which is a mutual insurance association that insures its members against various risks arising out of the operations of ships. From 2001 to 2007, Mr. Shaw held various positions at Navios Maritime Holdings Inc., including board member, Executive Vice President, General Counsel and President. From 1985 to 2000, Mr. Shaw was a partner at Healy & Baillie LLP, a law firm specializing in shipping and international commercial law. Mr. Shaw also was the chairman and is a member and the secretary of the board of the Carnegie Council for Ethics in International Affairs and has served as a board member and the President of the Society of Maritime Arbitrators, Inc. Mr. Shaw was admitted to the Law Society of England and Wales in 1980 and the New York bar in 1981 and holds a Bachelor of Arts in Jurisprudence from St John’s College, Oxford University.

David Spivak has served as our director since April 2014. Mr. Spivak has close to 30 years of capital markets and corporate finance experience, having built a career as an investment banker, capital markets advisor and chief financial officer for both private and public companies. Currently, Mr. Spivak serves as President of Brockstreet Capital, an investment and corporate finance advisory firm. Prior to founding Brockstreet, Mr. Spivak was Group Chief Financial Officer and Senior Vice President, Corporate Development of Persis Holdings Ltd., a private investment company based in Vancouver, Canada. Mr. Spivak also served as Chief Financial Officer of Seaspan Corporation, the world’s largest containership lessor. Mr. Spivak spent over 17 years at Citigroup as an investment banker, holding numerous positions, including Managing Director in the Investment Banking and US Equity Capital Markets Groups, Canadian Head of Global Capital Structuring and Chief Operating Officer of Citigroup Global Markets Canada. Mr. Spivak spent half a decade in New York where he led Citigroup’s equity capital markets business in the aircraft leasing, maritime and SPAC sectors. Earlier in his career, Mr. Spivak worked at Coopers & Lybrand in the Financial Advisory Services Group. Mr. Spivak holds a Master of Business Administration from the University of Chicago and a Bachelor of Commerce from the University of Manitoba. He is a Certified Public Accountant (inactive). Mr. Spivak currently serves as an independent non-executive director of Accord Financial Corp.

Havard Furu has served as interim Chief Executive Officer since November 2021. He has served as the Chief Financial Officer since August 2020. Since 2019, Mr. Furu has served as Chief Financial Officer for Höegh LNG through his employment with Höegh LNG AS. From 2017 until February 2019, Mr. Furu served as the chief financial officer of the

law firm Wikborg Rein. From 2009 to 2017, he was the chief financial officer of Western Bulk, a drybulk carrier operator. From 2005 to 2009, Mr. Furu was employed by BW Gas in various positions within the finance area, including Assistant Director Strategy and Finance. From 1997 until 2005 he held various positions within auditing with PriceWaterhouse Coopers. Mr. Furu holds a BSc Economics and Business Administration as well as being a Chartered Accountant from the Norwegian School of Business Administration (NHH) in Bergen, Norway. He is a Norwegian citizen.

B. Compensation

Reimbursement of Expenses of Our General Partner

Our general partner does not receive compensation from us for any services it provides on our behalf, although it is entitled to reimbursement for expenses incurred on our behalf. In addition, we and our joint ventures reimburse subsidiaries of Höegh LNG under various services agreements related to our vessels. Please read “Item 7.B. Related Party Transactions.”

Executive Compensation

On November 1, 2021, Mr. Sveinung J. S. Støhle stepped down from his position as the Partnership’s Chief Executive Officer in order to pursue an alternative career opportunity. The Board of Directors of the Partnership is undertaking a process to select a successor for the CEO position, and has appointed Håvard Furu, the Partnership’s Chief Financial Officer, to also act as the Partnership’s interim Chief Executive Officer while the board conducts its search. Our officers and employees and officers and employees of our subsidiaries and affiliates of Höegh LNG and our general partner may participate in employee benefit plans and arrangements sponsored by Höegh LNG, our general partner or their affiliates, including plans that may be established in the future. Under the Höegh Norway Administrative Services Agreement, we paid \$2.9 million to Höegh Norway for the year ended December 31, 2021.

Höegh LNG compensates Mr. Furu in accordance with its own compensation policies and procedures.

Compensation of Directors

Directors receive compensation for attending meetings of our board of directors, as well as committee meetings. During the year ended December 31, 2021, directors each received a director fee of \$81,200 per year (paid half in cash and half in equity-based amounts). Chairpersons of the audit and conflicts committees each received a committee fee of \$21,900 per year, and other committee members received a committee fee of \$11,000 per year. Due to the pending Offer from Höegh LNG, commencing in December 2021, members of the conflicts committee will receive a special compensation of \$20,000 per month (or \$25,000 per month in the case of the chairman of the conflicts committee) until a transaction is signed or abandoned, and upon signing of any definitive agreement, the members will continue to receive \$7,500 per month (or \$10,000 per month in the case of the chairman of the conflicts committee) until the transaction has been closed. In addition, each director is reimbursed for out-of-pocket expenses in connection with attending meetings of our board of directors or committees. Each director is fully indemnified by us for actions associated with being a director to the extent permitted under Marshall Islands law.

2014 Long-Term Incentive Plan

In connection with our initial public offering, we adopted the Höegh LNG Partners LP 2014 Long-Term Incentive Plan, or the “LTIP,” for our employees, officers, consultants and directors who perform services for us and our subsidiaries. The LTIP provides for the grant of unit options, unit appreciation rights, restricted units, unit awards, phantom units, distribution equivalent rights, cash awards, performance awards, other unit-based awards and substitute awards (collectively, “awards”). These awards are intended to align the interests of employees, officers, consultants and directors with those of our unitholders and to give such individuals the opportunity to share in our long-term performance. On September 14, 2018, we granted 14,584 phantom units to Richard Tyrrell (previously our Chief Executive Officer and Chief Financial Officer) under the LTIP, one third of which vested as of each November 30,

[Table of Contents](#)

2019, 2020 and 2021. As of December 31, 2021, no phantom units or other incentive units were outstanding in connection with the LTIP.

Administration

The LTIP is administered by our board of directors, or an alternative committee appointed by our board of directors, which we refer to together as the “committee” for purposes of this summary. The committee administers the LTIP pursuant to its terms and all applicable state, federal or other rules or laws. The committee has the power to determine to whom and when awards will be granted, determine the type and amount of awards (measured in cash or in common units), proscribe and interpret the terms and provisions of each award agreement (the terms of which may vary), accelerate the vesting provisions associated with an award, delegate duties under the LTIP and execute all other responsibilities permitted or required under the LTIP.

Securities to Be Offered

The maximum aggregate number of common units that may be issued pursuant to any and all awards under the LTIP shall not exceed 658,000 common units, subject to adjustment due to recapitalization or reorganization as provided under the LTIP. In addition, if any common units subject to any award are not issued or transferred, or cease to be issuable or transferable for any reason, including (but not exclusively) because units are withheld or surrendered in payment of taxes or any exercise or purchase price relating to an award or because an award is forfeited, terminated, expires unexercised, is settled in cash in lieu of common units or is otherwise terminated without a delivery of units, those common units will again be available for issue, transfer or exercise pursuant to awards under the LTIP, to the extent allowable by law. Common units to be delivered pursuant to awards under the LTIP may be newly issued common units or common units acquired in the open market, from any person, or any combination of the foregoing.

Awards

Unit Options. We may grant unit options to eligible persons. Unit options are rights to acquire common units at a specified price. The exercise price of each unit option granted under the LTIP will be stated in the unit option agreement and may vary; provided, however, that, the exercise price for a unit option must not be less than 100% of the fair market value per common unit as of the date of grant of the unit option. Unit options may be exercised in the manner and at such times as the committee determines for each unit option. The committee will determine the methods and form of payment for the exercise price of a unit option and the methods and forms in which common units will be delivered to a participant.

Unit Appreciation Rights. A unit appreciation right is the right to receive, in cash or in common units, as determined by the committee, an amount equal to the excess of the fair market value of one common unit on the date of exercise over the grant price of the unit appreciation right. The committee may make grants of unit appreciation rights and will determine the time or times at which a unit appreciation right may be exercised in whole or in part. The exercise price of each unit appreciation right granted under the LTIP will be stated in the unit appreciation right agreement and may vary; provided, however, that, the exercise price must not be less than 100% of the fair market value per common unit as of the date of grant of the unit appreciation right.

Restricted Units. A restricted unit is a grant of a common unit subject to a risk of forfeiture, performance conditions, restrictions on transferability and any other restrictions imposed by the committee in its discretion. Restrictions may lapse at such times and under such circumstances as determined by the committee. Cash distributions paid with respect to our common units will be paid to the holder of restricted units without restriction at the same time as such distributions are paid to unitholders generally, unless otherwise specified in the applicable award agreement governing the restricted units.

Unit Awards. The committee may grant common units that are not subject to restrictions to any eligible person in such amounts as the committee, in its sole discretion, may select.

[Table of Contents](#)

Phantom Units. Phantom units are rights to receive common units, cash or a combination of both at the end of a specified period. The committee may subject phantom units to restrictions (which may include a risk of forfeiture) to be specified in the phantom unit agreement that may lapse at such times and under such circumstances as determined by the committee. Phantom units may be satisfied by delivery of common units, cash equal to the fair market value of the specified number of common units covered by the phantom unit or any combination thereof as determined by the committee. Distribution equivalent rights may be granted in tandem with a phantom unit award, which may provide that cash distribution equivalents will be paid during or after the vesting period with respect to a phantom unit, as determined by the committee.

Distribution Equivalent Rights. The committee may grant distribution equivalent rights in tandem with awards under the LTIP (other than unit awards or an award of restricted units), or distribution equivalent rights may be granted alone. Distribution equivalent rights entitle the participant to receive cash equal to the amount of any cash distributions made by us during the period the distribution equivalent right is outstanding. Payment of cash distributions pursuant to a distribution equivalent right issued in connection with another award may be subject to the same vesting terms as the award to which it relates or different vesting terms, in the discretion of the committee.

Cash Awards. The committee may grant awards denominated in and settled in cash. Cash awards may be based, in whole or in part, on the value or performance of a common unit.

Performance Awards. The committee may condition the right to exercise or receive an award, or the settlement or vesting of an award, or may increase or decrease the amount payable with respect to an award, based on the attainment of one or more performance conditions deemed appropriate by the committee.

Other Unit-Based Awards. The committee may grant other unit-based awards under the LTIP, which are awards that may be based, in whole or in part, on the value or performance of a common unit or are denominated or payable in common units. Upon settlement, these other unit-based awards may be paid in common units, cash or a combination thereof, as provided in the award agreement.

Substitute Awards. The committee may grant awards in substitution for similar awards held by individuals who become employees, consultants or directors as a result of a merger, consolidation or acquisition by or involving us, an affiliate of another entity or the assets of another entity. Such substitute awards that are unit options or unit appreciation rights may have exercise prices less than 100% of the fair market value per common unit on the date of the substitution if such substitution complies with applicable laws and exchange rules.

Tax Withholding

At our discretion, and subject to conditions that the committee may impose, tax withholding obligations with respect to an award may be satisfied by withholding from any payment related to an award or by the withholding of common units issuable pursuant to the award based on the fair market value of the common units.

Anti-Dilution Adjustments and Change in Control

In the event of any “equity restructuring” event (such as a unit dividend, unit split, reverse unit split or similar event) with respect to the common units that may result in an additional compensation expense under Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“FASB ASC Topic 718”) if adjustments to awards in such event were discretionary, the committee will adjust the number and type of units covered by each outstanding award, the terms and conditions of each such award, the maximum number of units available under the LTIP and the kind of units or other securities available for grant under the LTIP, in each case, to equitably reflect the restructuring event. With respect to any similar event that would not result in a FASB ASC Topic 718 accounting charge if adjustments to awards were discretionary (such as certain recapitalizations, reclassifications, reorganizations, mergers, combinations, exchanges or other relevant changes in capitalization), adjustment will be made by the committee in its discretion in accordance with the terms of the LTIP with respect to, as appropriate, the maximum number of units available under the LTIP, the number of units that may be acquired with respect to an award and, if applicable, the exercise price of an award, in order to prevent dilution or enlargement of awards as a result of such events. Upon a

[Table of Contents](#)

“change in control” (as defined in the LTIP), the committee may, in its discretion, (i) remove any forfeiture restrictions applicable to an award, (ii) accelerate the time of exercisability or vesting of an award, (iii) require awards to be surrendered in exchange for a cash payment, (iv) cancel unvested awards without payment or (v) make adjustments to awards as the committee deems appropriate to reflect the change in control.

Termination of Employment or Service

The consequences on outstanding awards under the LTIP of the termination of a participant’s employment, consulting arrangement or membership on our board of directors will be determined by the committee in the terms of the relevant award agreement.

C. Board Practices

General

Our partnership agreement provides that our general partner irrevocably delegates to our board of directors the authority to oversee and direct our operations, management and policies on an exclusive basis, and such delegation is binding on any successor general partner of the Partnership. Our general partner, Høegh LNG GP LLC, is wholly owned by Høegh LNG. Our officers manage our day-to-day activities consistent with the policies and procedures adopted by our board of directors.

Our current board of directors consists of seven members, three of whom were appointed by our general partner. John V. Veech, Tonesan Amisshah and Kathleen McAllister were appointed by our general partner and will serve for terms as determined by our general partner. Carlo Ravizza, Alberto Donzelli, David Spivak and Robert Shaw, are divided into four classes serving staggered terms. Mr. Donzelli is designated as our Class I elected director and will serve until our annual meeting of unitholders in 2023, Mr. Shaw is designated as our Class II elected director and will serve until our annual meeting of unitholders in 2024, Mr. Spivak is designated as our Class III elected director and will serve until our annual meeting of unitholders in 2025, Mr. Ravizza is designated as our Class IV elected director and will serve until our annual meeting of unitholders in 2022. At each subsequent annual meeting of unitholders, directors will be elected to succeed the class of director whose term has expired by a plurality of the votes of the common unitholders. Directors elected by our common unitholders may be nominated by our board of directors or by any limited partner or group of limited partners that holds at least 10% of the outstanding common units.

In June 2021, each of Steven Rees Davies, Sveinung J. S. Støhle, Andrew Jamieson and Morten W. Høegh resigned as a director of our board of directors. Each of Tonesan Amisshah and John V. Veech were appointed by our general partner to fill the vacancies created by the resignation of Mr. Davies and Mr. Støhle. Additionally, Alberto Donzelli was appointed by the remaining elected directors to succeed Mr. Jamieson as the Class I elected director of the Partnership, and Carlo Ravizza was appointed by the remaining elected directors to succeed Mr. Høegh as the Class IV elected director of the Partnership.

Each outstanding common unit is entitled to one vote on matters subject to a vote of common unitholders. However, to preserve our ability to claim an exemption from U.S. federal income tax under Section 883 of the Code, if at any time, any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted (except for purposes of nominating a person for election to our board of directors). The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of such class of units. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

The Series A preferred units generally have no voting rights except (i) with respect to amendments to the partnership agreement that would have a material adverse effect on the existing terms of the Series A preferred units, (ii) or in the event the Partnership proposes to issue Parity Securities, if the cumulative dividends payable on outstanding Series A preferred units are in arrears, or Senior Securities. However, if and whenever distributions payable on the Series A

[Table of Contents](#)

preferred units are in arrears for six or more quarterly periods, whether or not consecutive, holders of Series A preferred units (voting together as a class with all other classes of Parity Securities upon which like voting rights have been conferred and are exercisable) will be entitled to replace one of the members of our board of directors appointed by our general partner with a person nominated by such holders (unless the holders of Series A preferred units, voting together as a class with all other classes of Parity Securities upon which like voting rights have been conferred and are exercisable, voting as a class, have previously elected a member of our board of directors, and such director continues then to serve on the board of directors).

Committees

We have an audit committee that, among other things, reviews our external financial reporting, engages our external auditors and oversees our internal audit activities and procedures, if any, and the adequacy of our internal accounting controls. Our audit committee is comprised of three directors, Ms. McAllister, Mr. Shaw and Mr. Spivak. Each of Ms. McAllister, Mr. Shaw and Mr. Spivak satisfies the independence standards required for audit committee members of the SEC and the NYSE. Ms. McAllister and Mr. Spivak qualify as “audit committee financial experts” for purposes of SEC rules and regulations.

We also have a conflicts committee comprised of three members of our board of directors. The conflicts committee will be available at our board of directors’ discretion to review specific matters that our board of directors believes may involve conflicts of interest. The conflicts committee will determine if the resolution of the conflict of interest is fair and reasonable to us. The members of the conflicts committee may not be officers or employees of us or directors, officers or employees of our general partner or its affiliates, and must meet the independence standards established by the NYSE to serve on an audit committee of a board of directors and certain other requirements. Any matters approved by the conflicts committee will be conclusively deemed to be fair and reasonable to us, approved by all of our partners and not a breach by our directors, our general partner or its affiliates of any duties any of them may owe us or our unitholders. Our conflicts committee is comprised of Ms. McAllister, Mr. Shaw and Mr. Spivak.

Exemptions from Corporate Governance Rules

Because we qualify as a foreign private issuer under SEC rules, we are permitted to follow the corporate governance practices of the Marshall Islands (the jurisdiction in which we are organized) in lieu of certain of the corporate governance requirements that would otherwise be applicable to us. The NYSE rules do not require a listed company that is a foreign private issuer to have a board of directors that is comprised of a majority of independent directors. Under Marshall Islands law, we are not required to have a board of directors comprised of a majority of directors meeting the independence standards described in the NYSE rules. In addition, the NYSE rules do not require limited partnerships like us to have boards of directors comprised of a majority of independent directors.

NYSE rules do not require foreign private issuers or limited partnerships like us to establish a compensation committee or a nominating/corporate governance committee. Similarly, under Marshall Islands law, we are not required to have a compensation committee or a nominating/corporate governance committee. Accordingly, we do not have a compensation committee or a nominating/corporate governance committee. For a listing and further discussion of how our corporate governance practices differ from those required of U.S. companies listed on the NYSE, please read “Item 16G. Corporate Governance.”

D. Employees

Employees of Höegh LNG’s affiliates provide administrative services to us pursuant to the administrative services agreement. Our board of directors has the authority to hire other employees as deemed necessary. Certain affiliates of Höegh LNG also provide commercial and technical management services to our fleet pursuant to ship management agreements, the Gallant management agreement, a sub-technical support agreement, commercial and administration management agreements and other service agreements. Crew are employed directly by our or by Höegh LNG’s subsidiaries to operate our FSRUs. As of December 31, 2021, our or Höegh LNG’s subsidiaries employed approximately 665 seagoing staff to serve on our FSRUs.

E. Unit Ownership

Please read “Item 7.A. Major Unitholders.”

Item 7. Major Unitholders and Related Party Transactions

A. Major Unitholders

The following table sets forth the beneficial ownership of our common units as of March 31, 2022, by each of our directors and executive officers and each person that we know to beneficially own more than 5% of our outstanding common units:

Major Unitholders

Name of Beneficial Owner	Common Units Beneficially Owned	
	Number	Percent
Höegh LNG Holdings Ltd.(1)	15,257,498	45.7 %
John V. Veech (Chairman of the Board of Directors)	*	*
David Spivak	*	*
Kathleen MacAllister	*	*
Robert G. Shaw	*	*
Tonesan Amisssah	*	*
Alberto Donzelli	*	*
Carlo Ravizza	*	*
Håvard Furu (Chief Financial Officer & interim Chief Executive Officer)	*	*
All directors and executive officers as a group (8 persons)	45,370	*

* Less than 1%

(1) Höegh LNG Holdings Ltd. is wholly-owned by Larus Holding Limited, a 50/50 joint venture of Leif Höegh & Co. Ltd. (“LHC”) and funds managed by Morgan Stanley Infrastructure Partners (“MSIP”).

On December 6, 2021, we announced that the HMLP Board received an unsolicited non-binding proposal, dated December 3, 2021, from Höegh LNG pursuant to which Höegh LNG would acquire through a wholly owned subsidiary all our publicly held common units in exchange for \$4.25 in cash per common unit. Höegh LNG has proposed that a transaction would be effectuated through a merger between the Partnership and a subsidiary of Höegh LNG (the “Offer”). The HMLP Board has authorized the Conflicts Committee of the HMLP Board, comprised only of non-Höegh LNG affiliated directors, to review and evaluate the Offer. The Conflicts Committee has retained advisors and discussions regarding a potential transaction are ongoing.

As of March 31, 2022, we had 2 common unitholders of record located in the United States. One of those unitholders was Cede & Co., a nominee of The Depository Trust Company, which held in aggregate 18,108,825 common units, representing 54.3% of our outstanding common units. We believe that the common units held by Cede & Co. include common units beneficially owned by both holders in the United States and non-U.S. beneficial owners.

Each outstanding common unit is entitled to one vote on matters subject to a vote of common unitholders. However, to preserve our ability to claim an exemption from U.S. federal income tax under Section 883 of the Code, if at any time any person or group owns beneficially more than 4.9% of any class of units then outstanding, any units beneficially owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes (except for purposes of nominating a person for election to our board of directors), determining the presence of a quorum or for other similar purposes under our partnership agreement, unless otherwise required by law. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of

[Table of Contents](#)

the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

Höegh LNG exercises influence over the Partnership through our general partner, a wholly owned subsidiary of Höegh LNG, which in its sole discretion appoints three directors to our board of directors. Please read “Item 6. Directors, Senior Management and Employees—Management of Höegh LNG Partners LP.”

B. Related Party Transactions

As a result of our relationships with Höegh LNG and its affiliates, we and our subsidiaries have entered into various agreements that were not the result of arm’s length negotiations. A number of agreements were entered into in connection with our IPO. In addition, we may enter into new agreements in the future. We have established a conflicts committee that may review future related party transactions. Please refer to “Item 6.C. Board Practices—Committees.” The related party agreements that we have entered in to or were party to since January 1, 2019 are discussed below.

Our partnership agreement sets forth procedures by which future related party transactions may be approved or resolved by our board of directors. Pursuant to our partnership agreement, our board of directors may, but is not required to, seek the approval of a related party transaction from the conflicts committee of our board of directors or from the common unitholders. Affiliated transactions that are not approved by the conflicts committee of our board of directors and that do not involve a vote of unitholders must be on terms no less favorable to us than those generally provided to or available from unrelated third parties or be “fair and reasonable” to us. In determining whether a transaction or resolution is “fair and reasonable,” our board of directors may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us. If the above procedures are followed, it will be presumed that, in making its decision, our board of directors acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the Partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. When our partnership agreement requires someone to act in good faith, it requires that person to believe that he is acting in the best interests of the Partnership, unless the context otherwise requires.

Our conflicts committee is comprised of at least two members of our board of directors. The conflicts committee is available at our board of directors’ discretion to review specific matters that our board of directors believes may involve conflicts of interest. The conflicts committee may determine if the resolution of the conflict of interest is fair and reasonable to us. The members of the conflicts committee may not be officers or employees of us or directors, officers or employees of our general partner or its affiliates, and must meet the independence standards established by the NYSE to serve on an audit committee of a board of directors and certain other requirements.

Omnibus Agreement

On May 4, 2021, LHC and funds managed by MSIP completed the Amalgamation and Höegh LNG is now wholly-owned by JVCo. Following the consummation of the Amalgamation, some provisions of the omnibus agreement terminated by their terms, including (i) the prohibition on Höegh LNG from acquiring, owning, operating or chartering any FSRU or LNG carrier operating under a charter for five or more years (a “Five-Year Vessel”), (ii) the prohibition on us from acquiring, owning, operating or chartering any other FSRU or LNG carrier (a “Non-Five-Year Vessel”), and (iii) the rights of first offer associated with those rights. As a consequence, following the consummation of the Amalgamation, unless otherwise agreed between the parties, Höegh LNG will not be required to offer us Five-Year Vessels and will be permitted to compete with us.

Indemnification Agreement

On September 27, 2017, we entered into an indemnification agreement with Höegh LNG with respect to the boil-off claims under the *Neptune* and *Cape Ann* time charters, pursuant to which Höegh LNG will, among other things, indemnify us for our share of any losses and expenses related to or arising from the failure of either *Neptune* or *Cape Ann* to meet the performance standards related to the daily boil-off of LNG under their respective time charters

[Table of Contents](#)

(including any cash impact that may result from any settlement with respect to such claims, including any reduction in the hire rate under either time charter). Please read note 17 “Commitments and Contingencies” of our consolidated financial statements.

Administrative Services Agreements

Høegh Norway Administrative Services Agreement

In December 2019, the Partnership and the operating company entered an administrative services agreement with Høegh Norway, pursuant to which Høegh Norway provides certain administrative services to us (the “administrative services agreement”). We reimbursed Høegh Norway approximately \$2.9 million and \$2.7 million under the administrative services agreement for the years ended December 31, 2021 and 2020, respectively.

Each month, we and our operating company reimburse Høegh Norway for its reasonable costs and expenses incurred in connection with the provision of the services under the administrative services agreement. Høegh Norway receives a service fee in U.S. Dollars equal to 3.0% of the costs and expenses incurred by it in connection with providing services. The services provided under the administrative services agreement will be provided in a diligent manner, as we or our operating company may reasonably direct.

The administrative services agreement may be terminated by us and our operating company upon 90 days’ written notice for any reason in the sole discretion of our and our operating company’s boards of directors. The administrative services agreement may be terminated by Høegh Norway at any time on or after December 31, 2024 upon 90 days’ written notice for any reason in the sole discretion of Høegh Norway. The administrative services agreement may also be terminated solely by Høegh Norway upon 90 days’ written notice if:

- there is a change of control of us or our general partner;
- a receiver is appointed for all or substantially all of our property or our operating company’s property;
- an order is made to wind up the Partnership or our operating company;
- a final judgment, order or decree that materially and adversely affects our or our operating company’s ability to perform the agreement is obtained or entered and not vacated, discharged or stayed; or
- we make a general assignment for the benefit of our creditors, file a petition in bankruptcy or for liquidation or commence any reorganization proceedings.

On April 9, 2021, the parties amended the administrative services agreement to provide that it would continue in full force and effect following the consummation of the Amalgamation and that Høegh Norway would not enforce any rights to terminate the administrative services agreement as a result of the consummation of the Amalgamation.

The administrative services provided by Høegh Norway to the Partnership and our operating company include:

- bookkeeping, audit and accounting services: assisting with the maintenance of our corporate books and records, assisting with the preparation of our tax returns and arranging for the provision of audit and accounting services;
- legal and insurance services: arranging for the provision of legal, insurance and other professional services and maintaining our existence and good standing in necessary jurisdictions;
- administrative and clerical services: assisting with office space and arranging the provision of IT services;
- advisory services: assisting in complying with U.S. and other applicable securities laws;

[Table of Contents](#)

- assisting with the integration of any acquired businesses.

Under the administrative services agreement, Håvard Furu, as an officer of Høegh Norway, provides executive officer functions for our benefit.

Under the administrative services agreement, we and the operating company will indemnify Høegh Norway and its subcontractors against all actions that may be brought against them as a result of their performance of the administrative services including, without limitation, all actions brought under the environmental laws of any jurisdiction, and against and in respect of all costs and expenses they may suffer or incur due to defending or settling such actions; provided, however, that such indemnity excludes any or all losses to the extent that they are caused by or due to the fraud, gross negligence or willful misconduct of Høegh Norway or such subcontractor or its officers, employees and agents.

Commercial and Administration Management Agreements

Each of SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. has entered into a commercial and administration management agreement with Høegh Norway. Pursuant to each agreement, Høegh Norway provides the following services to SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd., as applicable:

- accounting, including budgeting, reporting and annual audited reports;
- finance and cash management;
- in-house legal;
- commercial;
- insurance; and
- general office administration and secretary functions.

Each of SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. pays Høegh Norway an annual management fee equal to costs incurred plus 3%. Høegh Norway was paid aggregate management fees of approximately \$0.9 million, \$1.4 million and \$1.3 million, under the commercial and administration management agreements with both SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd, for the years ended December 31, 2021, 2020 and 2019, respectively.

Each of SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. also will indemnify Høegh Norway and its employees and agents against claims brought against them under the applicable commercial and administration management agreement. The agreements may be terminated by either party upon 90 days' written notice.

Ship Management Agreements and Sub-Technical Support Agreement

In order to assist with the technical and maritime management of the vessels, each of SRV Joint Gas Ltd., SRV Joint Gas Two Ltd., Høegh Cyprus, Høegh Colombia and Høegh Jamaica have entered into a ship management agreement with Høegh LNG Management, and Høegh Norway has entered into a sub-technical support agreement with Høegh LNG Management for the technical management of the *PGN FSRU Lampung*. Each of the ship management agreements and the sub-technical support agreement provides that Høegh LNG Management must use its best endeavors to provide technical services, including but not limited to the following:

- **crew management:** except with respect to the ship management agreements with Høegh Cyprus, Høegh Colombia and Høegh Jamaica, providing suitably qualified crew for each vessel, arranging for all transportation of the crew, ensuring the crew meets all medical requirements of the flag state, training the crew and conducting union negotiations;

[Table of Contents](#)

- **technical management:** supervise the maintenance and efficiency of the vessel, arranging and supervising drydockings, repairs, alterations and maintenance of the vessel and arranging and supplying the necessary stores, spares and lubricating oils;
- **provisions:** arranging for the supply of provisions; and
- **accounting:** establishing an accounting system that keeps true and correct accounts with respect to ship management services and maintains the records of all costs and expenditures incurred.

Each of the ship management agreements may be terminated by Höegh LNG Management if the vessel owner fails to pay any amount due under the agreement or employs the vessel in a hazardous or illegal manner. Each of these agreements also may be terminated by the vessel owner if Höegh LNG Management is in material breach of its obligations. If the vessel is sold, becomes a total loss or is requisitioned, or if an order or resolution is passed for the winding up, dissolution, liquidation or bankruptcy of either party or if a receiver is appointed for either party, the agreement terminates. With respect to the ship management agreements or sub-technical support agreement with each of SRV Joint Gas Ltd., SRV Joint Gas Two Ltd., and Höegh Norway, either party may terminate the ship management agreements and the sub-technical support agreement upon 90 days' notice.

For each of the respective years ended December 31, 2021, 2020 and 2019, annual management fees of approximately \$3.5 million, \$3.6 million and \$3.6 million, in the aggregate, were paid under the ship management agreements or sub-technical support agreement. In addition, the vessel owner must indemnify Höegh LNG Management and its employees, agents and subcontractors against all actions, proceedings, claims, demands or liabilities arising in connection with the performance of the ship management agreements or the sub-technical support agreement, unless the same resulted solely from the negligence, gross negligence or willful default of Höegh LNG Management or its employees, agents and subcontractors, in which case Höegh LNG Management will be liable in an amount up to 10 times the annual management fee.

We expect that the ship management agreement with respect to Höegh Cyprus will be suspended by mutual consent of the parties in connection with the commencement of the NFE Charter.

Gallant Management Agreement

Höegh Cyprus is party to a management agreement with Höegh Norway, pursuant to which Höegh Norway provides administrative, commercial and technical management services, each as instructed from time to time by Höegh Cyprus. The services performed under the Gallant management agreement may include, but are not limited to:

- administrative management services, including:
 - provision of a person to be appointed as president or managing director of Höegh Cyprus;
 - services relating to the day-to-day running of the business of Höegh Cyprus;
 - management and provision of controller functions for financial matters;
 - arranging entry into loan agreements, currency exchange agreements, interest hedging agreements, financial swap agreements, and other agreements in respect of futures and derivative instruments, each subject to the authorization of Höegh Cyprus's board of directors;
 - provision of budgets and financial statements, including long- and short-term budgets, long term financial forecasts, status reports and projections, annual reports and quarterly reports;
 - handling and settling minor claims by third parties; and
 - bringing or defending actions, suits and proceedings;

[Table of Contents](#)

- commercial management services, including:
 - chartering services, including seeking and negotiating employment for the *Høegh Gallant*, appointment of brokers and agents, and concluding charter contracts, subject to the authorization of Höegh Cyprus' board of directors;
 - arranging the provision of bunker fuel for the *Høegh Gallant*;
 - operation of the *Høegh Gallant*, including the provision of compatibility/interface studies, FSRU approval and vetting processes and voyage estimates and accounts and calculation of hire, freights, demurrage and dispatch moneys due from or due to the charterer, and the issuance of voyage instructions, appointing agents and stevedores and to arrange survey of cargoes; and
 - freight management, including provision of freight estimates and accounts and calculation of hire and freights and/or demurrage and dispatch money due from or due to charterers and arranging proper payment of all hire and freight revenues; and
- technical management services, including arranging insurance and handling and settling all insurance, salvage and other claims.

The Gallant management agreement's term was concurrent with the term of the *Høegh Gallant* time charter with EgyptCo but continues thereafter until either party terminates the agreement upon six months' notice. Additionally, Höegh Norway may terminate or suspend performance under the agreement if Höegh Cyprus fails to pay any amount due under the agreement. If an order or resolution is passed for the winding up, dissolution, liquidation or bankruptcy of either party or if a receiver is appointed for either party, the agreement terminates.

Høegh Cyprus pays Höegh Norway an annual management fee in NOK of Höegh Norway's documented costs plus 3%. An estimate of the annual management fee forms the basis of an amount payable by equal monthly installments in arrears. Settlement of the discrepancy between the estimated management fee and the actual management fee takes place at the end of each calendar year. Höegh Cyprus paid Höegh Norway approximately \$0.4 million, \$0.1 million and \$0.1 million under the Gallant management agreement for the years ended December 31, 2021, 2020 and 2019, respectively.

Høegh Cyprus must indemnify Höegh Norway and its employees, agents and subcontractors against all actions, proceedings, claims, demands or liabilities arising in connection with the performance of the Gallant management agreement, unless the same resulted solely from the negligence, gross negligence or willful default of Höegh Norway or its employees, agents and subcontractors. If a claim is the sole result of the negligence, gross negligence or willful default of Höegh Norway or its employees, agents and subcontractors, then Höegh Norway is liable in an amount up to NOK 500,000 per incident.

Technical Information and Services Agreement

PT Höegh entered into a technical information and services agreement with Höegh Norway, pursuant to which Höegh Norway provides PT Höegh certain technical information and services. The technical information and services agreement's term is concurrent with the term of the *PGN FSRU Lampung* time charter, including any exercised extension options.

The technical information and services agreement may be terminated with immediate effect prior to the end of its term if either PT Höegh or Höegh Norway (i) fails to pay any amount due under the technical information and services agreement and such failure continues for more than 14 days after notice of such failure was given to the failing party, (ii) commits a material breach of the technical information and services agreement that remains unremedied for more than 30 days after the breaching party was notified of such material breach or (iii) suffers an insolvency event. The technical information and services agreement may also be terminated by PT Höegh or Höegh Norway upon 30 days' written notice.

Pursuant to the technical information and services agreement, Höegh Norway provides technical information, consisting of data, commercial information and technical information, to PT Höegh relating to the design, construction, operation and maintenance of the *PGN FSRU Lampung* and the Mooring. During the period of the *PGN FSRU Lampung* time

[Table of Contents](#)

charter, including any exercised extension options, Höegh Norway also provides PT Höegh non-transferrable and non-exclusive intellectual property rights in respect of the technical information, along with the safety management system and certain databases, technology and software.

The services provided by Höegh Norway to PT Höegh include:

- commercial support, including:
 - assisting in identifying suppliers, liaising with off-shore suppliers of goods and services, assisting in identifying insurance providers;
 - assisting in identifying insurance providers; and
 - assisting in negotiations and reviewing contracts and insurance policies;
- technical support and advice, including in relation to:
 - identification, assessment and resolution of technical issues;
 - information technology;
 - health, safety and the environment; and
 - maintaining, developing and improving a quality assurance system to ensure compliance with relevant mandatory international rules, regulations and standards;
- financial and cash management support, including budgeting, reporting and preparation of annual audited reports;
- in-house legal support;
- general administrative and back-office support;
- research and development; and
- training for employees.

Each month, PT Höegh pays Höegh Norway a fee for the provision of the technical information, including the intellectual property rights, and the services. The monthly fee consists of (i) a license fee and (ii) a service fee consisting of a pro rata payment of the estimated annual costs incurred by Höegh Norway under the technical information and services agreement and a 5.0% fee on such payment. The service fee is reconciled annually with the actual costs incurred by Höegh Norway during the prior calendar year. Any amounts payable after such reconciliation must be paid by the owing party no later than 44 days after the end of each such calendar year. Höegh Norway has never invoiced any amounts for the license fee. PT Höegh paid Höegh Norway approximately \$0.08 million, \$0.04 million and \$0.04 million for the service fee under the technical information and services agreement for the years ended December 31, 2021, 2020 and 2019 respectively.

Under the technical information and services agreement, PT Höegh indemnifies Höegh Norway against all losses arising under the technical information and services agreement in connection with (i) losses suffered by third parties, (ii) the personal injury, sickness or death of any person that itself or together with its affiliates holds more than half of PT Höegh's issued share capital or any of PT Höegh's officers, directors, employees, agents, representatives, advisors and contractors and (iii) loss of or damage to property owned or under the custody of PT Höegh or any party listed above in section (ii) of this paragraph.

Master Spare Parts Supply Agreement

PT Höegh and Höegh Asia entered into a master spare parts supply agreement, pursuant to which Höegh Asia supplies certain spare parts and supplies for the *PGN FSRU Lampung* and the Mooring to PT Höegh. PT Höegh, from time to time, submits an order, which may be freely accepted or declined, to Höegh Asia for the supply of spare parts, lubricating oils and other provisions. In respect of each accepted order, Höegh Asia submits an invoice to PT Höegh consisting of the actual cost of the supplied services and a 5.0% fee on the cost of such supplied services, which must be paid by PT Höegh no more than 14 days after receipt of such invoice.

Master Maintenance Agreement

PT Höegh and Höegh Shipping entered into a master maintenance agreement, pursuant to which Höegh Shipping provides certain maintenance services to PT Höegh. PT Höegh, from time to time, submits an order, which may be freely accepted or declined, to Höegh Shipping for the supply of services, including maintenance of the *PGN FSRU Lampung*, its systems and equipment and the Mooring. In respect of each accepted order, Höegh Shipping submits an invoice to PT Höegh consisting of the actual cost of the supplied services and a 5.0% fee on the cost of such supplied services, which must be paid by PT Höegh no more than 14 days after receipt of such invoice.

Secondment Agreement

Höegh Cyprus entered into a secondment agreement with Höegh Maritime Management pursuant to which Höegh Maritime Management provided crew to the *Höegh Gallant*. During their period of service, the crew members remained employees of Höegh Maritime Management, but were seconded to, and operated under the instruction and supervision of, Höegh Cyprus. Höegh Cyprus reimbursed Höegh Maritime Management for the salaries and other expenses of the seconded employees. Höegh Cyprus also reimbursed Höegh Maritime Management for any amount paid to manning agents used for hiring crew, plus a service fee equal to 5.0% of such amount and an administration fee of up to \$5,000, with all payments made in U.S. Dollars. During the years ended December 31, 2021, 2020 and 2019, respectively, Höegh Maritime Management charged approximately \$2.5 million, \$2.7 million and \$2.6 million to Höegh Cyprus pursuant to the secondment agreement. We expect that the secondment agreement will be suspended by mutual consent of the parties in connection with the commencement of the NFE Charter.

Höegh Grace Services Agreements

Höegh Colombia and Höegh FSRU IV have entered into several agreements with affiliates of Höegh LNG and Höegh Autoliners Ltd. to provide services related to the *Höegh Grace* (the “Höegh Grace Services Agreements”):

- a manning agreement with Höegh Fleet Services Philippines Inc. (an affiliate of Höegh Autoliners Ltd.) to recruit and engage crew for the vessel, including planning the crew rotation schedule, processing employment contracts and arranging visas and travel to the vessel; in exchange for reimbursement of costs, plus a service fee equal to 5.0%;
- a technical services agreement with Höegh Norway to provide technical services for the vessel, including arranging for the provision of bunker fuel, operational support, providing access to the information technology systems of Höegh LNG and providing technical information and supporting documentation as requested by Höegh Colombia; in exchange for specified hourly rates, plus a service fee equal to 3.0% and an additional fee calculated based on the scope of use of Höegh LNG’s information technology systems;
- a management consulting agreement with Höegh Norway to provide support related to certain management activities, including support and advice to the management of Höegh Colombia regarding operational and financial matters, assistance with the preparation of budgets and the provision of controller functions for financial matters; in exchange for specified hourly rates, plus a service fee equal to 3.0%;
- a crew recruitment consulting services agreement with Höegh Maritime Management to provide professional consulting services in connection with recruitment of crew and other employees, including evaluating and

[Table of Contents](#)

recommending to Höegh Colombia individuals that meet its hiring specifications, executing employment contracts with individuals approved by Höegh Colombia and arranging visas and travel to the vessel; in exchange for reimbursement of costs, plus a 5.0% fee charged on certain administrative costs and on any amount paid to manning agents used for hiring crew;

- an agreement for provision of professional payment services with Höegh Maritime Management to provide services in connection with the payment of monthly salaries to the crew and employees working on the vessel; in exchange for reimbursement of costs, plus a service fee equal to 5.0%; and
- a spare parts procurement and insurance services agreement with Höegh LNG Management to arrange for the supply of spare parts and the insurance coverage for the vessel; in exchange for an annual fee plus reimbursement of certain expenses.

Höegh Colombia and Höegh FSRU IV paid an aggregate of approximately \$0.5 million, \$0.6 million and \$0.5 million to the service providers under the Höegh Grace Services Agreements for the years ended December 31, 2021, 2020 and 2019, respectively.

New Höegh Gallant Services Agreements

In connection with the commencement of the *Höegh Gallant* under the NFE Charter in March 2022, Höegh Jamaica has entered into several agreements with affiliates of Höegh LNG to provide services related to the *Höegh Gallant* (the “New Höegh Gallant Services Agreements”):

- a commercial consulting agreement with Höegh Norway to provide support related to certain commercial administrative services, project execution services and commercial operations services, including support and advice to the management of Höegh Jamaica regarding operational and financial matters, assistance with the preparation of budgets and the provision of controller functions for financial matters; in exchange for specified hourly rates, plus a service fee equal to 3.0%;
- a crew recruitment consulting services agreement with Höegh Maritime Management to provide professional consulting services in connection with recruitment of crew and other employees, including evaluating and recommending to Höegh Jamaica individuals that meet its hiring specifications, executing employment contracts with individuals approved by Höegh Jamaica and arranging visas and travel to the vessel; in exchange for reimbursement of costs, plus a 5.0% fee charged on certain administrative costs and on any amount paid to manning agents used for hiring crew; and
- an agreement for provision of professional payment services with Höegh Maritime Management to provide services in connection with the payment of monthly salaries to the crew and employees working on the vessel; in exchange for reimbursement of costs, plus a service fee equal to 5.0%.

Höegh Jamaica paid no consideration to the service providers under the New Höegh Gallant Services Agreements for the years ended December 31, 2021, 2020 and 2019.

Revolving Credit Facility with Höegh LNG

In connection with the closing of the IPO, we entered into an unsecured \$85 million revolving credit facility with Höegh LNG, to be used to fund acquisitions and our working capital requirements. The revolving credit facility’s original maturity date was January 1, 2020. Interest on drawn amounts was payable quarterly at an original rate equal to LIBOR plus a margin of 4.0%. On May 28, 2019, the repayment date on the \$85 million revolving credit facility was extended to January 1, 2023 and the terms amended for the interest rate to be LIBOR plus a margin of 1.4% in 2019, 3.0% in 2020 and 4.0% thereafter. We are not required to pay a commitment fee on the undrawn balance of the facility.

[Table of Contents](#)

Drawings on the revolving credit facility are subject to customary conditions precedent, including absence of a default or event of default and accuracy of representations and warranties in all material respects. We have received notice from Höegh LNG that it will not extend the \$85 million revolving credit facility when it matures on January 1, 2023, and that it will have very limited capacity to extend any additional advances to us thereunder beyond what is currently drawn under such facility. Further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the arbitration notice received from the charterer of *PGN FSRU Lampung*.

For a more detailed description of this credit facility, please read "Item 5.B —Liquidity and Capital Resources—Borrowing Activities—Revolving Credit Facility Due to Owners and Affiliates."

License Agreement

At the closing of the IPO, we entered into a license agreement with Leif Höegh & Co. Ltd., pursuant to which Leif Höegh & Co. Ltd. granted to us a worldwide, nonexclusive, royalty-free license to use the name and unregistered trademark "Höegh LNG" and a flag and funnel mark. The license agreement will terminate, upon the election of Leif Höegh & Co. Ltd., if Höegh LNG ceases to control our general partner or Leif Höegh & Co. Ltd. beneficially owns less than 34% of the issued shares of Höegh LNG.

Time Charter and Option for the *Höegh Gallant*

The *Höegh Gallant* was operating under a time charter with EgyptCo, a subsidiary of Höegh LNG, that expired in 2020. In addition, we had entered into an option agreement with Höegh LNG pursuant to which we had the right to cause Höegh LNG to charter the *Höegh Gallant* from the expiration or termination of the EgyptCo charter until July 2025 at a rate equal to 90% of the rate payable pursuant to the current charter with EgyptCo, plus any incremental taxes or operating expenses as a result of the new charter. On February 27, 2020, the Partnership exercised its right pursuant to the option agreement to cause Höegh LNG or its subsidiary to charter the *Höegh Gallant* from the expiration of the EgyptCo charter until July 2025. On April 30, 2020, we entered into a lease and maintenance agreement with another subsidiary of Höegh LNG for the time charter of the *Höegh Gallant* (the "Suspended Gallant Charter"). On September 23, 2021, we entered into agreements with subsidiaries of New Fortress to charter the *Höegh Gallant* primarily for FSRU operations for a period of ten years, with FSRU operations commencing on March 20, 2022 (the "NFE Charter"). We have entered into an agreement to suspend the Suspended Gallant Charter, with effect from the commencement of the NFE Charter, and a make-whole agreement (together, the "Suspension and Make-Whole Agreements"), pursuant to which Höegh LNG's subsidiary will compensate us monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. Afterwards, we will continue to receive the charter rate agreed with New Fortress for the remaining term of the NFE Charter. In addition, pursuant to the Suspension and Make-Whole Agreements, certain capital expenditures incurred to ready and relocate the *Höegh Gallant* for performance under the NFE Charter will be shared 50/50 between Höegh LNG and the Partnership, subject to a maximum obligation of the Partnership. Please read "Item 4.B. Business Overview—Vessel Time Charters—*Höegh Gallant* Time Charter."

Other Related Party Transactions

Our activities were an integrated part of Höegh LNG until the closing of the IPO on August 12, 2014. We entered into several agreements with Höegh LNG (and certain of its subsidiaries) for the provision of services. As such, Höegh LNG has provided general and corporate management services to us. A subsidiary of Höegh LNG provides ship management for *PGN FSRU Lampung*, *Höegh Gallant* and *Höegh Grace*. Refer to note 14 of our consolidated financial statements for additional information.

[Table of Contents](#)

Amounts for related party transactions included in the consolidated statements of income for the years ended December 31, 2021, 2020 and 2019 or capitalized or recorded in the consolidated balance sheets as of December 31, 2021 and 2020 are as follows:

Statement of income: (in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Time charter revenue <i>Höegh Gallant</i>	\$ 43,551	45,274	\$ 47,173
Vessel operating and administrative expenses	(20,209)	(25,681)	(28,595)
Interest income from joint ventures	376	321	295
Interest expense and commitment fees to Höegh LNG	(946)	(64)	(1,882)
Total	<u>\$ 22,772</u>	<u>19,850</u>	<u>\$ 16,991</u>

Balance sheet: (in thousands of U.S. dollars)	As of December 31,	
	2021	2020
<i>Equity:</i>		
Contribution from Höegh LNG	\$ 315	\$ 11,850
Issuance of units for board of directors' fees	211	181
Other and contribution from owner	8	109
Total	<u>\$ 534</u>	<u>\$ 12,140</u>

Our trade liabilities and revolving credit facility to Höegh LNG and affiliates were \$28.6 million and \$21.1 million for the years ended December 31, 2021 and 2020, respectively. The outstanding revolving credit facility had a weighted average interest rate of 4.3% and 3.6% for the years ended December 31, 2021 and 2020, respectively.

Distributions to Höegh LNG

For the years ended December 31, 2021, 2020 and 2019, we paid quarterly distributions totaling \$46.3 million, \$74.9 million and \$73.8 million of which \$14.5 million, \$28.5 million and \$28.4 million were paid to Höegh LNG, respectively.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Please read “Item 18—Financial Statements” below for additional information required to be disclosed under this item.

Legal Proceedings

From time to time we have been, and expect to continue to be, subject to legal proceedings and claims in the ordinary course of our business, principally personal injury and property casualty claims. These claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. Refer to note 17 “Commitments and contingencies” to our consolidated financial statements for a description of certain claims made against us.

The Partnership’s Cash Distribution Policy

On July 27, 2021, our board of directors announced a reduction in the quarterly cash distribution on our common units to \$0.01 per common unit, down from a distribution of \$0.44 per common unit in the first quarter of 2021, commencing with the distribution for the second quarter of 2021 and continuing in the third and fourth quarters of 2021. We intend to use our internally generated cash flow to reduce debt levels and strengthen our balance sheet.

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

There is no guarantee that unitholders will receive quarterly distributions from us. Our distribution policy is subject to certain restrictions and may be changed at any time, including:

- Our unitholders have no contractual or other legal right to receive distributions other than the obligation under our partnership agreement to distribute available cash on a quarterly basis, which is subject to the broad discretion of our board of directors to establish reserves and other limitations.
- We will be subject to restrictions on distributions under our financing agreements. Our financing agreements contain material financial tests and covenants that must be satisfied in order to pay distributions. If we are unable to satisfy the restrictions included in any of our financing agreements or are otherwise in default under any of those agreements, as a result of our debt levels or otherwise, we will not be able to make cash distributions to unitholders, notwithstanding our stated cash distribution policy. These financial tests and covenants are described in this Annual Report in “Item 5.B. Liquidity and Capital Resources.”
- A part of our business is currently conducted through our joint ventures. Under the joint venture agreement that governs our joint ventures that own the *Neptune* and the *Cape Ann*, our joint ventures are prohibited from making distributions under certain circumstances, including when they have outstanding shareholder loans. In addition, we are unable to cause our joint ventures to make distributions without the agreement of our joint venture partners. Under the joint ventures’ bank debt facilities certain covenants and restrictions apply to making distributions. In order to make distributions for the shareholder loans or dividends, a 1.20 historical and projected debt service coverage ratio must be met. As of December 31, 2021, both the 1.20 historical and projected debt service coverage ratios were met by SRV Joint Gas Ltd and SRV Joint Gas Two Ltd. As a result, both entities qualify to make payments on the shareholder loans or other distributions. However, the joint ventures are not likely to pay distributions or service shareholder loans during 2022. Refer to note 9 “Advances to joint ventures” and note 17 “Commitments and contingencies” of our consolidated financial statements and “Item 5.B. Liquidity and Capital Resources” for additional information. If our joint ventures are unable to make distributions to us, it could have a material adverse effect on our ability to pay cash distributions to unitholders in accordance with our stated cash distribution policy.
- We are required to make substantial capital expenditures to maintain and replace our fleet. These expenditures may fluctuate significantly over time, particularly as our vessels near the end of their useful lives. In order to minimize these fluctuations, our partnership agreement requires us to deduct estimated, as opposed to actual, maintenance and replacement capital expenditures from the amount of cash that we would otherwise have available for distribution to our unitholders. In years when estimated maintenance and replacement capital expenditures are higher than actual maintenance and replacement capital expenditures, the amount of cash available for distribution to unitholders will be lower than if actual maintenance and replacement capital expenditures were deducted.
- Although our partnership agreement requires us to distribute all of our available cash, our partnership agreement, including provisions contained therein requiring us to make cash distributions, may be amended. Our partnership agreement can be amended with the approval of a majority of the outstanding common units. Höegh LNG owns approximately 45.7% of our common units as of March 31, 2022.
- Even if our cash distribution policy is not modified or revoked, the amount of distributions we pay under our cash distribution policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our partnership agreement.
- The Series A preferred units rank senior to our common units as to payments of distributions. Therefore, we will not be able to pay distributions to our common unitholders if we have failed to pay distributions to our Series A preferred units.

[Table of Contents](#)

- Under Section 51 of the Marshall Islands Act, we may not make a distribution to unitholders if, after giving effect to the distribution, our liabilities, other than liabilities to partners on account of their partnership interest and liabilities for which the recourse of creditors is limited to specified property of ours, exceed the fair value of our assets, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in our assets only to the extent that the fair value of that property exceeds that liability.
- PT Höegh is subject to restrictions on distributions under Indonesian laws due to its formation under the laws of Indonesia. Under Article 71.3 of the Indonesian Company Law (Law No. 40 of 2007), dividend distributions may be made only if PT Höegh has positive retained earnings. In addition, PT Höegh as an Indonesian incorporated company is required to establish a statutory reserve equal to 20% of its paid-up capital. The dividend can only be distributed if PT Höegh's retained earnings are positive after deduction of the statutory reserve. PT Höegh LNG Lampung is working to establish the required statutory reserves as of December 31, 2021. Therefore, PT Höegh LNG Lampung is unable to make dividend payments under Indonesian law. Under the Lampung facility, distributions are subject to "waterfall" provisions that allocate revenues to specified priorities of use (such as operating expenses, scheduled debt service, targeted debt service reserves and any other reserves) with the remaining cash being distributable only on certain dates and subject to satisfaction of certain conditions, including meeting a 1.20 historical debt service coverage ratio, no default or event of default then continuing or resulting from such distribution and the guarantor not being in breach of the financial covenants applicable to it. Until the pending arbitration with the charterer of *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved, no shareholder loans may be serviced and no dividends may be paid to the Partnership by the subsidiary borrowing under the Lampung facility, PT Höegh. Furthermore, each quarter, 50% of the *PGN FSRU Lampung*'s generated cash flow after debt service must be applied to pre-pay outstanding loan amounts under the refinanced Lampung facility, applied pro rata across the FSRU and export tranches. The remaining 50% will be retained by PT Höegh and pledged in favor of the lenders until the pending arbitration with the charterer of the *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved. As a consequence, no cash flow from the *PGN FSRU Lampung* will be available for the Partnership until the pending arbitration has been terminated, cancelled or favorably resolved. This limitation does not prohibit the Partnership from paying distributions to preferred and common unitholders. Höegh Lampung, our subsidiary holding the ownership interest in PT Höegh, is subject to restrictions under Singapore law due to its formation under Singapore law. Under Section 403(1) of the Companies Act (Cap. 50) of Singapore, no dividends shall be payable to the shareholders of any company except out of profits.
- Under Cayman Islands law, Höegh Colombia Holding, Höegh FSRU IV and our joint ventures for the *Neptune* and the *Cape Ann* may only pay dividend distributions out of profits or capital reserves if the entity is solvent after the distribution. Dividends from Höegh Cyprus may only be distributed out of profits and not from the share capital of the company.
- We may lack sufficient cash to pay distributions to our unitholders due to decreases in total operating revenues, decreases in hire rates, the loss of a vessel, increases in operating or general and administrative expenses, principal and interest payments on outstanding debt, taxes, working capital requirements, maintenance and replacement capital expenditures or anticipated cash needs. Please read "Item 3.D. Risk Factors" for a discussion of these factors.

Estimated Maintenance and Replacement Capital Expenditures

Our partnership agreement requires our board of directors to deduct from operating surplus each quarter estimated maintenance and replacement capital expenditures, as opposed to actual maintenance and replacement capital expenditures, in order to reduce disparities in operating surplus caused by fluctuating maintenance and replacement capital expenditures. To the extent that our charterers reimburse our joint ventures or us, as applicable, for anticipated drydocking expenses, these are excluded from maintenance capital expenditures.

For the year ended December 31, 2021, our estimated maintenance and replacement capital expenditures for us and our joint ventures was \$21.7 million per year for future vessel replacement and drydocking. For the year ended December 31, 2022, our estimated maintenance and replacement capital expenditures for us and our joint ventures will

[Table of Contents](#)

be \$23.9 million per year for future vessel replacement and drydocking. Changes to our estimated maintenance and replacement capital expenditures for us and our joint ventures are assessed by our board of directors, with the approval of the conflicts committee. Estimated maintenance and replacement capital expenditures are based on assumptions regarding the remaining useful life of the vessels in our fleet, a net investment rate equivalent to our current expected long-term borrowing costs, vessel replacement values based on current market conditions, the residual value of the vessels at the end of their useful lives based on current steel prices, estimated expenditures for drydocking not reimbursable under time charters and an assumed level of inflation. The actual cost of replacing the vessels in our fleet will depend on a number of factors, including prevailing market conditions, hire rates and the availability and cost of financing at the time of replacement.

Our board of directors, with the approval of the conflicts committee, may from time to time determine that one or more of our assumptions should be revised, which could cause our board of directors to adjust the amount of estimated maintenance and replacement capital expenditures. Furthermore, we may elect to finance some or all of our maintenance and replacement capital expenditures through the issuance of additional common units, which could be dilutive to existing unitholders.

Please read “Item 3.D. Risk Factors—Risks Inherent in Our Business—We must make substantial capital expenditures to maintain and replace the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter we will be required, pursuant to our partnership agreement, to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted.”

Minimum Quarterly Distribution

Common unitholders are entitled under our partnership agreement to receive a quarterly distribution of \$0.3375 per unit to the extent we have sufficient cash on hand to pay the distribution, after establishment of cash reserves, distribution payments on the Series A preferred units and payment of fees and expenses. There is no guarantee that we will pay the minimum quarterly distribution on the common units in any quarter and we have recently reduced the quarterly cash distribution on our common units to \$0.01 per common unit. The amount of distributions paid under our policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our partnership agreement. We are prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default is then existing, under our financing arrangements. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities” for a discussion of the restrictions contained in our credit facilities.

Subordination Period

The subordination period, as defined in our partnership agreement, for the subordinated units ended on August 16, 2019. All of the 13,156,060 subordinated units, which were owned by Høegh LNG, converted to common units on a one-for-one basis and have the same rights as other common units.

Incentive Distribution Rights

Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Høegh LNG currently holds the incentive distribution rights. The incentive distribution rights may be transferred separately from any other interest, subject to restrictions in our partnership agreement. Any transfer by Høegh LNG of the incentive distribution rights would not change the percentage allocations of quarterly distributions with respect to such rights.

The following table illustrates the percentage allocations of the additional available cash from operating surplus among the unitholders and the holders of the incentive distribution rights up to the various target distribution levels. The amounts set forth under “Marginal Percentage Interest in Distributions” are the percentage interests of the unitholders and the holders of the incentive distribution rights in any available cash from operating surplus we distribute up to and including the corresponding amount in the column “Total Quarterly Distribution Target Amount,” until available cash

[Table of Contents](#)

from operating surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders and the holders of the incentive distribution rights for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution.

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Unitholders	Holders of IDRs
First Target Distribution	up to \$0.388125	100 %	— %
	above \$0.388125		
Second Target Distribution	up to \$0.421875	85 %	15 %
	above \$0.421875		
Third Target Distribution	up to \$0.50625	75 %	25 %
Thereafter	above \$0.50625	50 %	50 %

B. Significant changes

Not applicable.

Item 9. The Offer and Listing

A. Offer and Listing Details

Not applicable.

B. Plan of Distribution

Not applicable.

C. Markets

Our common units began trading on the NYSE under the symbol “HMLP” on August 8, 2014.

Our Series A preferred units began trading on the NYSE under the symbol “HMLP PRA” on October 9, 2017.

D. Selling Unitholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information required to be disclosed under Item 10B is incorporated by reference to Exhibit 2.1 to this Annual Report.

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we or any of our subsidiaries is a party, for the two years immediately preceding the date of this Annual Report:

- (1) Omnibus Agreement, dated August 12, 2014, among Höegh LNG Holdings Ltd., Höegh LNG Partners LP, Höegh LNG GP LLC and Höegh LNG Partners Operating LLC, as supplemented by a letter agreement dated August 12, 2015. Please read “Item 7.B. Related Party Transactions—Omnibus Agreement.”
- (2) 2014 Höegh LNG Partners LP Long-Term Incentive Plan. Please read “Item 6.B. Compensation.”
- (3) Höegh LNG Partners LP Amended and Restated Non-Employee Director Compensation Plan. Please read “Item 6.B. Compensation.”
- (4) Administrative Services Agreement, dated December 20, 2019, among Höegh LNG Partners LP, Höegh LNG Partners Operating LLC and Höegh LNG AS, as amended by Addendum No. 1, dated August 21, 2020 and Addendum No. 2, dated April 9, 2021. Please read “Item 7.B. Related Party Transactions—Administrative Services Agreements—Höegh Norway Administrative Services Agreement.”
- (5) Commercial and Administration Management Agreement, dated November 24, 2009, between SRV Joint Gas Ltd. and Höegh LNG AS (*Neptune*). Please read “Item 7.B. Related Party Transactions-Commercial and Administration Management Agreements.”
- (6) Commercial and Administration Management Agreement, dated May 19, 2010, between SRV Joint Gas Two Ltd. and Höegh LNG AS (*Cape Ann*). Please read “Item 7.B. Related Party Transactions—Commercial and Administration Management Agreements.”
- (7) Management Agreement, dated March 27, 2015, between Höegh Cyprus and Höegh LNG AS (*Höegh Gallant*). Please read “Item 7.B. Related Party Transactions—Gallant Management Agreement.”
- (8) Baltic and International Maritime Council Standard Ship Management Agreement, dated April 23, 2014, between SRV Joint Gas Ltd. and Höegh LNG Fleet Management AS (*Neptune*). Please read “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Agreements.”
- (9) Baltic and International Maritime Council Standard Ship Management Agreement, dated April 23, 2014, between SRV Joint Gas Two Ltd. and Höegh LNG Fleet Management AS (*Cape Ann*). Please read “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Agreements.”
- (10) Baltic and International Maritime Council Standard Ship Management Agreement, dated March 24, 2015, between Höegh LNG Cyprus and Höegh LNG Fleet Management AS (*Höegh Gallant*). Please read “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Agreements.”
- (11) Baltic and International Maritime Council Standard Ship Management Agreement, dated October 17, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG Fleet Management AS (*Höegh Grace*). Please read “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Agreements.”

[Table of Contents](#)

- (12) Baltic and International Maritime Council Standard Ship Management Agreement, dated March 23, 2022, between Höegh LNG Jamaica Limited and Höegh LNG Fleet Management AS (*Höegh Gallant*). Please read “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Agreements.”
- (13) Technical Information and Services Agreement, dated April 2, 2014, between PT Höegh LNG Lampung and Höegh LNG AS (*PGN FSRU Lampung*). Please read “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Agreements.”
- (14) Master Spare Parts Supply Agreement, dated April 2, 2014, between PT Höegh LNG Lampung and Höegh LNG Asia Pte. Ltd. (*PGN FSRU Lampung*). Please read “Item 7.B. Related Party Transactions—Master Spare Parts Supply Agreement.”
- (15) Master Maintenance Agreement, dated April 2, 2014, between PT Höegh LNG Lampung and Höegh LNG Shipping Services Pte Ltd (*PGN FSRU Lampung*). Please read “Item 7.B. Related Party Transactions—Master Maintenance Agreement.”
- (16) Sub-Technical Support Agreement, dated April 11, 2014, between Höegh LNG AS and Höegh LNG Fleet Management AS. Please read “Item 7.B. Related Party Transactions—Ship Management Agreements and Sub-Technical Agreements.”
- (17) Intercompany Agreement Regarding Secondment of Employees, dated March 31, 2015, between Höegh LNG Maritime Management Pte. Ltd. and Höegh Cyprus, as amended by Addendum No.1, dated November 17, 2015. Please read “Item 7.B. Related Party Transactions—Secondment Agreement.”
- (18) Manning Agreement, dated September 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh Fleet Services Philippines Inc. (*Höegh Grace*). Please read “Item 7.B. Related Party Transactions—Höegh Grace Services Agreements.”
- (19) Management Consulting Agreement, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG AS (*Höegh Grace*). Please read “Item 7.B. Related Party Transactions—Höegh Grace Services Agreements.”
- (20) Agreement for the Provision of Professional Payment Services, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG Maritime Management Pte. Ltd. (*Höegh Grace*). Please read “Item 7.B. Related Party Transactions—Höegh Grace Services Agreements.”
- (21) Crew Recruitment Consulting Services Agreement, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG Maritime Management Pte. Ltd. (*Höegh Grace*). Please read “Item 7.B. Related Party Transactions—Höegh Grace Services Agreements.”
- (22) Spare Parts Procurement and Insurance Services Agreement, dated October 25, 2016, between Höegh LNG FSRU IV Ltd. and Höegh LNG Fleet Management AS (*Höegh Grace*). Please read “Item 7.B. Related Party Transactions—Höegh Grace Services Agreements.”
- (23) Technical Services Agreement, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG AS (*Höegh Grace*). Please read “Item 7.B. Related Party Transactions—Höegh Grace Services Agreements.”
- (24) Commercial Consulting Services Agreement, dated March 14, 2022, between Höegh LNG Jamaica Ltd. and Höegh LNG AS (*Höegh Gallant*). Please read “Item 7.B. Related Party Transactions—New Höegh Gallant Services Agreements.”
- (25) Crew Recruitment Consulting Services Agreement, dated March 1, 2022, between Höegh LNG Jamaica Ltd. and Höegh LNG Maritime Management Pte. Ltd. (*Höegh Gallant*). Please read “Item 7.B. Related Party Transactions—New Höegh Gallant Services Agreements.”

[Table of Contents](#)

- (26) Agreement for Provision of Professional Payment Services, dated March 1, 2022, between Höegh LNG Jamaica Ltd. and Höegh LNG Maritime Management Pte. Ltd. (*Höegh Gallant*). Please read “Item 7.B. Related Party Transactions—New Höegh Gallant Services Agreements.”
- (27) SRV LNG Carrier Time Charterparty, dated March 20, 2007, between SRV Joint Gas Ltd. and Suez LNG Trading SA, as novated by the Novation Agreement, dated March 25, 2010, among SRV Joint Gas Ltd., GDF Suez LNG Trading SA (formerly known as Suez LNG Trading SA) and GDF Suez Global LNG Supply SA, as amended by Amendment No. 1, dated February 23, 2015, between SRV Joint Gas Ltd. and GDF Suez LNG Supply SA, as amended by Amendment No. 2, dated February 23, 2015, between SRV Joint Gas Ltd. and GDF Suez LNG Supply SA, as amended by Amendment No. 3, dated April 23, 2014, between SRV Joint Gas Ltd. and GDF Suez LNG Supply SA, as amended by the Deed of Novation and Amendment, dated December 20, 2019, among SRV Joint Gas Ltd., Global LNG SAS and Total Gas & Power Limited, as amended by Amendment No. 5, dated April 1, 2020, between SRV Joint Gas Ltd. and Total Gas & Power Limited (*Neptune*). Please read “Item 4.B. Business Overview—Vessel Time Charters— *Neptune* Time Charter.”
- (28) SRV LNG Carrier Time Charterparty, dated March 20, 2007, between SRV Joint Gas Ltd. and Suez LNG Trading SA, as novated by the Novation Agreement, dated December 20, 2007, among SRV Joint Gas Ltd., Suez LNG Trading SA and SRV Joint Gas Two Ltd., as novated by the Novation Agreement, dated March 25, 2010, among SRV Joint Gas Two Ltd., GDF Suez LNG Trading SA (formerly known as Suez LNG Trading SA) and GDF Suez Global LNG Supply SA, as amended by Amendment No. 1, dated June 20, 2012, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as amended by Amendment No. 2, dated June 20, 2012, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as supplemented by the Side Letter, dated November 17, 2013, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as amended by Amendment No. 3, dated April 23, 2014, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as amended by Amendment No. 4, dated October 23, 2017, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as supplemented by the Side Letter, dated October 27, 2017, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as amended by the Deed of Novation and Amendment, dated December 20, 2019, among SRV Joint Gas Two Ltd., Global LNG SAS and Total Gas & Power Limited, as amended by Amendment No. 5, dated February 20, 2020, between SRV Joint Gas Two Ltd. and Total Gas & Power Limited, as amended by Amendment No. 6, dated April 1, 2020, between SRV Joint Gas Two Ltd. and Total Gas & Power Limited, and as amended by Amendment No. 7, dated October 18, 2021, between SRV Joint Gas Two Ltd. and TotalEnergies Gas & Power Limited (*Cape Ann*). Please read “Item 4.B. Business Overview—Vessel Time Charters.”
- (29) Amendment and Restatement Agreement of the Original Lease, Operation and Maintenance Agreement, dated January 25, 2012, between Höegh LNG Ltd. and PT Perusahaan Gas Negara (Persero) Tbk, as novated by the Novation Agreement for Amended & Restated Lease, Operation & Maintenance Agreement, dated September 18, 2013, among PT Perusahaan Gas Negara (Persero) Tbk, Höegh LNG Ltd. and PT Höegh LNG Lampung, as novated by the Novation Agreement for Amended & Restated Lease, Operation & Maintenance Agreement, dated February 21, 2014, among PT Perusahaan Gas Negara (Persero) Tbk, PT PGN LNG Indonesia and PT Höegh LNG Lampung (*PGN FSRU Lampung*). Please read “Item 4.B. Business Overview—Vessel Time Charters— *PGN FSRU Lampung* Time Charter.”
- (30) Lease and Maintenance Agreement, dated April 30, 2020, between Höegh LNG Cyprus Limited and Höegh LNG Chartering LLC (*Höegh Gallant*). Please read “Item 4.B. Business Overview-Vessel Time Charters- *Höegh Gallant* Time Charter.”
- (31) International Charter Agreement, dated September 23, 2021, between NFE International Shipping LLC and Höegh LNG Partners LP (*Höegh Gallant*). Please read “Item 4.B. Business Overview—Vessel Time Charters—*Höegh Gallant* Time Charter.”
- (32) FSRU Operations and Services Agreement, dated September 23, 2021, between NFE South Holdings Limited and Höegh LNG Partners Operating LLC (*Höegh Gallant*). Please read “Item 4.B. Business Overview—Vessel Time Charters—*Höegh Gallant* Time Charter.”

[Table of Contents](#)

- (33) LMA Suspension Agreement, dated December 22, 2021, among Hoegh LNG Cyprus Limited, Höegh LNG Chartering, LLC, Höegh LNG Ltd. and Höegh LNG Partners LP (*Höegh Gallant*). Please read “Item 4.B. Business Overview—Vessel Time Charters—*Höegh Gallant* Time Charter.”
- (34) LMA Make-Whole Agreement, dated December 22, 2021, between Höegh LNG Partners Operating LLC and Höegh LNG Ltd. (*Höegh Gallant*). Please read “Item 4.B. Business Overview—Vessel Time Charters—*Höegh Gallant* Time Charter.”
- (35) International Leasing Agreement, dated November 1, 2014, between Höegh LNG FSRU IV Ltd. and Sociedad Portuaria El Cayao S.A. E.S.P., as amended by Amendment No. 1 thereto dated September 24, 2015 (*Höegh Grace*). “Item 4.B. Business Overview—Vessel Time Charters—*Höegh Grace* Charter.”
- (36) FSRU Operation and Services Agreement, dated November 1, 2014, between Höegh LNG Holdings Ltd. and Sociedad Portuaria El Cayao S.A. E.S.P., as amended by Amendment No. 1 thereto, dated September 24, 2015, as novated by the Deed of Novation, dated October 18, 2016, among Höegh LNG Holdings Ltd., Höegh LNG Colombia S.A.S. and Sociedad Portuaria El Cayao S.A. E.S.P. (*Höegh Grace*). “Item 4.B. Business Overview—Vessel Time Charters—*Höegh Grace* Charter.”
- (37) Second Amended and Restated Shareholders’ Agreement, dated July 18, 2014, among Mitsui O.S.K. Lines, Ltd., Höegh LNG Partners Operating LLC and Tokyo LNG Tanker Co., Ltd. Please read “Item 4.B. Business Overview—Shareholder Agreements.”
- (38) Shareholders’ Agreement, dated March 13, 2013, between Höegh LNG Lampung Pte Ltd. and PT Bahtera Daya Utama. Please read Item “4.B. Business Overview—Shareholder Agreements.”
- (39) Amended and Restated Shareholders’ Loan Agreement, dated January 26, 2022, among Mitsui O.S.K. Lines, Ltd., Tokyo LNG Tanker Co., Ltd., Höegh LNG Partners Operating LLC and SRV Joint Gas Ltd. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Joint Ventures Debt—Loans Due to Owners (Shareholder Loans).”
- (40) Amended and Restated Shareholders’ Loan Agreement, dated November 10, 2021, among Mitsui O.S.K. Lines, Ltd., Tokyo LNG Tanker Co., Ltd., Höegh LNG Partners Operating LLC and SRV Joint Gas Two Ltd. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Joint Ventures Debt—Loans Due to Owners (Shareholder Loans).”
- (41) Amendment and Restatement Agreement, dated October 9, 2013, among Höegh LNG Lampung Pte Ltd., PT Bahtera Daya Utama and PT Imeco Inter Sarana.
- (42) Revolving Loan Agreement, dated August 12, 2014, between Höegh LNG Partners LP and Höegh LNG Holdings Ltd. in the amount of \$85,000,000, as amended by Amendment No. 1, dated February 28, 2016, Amendment No. 2, dated January 29, 2018 and Amendment No. 3, dated May 28, 2019. Please read “Item 7.B. Related Party Transactions—Revolving Credit Facility with Höegh LNG.”
- (43) Neptune Facility Agreement, dated November 17, 2021, among SRV Joint Gas Ltd. and the other parties thereto. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Joint Ventures Debt—Neptune Facility.”
- (44) Sponsor’s Undertaking for Neptune Facility Agreement, dated November 30, 2021, among Mitsui O.S.K. Lines, Ltd., Tokyo LNG Tanker Co., Ltd., Höegh LNG Partners LP. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Joint Ventures Debt—Neptune Facility.”
- (45) Cape Ann Facility Agreement, dated December 20, 2007, among SRV Joint Gas Two Ltd. and the other parties thereto, as amended by the Amendment Agreement, dated March 25, 2010, the Letter from the Agent for the Lenders, dated August 26, 2010, the Amendment Agreement, dated June 29, 2012, the Letter from the Agent

[Table of Contents](#)

for the Lenders, dated July 25, 2014 and the Amendment Agreement dated December 20, 2019. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities—Joint Ventures Debt—Cape Ann Facility.”

- (46) Amended and Restated Lampung Facility Agreement, dated December 10, 2021, between PT Höegh LNG Lampung and the other parties thereto. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities— Long-term Debt —Lampung Facility.”
- (47) Guarantee for Amended and Restated Lampung Facility Agreement, dated December 10, 2021, between Höegh LNG Partners LP and Standard Chartered Bank. Please read “Item 5.B. Liquidity and Capital Resources—Borrowing Activities —Long-term Debt—Lampung Facility.”
- (48) \$385 Million Senior Secured Term Loan and Revolving Credit Facility Agreement, dated January 29, 2019, among Höegh LNG Partners LP, as borrower, and the other parties thereto. Please read “Item 5.B. Liquidity and Capital Resources— Borrowing Activities—Long-term Debt—\$385 Million Facility.”
- (49) License Agreement, between Leif Höegh & Co. Ltd. and Höegh LNG Partners LP. Please read “Item 7.B. Related Party Transactions—License Agreement.”
- (50) Contribution, Purchase and Sale Agreement, dated August 12, 2015, among Höegh LNG Holdings Ltd., Höegh LNG Ltd., Höegh LNG Partners LP and Höegh LNG Partners Operating LLC. Please read note 14 “Related party transactions” of our consolidated financial statements.
- (51) Option Agreement, dated October 1, 2015, among Höegh LNG Holdings Ltd., Höegh LNG Ltd. and Höegh LNG Partners LP. Please read “Item 7.B. Related Party Transactions—Time Charter and Option for of the *Höegh Gallant*.”
- (52) Contribution, Purchase and Sale Agreement, dated December 1, 2016, among Höegh LNG Holdings Ltd., Höegh LNG Ltd., Höegh LNG Partners LP and Höegh LNG Partners Operating LLC. Please read note 14 “Related party transactions” of our consolidated financial statements.
- (53) Contribution, Purchase and Sale Agreement, dated November 16, 2017, among Höegh LNG Holdings Ltd., Höegh LNG Ltd., Höegh LNG Partners LP and Höegh LNG Partners Operating LLC. Please read note 14 “Related party transactions” of our consolidated financial statements.
- (54) Indemnification Agreement, dated September 27, 2017, among Höegh LNG Partners LP, Höegh LNG Partners Operating LLC and Höegh LNG Holdings Ltd. Please read “Item 7.B. Related Party Transactions—Indemnification Agreement.”
- (55) At-the-Market Issuance Sales Agreement, dated October 18, 2019, among Höegh LNG Partners LP, Höegh LNG GP LLC and Höegh LNG Partners Operating LLC and B. Riley FBR, Inc. Please read “Item 5.B. Liquidity and Capital Resources— Liquidity and Cash Needs.”

D. Exchange Controls

We are not aware of any governmental laws, decrees, regulations or other legislation, including foreign exchange controls, in the Republic of the Marshall Islands that may affect the import or export of capital, including the availability of cash and cash equivalents for use by the Partnership, or the remittance of dividends, interest or other payments to non-resident and non-citizen holders of our securities.

E. Taxation

Material U.S. Federal Income Tax Consequences

The following is a discussion of the material U.S. federal income tax considerations that may be relevant to prospective unitholders.

This discussion is based upon provisions of the Code, Treasury Regulations and current administrative rulings and court decisions, all as in effect or existence on the date of this Annual Report and all of which are subject to change or differing interpretation, possibly with retroactive effect. Changes in these authorities may cause the tax consequences of unit ownership to vary substantially from the consequences described below. The following discussion applies only to beneficial owners of common units or Series A preferred units that own such units as “capital assets” within the meaning of Section 1221 of the Code (i.e., generally, for investment purposes) and is not intended to be applicable to all categories of investors, such as unitholders subject to special tax rules (e.g., financial institutions, insurance companies, broker dealers, tax-exempt organizations, retirement plans or individual retirement accounts, persons who own (actually or constructively) 10.0% or more of the voting power or value of our equity, or former citizens or long-term residents of the United States), persons who hold the units as part of a straddle, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes, or persons that have a functional currency other than the U.S. Dollar, each of whom may be subject to tax rules that differ significantly from those summarized below. If a partnership or other entity or arrangement classified as a partnership for U.S. federal income tax purposes holds our common units or Series A preferred units, the tax treatment of its partners generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our common units or Series A preferred units, you should consult your own tax advisor regarding the tax consequences to you of the partnership’s ownership of such units.

No ruling has been or will be requested from the IRS regarding any matter affecting us or our unitholders. The statements made herein may be challenged by the IRS and, if so challenged, may not be sustained upon review in a court. This discussion does not contain information regarding any U.S. state or local, estate, gift or alternative minimum tax considerations concerning the ownership or disposition of common units or Series A preferred units. This discussion does not comment on all aspects of U.S. federal income taxation that may be important to particular unitholders in light of their individual circumstances, and each prospective unitholder is urged to consult its own tax advisor regarding the U.S. federal, state, local and other tax consequences of the ownership or disposition of common units or Series A preferred units.

Election to be Treated as a Corporation

We have elected to be treated as a corporation for U.S. federal income tax purposes. Consequently, among other things, U.S. Holders (as defined below) will not be directly subject to U.S. federal income tax on our income, but rather will be subject to U.S. federal income tax on distributions received from us and dispositions of units as described below.

U.S. Federal Income Taxation of U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of our common units or Series A preferred units 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 or any of its political subdivisions,
- an estate the income of which is subject to U.S. federal income taxation regardless of its source, or

[Table of Contents](#)

- 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 U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes.

U.S. Federal Taxation of Distributions

Subject to the discussion below of the rules applicable to PFICs, any distributions to a U.S. Holder made by us with respect to our Series A preferred units generally will constitute dividends to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles, allocated to our Series A preferred units, and any distributions to a U.S. Holder made by us with respect to our common units generally will constitute dividends to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles, allocable to our common units. Distributions in excess of our earnings and profits allocable to our Series A preferred units or common units, as applicable, will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in its Series A preferred units or common units and, thereafter, as capital gain. 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 because we are not a U.S. corporation. Dividends received with respect to our common units and Series A preferred units generally will be treated as "passive category income" for purposes of computing allowable foreign tax credits for U.S. federal income tax purposes.

Dividends received with respect to our common units or Series A preferred units by a U.S. Holder that is an individual, trust or estate (a "U.S. Individual Holder") generally will be treated as "qualified dividend income," which is currently taxable to such U.S. Individual Holder at preferential capital gain tax rates provided that: (i) our common units or Series A preferred units, as applicable, are readily tradable on an established securities market in the United States (such as the NYSE, on which our common units and our Series A preferred units are listed); (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 under "—PFIC Status and Significant Tax Consequences"); (iii) the U.S. Individual Holder has owned the common units or Series A preferred units for more than 60 days during the 121-day period beginning 60 days before the date on which the common units or Series A preferred units, as applicable, become ex-dividend (and has not entered into certain risk limiting transactions with respect to such units); and (iv) the U.S. Individual Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. There is no assurance that any dividends paid on our common units or Series A preferred units will be eligible for these preferential rates in the hands of a U.S. Individual Holder, and any dividends paid on our common units or Series A preferred units that are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder.

Special rules may apply to any amounts received in respect of our common units or Series A preferred units that are treated as "extraordinary dividends." In general, an extraordinary dividend is a dividend with respect to a common unit that is equal to or in excess of 10.0% of the unitholder's adjusted tax basis (or fair market value upon the unitholder's election) in such common unit, and a dividend with respect to a Series A preferred unit that is equal to or in excess of 5.0% of a unitholder's adjusted tax basis (or fair market value upon the unitholder's election) in such Series A preferred unit. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20.0% of a unitholder's adjusted tax basis (or fair market value). If we pay an "extraordinary dividend" on our common units or Series A preferred units that is treated as "qualified dividend income," then any loss recognized by a U.S. Individual Holder from the sale or exchange of such common units or Series A preferred units will be treated as long-term capital loss to the extent of the amount of such dividend.

Sale, Exchange or Other Disposition of Common Units and Series A Preferred Units

Subject to the discussion of PFIC status below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our common units or Series A preferred units 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 units. The U.S. Holder's initial tax basis in its common units or Series A preferred units generally will be the U.S. Holder's purchase price for the units and that tax basis will be reduced (but not below zero) by the amount of any distributions on such units that are treated as nontaxable returns of capital (as discussed above under

[Table of Contents](#)

“—U.S. Federal Taxation of Distributions”). 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. Certain U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. A U.S. Holder’s ability to deduct capital losses is subject to limitations. Such capital gain or loss generally will be treated as U.S. source income or loss, as applicable, for U.S. foreign tax credit purposes.

Medicare Tax on Net Investment Income

Certain U.S. Holders, including individuals, estates and trusts, will be subject to an additional 3.8% Medicare tax on, among other things, dividends and capital gains from the sale or other disposition of equity interests. For individuals, the additional Medicare tax applies to the lesser of (i) “net investment income” or (ii) the excess of “modified adjusted gross income” over \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). “Net investment income” generally equals the taxpayer’s gross investment income reduced by deductions that are allocable to such income. Unitholders should consult their tax advisors regarding the implications of the additional Medicare tax resulting from their ownership and disposition of our common units or Series A preferred units.

PFIC Status and Significant Tax Consequences

Adverse U.S. federal income tax rules apply to a U.S. Holder that owns an equity interest in a non-U.S. corporation that is classified as a PFIC for U.S. federal income tax purposes. 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 held our common units or Series A preferred units, either:

- at least 75.0% of our gross income (including our pro rata share of the gross income of our vessel-owning joint ventures and subsidiaries) for such taxable year consists of passive income (e.g., dividends, interest, capital gains from the sale or exchange of investment property and rents derived other than in the active conduct of a rental business); or
- at least 50.0% of the average of the values of the assets held by us (including our pro rata share of the assets of our vessel-owning joint ventures and subsidiaries) during such taxable year produce, or are held for the production of, passive income.

Income earned or treated as earned (for U.S. federal income tax purposes) by us in connection with the performance of services would not constitute passive income for PFIC purposes. By contrast, rental income generally would constitute “passive income” unless we were treated as deriving that rental income in the active conduct of a trade or business under the applicable rules.

Based on our current and projected methods of operation, we believe that we were not a PFIC for any prior taxable year, and we expect that we will not be treated as a PFIC for the current or any future taxable year. We believe that more than 25.0% of our gross income for each taxable year was or will be nonpassive income, and more than 50.0% of the average value of our assets for each such year was or will be held for the production of such nonpassive income. This belief is based on valuations and projections regarding our assets, income and charters, and its validity is conditioned on the accuracy of such valuations and projections. While we believe these valuations and projections are accurate, the shipping market is volatile, and no assurance can be given that they will continue to be accurate at any time in the future.

Moreover, there are legal uncertainties in determining whether the income derived from our time-chartering activities constitutes rental income or income derived from the performance of services. While there is legal authority supporting our conclusions, including IRS pronouncements concerning the characterization of income derived from time charters as services income, the Fifth Circuit held in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), that income derived from certain marine time charter agreements should be treated as rental income rather than services income for purposes of a “foreign sales corporation” provision of the Code. In that case, the Fifth Circuit did not address the definition of passive income or the PFIC rules; however, the reasoning of the case could have implications as to how the income from a time charter would be classified under such rules. If the reasoning of this case were extended to the PFIC context, the gross income we derive or are deemed to derive from our time chartering activities may be treated as rental income, and we would likely be treated as a PFIC. The IRS has announced its nonacquiescence with the court’s holding

[Table of Contents](#)

in the Tidewater case and, at the same time, announced the position of the IRS that the marine time charter agreements at issue in that case should be treated as service contracts.

Distinguishing between arrangements treated as generating rental income and those treated as generating services income involves weighing and balancing competing factual considerations, and there is no legal authority under the PFIC rules addressing our specific method of operation. Conclusions in this area therefore remain matters of interpretation. We are not seeking a ruling from the IRS on the treatment of income generated from our time chartering operations. Thus, it is possible that the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future and that we will not become a PFIC in any future taxable year.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year (and regardless of whether we remain a PFIC for subsequent taxable years), a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a “Qualified Electing Fund,” which we refer to as a “QEF election.” As an alternative to making a QEF election, a U.S. Holder should be able to make a “mark-to-market” election with respect to our common units or Series A preferred units, as discussed below. If we are a PFIC, a U.S. Holder will be subject to the PFIC rules described herein with respect to any of our subsidiaries that are PFICs. However, the mark-to-market election discussed below will likely not be available with respect to shares of such PFIC subsidiaries. In addition, if a U.S. Holder owns our common units or Series A preferred units during any taxable year that we are a PFIC, such holder must file an annual report with the IRS.

Taxation of U.S. Holders Making a Timely QEF Election

If a U.S. Holder makes a timely QEF election (an “Electing Holder”), then, for U.S. federal income tax purposes, the Electing Holder must report as income for its taxable year its pro rata share of our ordinary earnings and net capital gain, if any, for our taxable years that end with or within the taxable year for which that holder is reporting, regardless of whether or not the Electing Holder received distributions from us in that year. The Electing Holder’s adjusted tax basis in the common units or Series A preferred units will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that were previously taxed will result in a corresponding reduction in the Electing Holder’s adjusted tax basis in the common units or Series A preferred units and will not be taxed again once distributed. An Electing Holder generally will recognize capital gain or loss on the sale, exchange or other disposition of our common units or Series A preferred units. A U.S. Holder makes a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with its U.S. federal income tax return. If contrary to our expectations, we determine that we are treated as a PFIC for any taxable year, we intend to provide each U.S. Holder with the information necessary to make the QEF election described above.

[Table of Contents](#)

Taxation of U.S. Holders Making a “Mark-to-Market” Election

If we were to be treated as a PFIC for any taxable year in which a U.S. Holder holds our common units or Series A preferred units and, as we anticipate, our common units or Series A preferred units were treated as “marketable stock,” then, as an alternative to making a QEF election, a U.S. Holder would be allowed to make a “mark-to-market” election with respect to our common units or Series A preferred units, as applicable, 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 common units or Series A preferred units, as applicable, at the end of the taxable year over the holder’s adjusted tax basis in such units. 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 common units or Series A preferred units 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 its common units or Series A preferred units would be adjusted to reflect any such income or loss recognized. Gain recognized on the sale, exchange or other disposition of our common units or Series A preferred units would be treated as ordinary income, and any loss recognized on the sale, exchange or other disposition of the common units or Series A preferred units, as applicable, 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. Because the mark-to-market election only applies to marketable stock, however, it would not apply to a U.S. Holder’s indirect interest in any of our subsidiaries that were determined to be PFICs.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election

If we were to be treated as a PFIC for any taxable year in which a U.S. Holder holds our common units or Series A preferred units, a U.S. Holder that does not make either a QEF election or a “mark-to-market” election for that year (a “Non-Electing Holder”) would be subject to special rules resulting in increased tax liability with respect to (i) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our common units or Series A preferred units in a taxable year in excess of 125.0% 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 such units) and (ii) any gain realized on the sale, exchange or other disposition of the units. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holder’s aggregate holding period for the common units or Series A preferred units;
- the amount allocated to the current taxable year and any taxable year prior to the taxable 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 on ordinary income in effect for the applicable class of taxpayers for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These adverse tax consequences would not apply to a qualified pension, profit sharing or other retirement trust or other tax-exempt organization that did not borrow money or otherwise utilize leverage in connection with its acquisition of our common units or Series A preferred units. If we were treated as a PFIC for any taxable year and a Non-Electing Holder who is an individual dies while owning our common units or Series A preferred units, such holder’s successor generally would not receive a step-up in tax basis with respect to such units.

U.S. Federal Income Taxation of Non-U.S. Holders

A beneficial owner of our common units or Series A preferred units (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 referred to as a Non-U.S. Holder. If you are a partner in a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holding our common units or Series A preferred units, you should consult your own tax advisor regarding the tax consequences to you of the partnership’s ownership of such units.

[Table of Contents](#)

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 in the same manner as a U.S. Holder to the extent they constitute income effectively connected with the Non-U.S. Holder's U.S. trade or business (provided, in the case of a Non-U.S. Holder entitled to the benefits of an income tax treaty with the United States, such distributions also are attributable to a U.S. permanent establishment). The after-tax amount of any effectively connected dividends received by a corporate Non-U.S. Holder may also be subject to an additional U.S. branch profits tax at a 30.0% rate (or, if applicable, a lower treaty rate).

Disposition of Units

In general, a Non-U.S. Holder is not subject to U.S. federal income tax or withholding tax on any gain resulting from the disposition of our common units or Series A preferred units 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 same manner as a U.S. Holder in the event the gain from the disposition of units is effectively connected with the conduct of such U.S. trade or business (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). The after-tax amount of any effectively connected gain of a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to an additional U.S. branch profits tax at a rate of 30.0% (or, if applicable, a lower treaty rate). 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 common units or Series A preferred units if they are present in the United States for 183 days or more during the taxable year in which those units 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 common units or Series A preferred units will 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 its U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

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, W-8EXP or W-8IMY, as applicable.

Backup withholding is not an additional tax. Rather, a unitholder 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 timely filing a U.S. federal income tax return with the IRS.

In addition, individual citizens or residents of the United States holding certain "foreign financial assets" (which generally includes stock and other securities issued by a foreign person unless held in an account maintained by a financial institution) that exceed certain thresholds (the lowest being holding foreign financial assets with an aggregate value in excess of (i) \$50,000 on the last day of the taxable year or (ii) \$75,000 at any time during the taxable year) are required to report information relating to such assets. Significant penalties may apply for failure to satisfy these reporting obligations. U.S. Holders should consult their tax advisors regarding their reporting obligations, if any, that would result from their purchase, ownership or disposition of our units.

Non-United States Tax Consequences

The following is a discussion of the material non-U.S. tax considerations that may be relevant to prospective unitholders. Unless the context otherwise requires, references in this section to “we,” “our” or “us” are references to Høegh LNG Partners LP.

Marshall Islands Tax Consequences

The following discussion is based on the current laws of the Republic of the Marshall Islands applicable to persons who are not citizens of the Republic of the Marshall Islands and do not reside in, maintain offices in or carry on business or conduct transactions or operations in the Republic of the Marshall Islands.

Because we and our subsidiaries do not and assuming that we and our subsidiaries do not in the future carry on business or conduct transactions or operations in the Republic of the Marshall Islands, under current Marshall Islands law you will not be subject to Marshall Islands taxation or withholding on distributions, including upon distribution treated as a return of capital, we make to you as a unitholder. In addition, you will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of common units or Series A preferred units, and you will not be required by the Republic of the Marshall Islands to file a tax return relating to your ownership of units.

Norway Tax Consequences

The following is a discussion of the material Norwegian tax consequences that may be relevant to prospective unitholders who are persons not resident in Norway for taxation purposes, which we refer to as “Non-Norwegian Holders.” Prospective unitholders who are resident in Norway for taxation purposes are urged to consult their own tax advisors regarding the potential Norwegian tax consequences to them of an investment in our common units. For this purpose, a company incorporated outside of Norway will be treated as resident in Norway in the event its central management and control is carried out in Norway.

Under the Tax Act on Income and Wealth, Non-Norwegian Holders will not be subject to any taxes in Norway on income or profits in respect of the acquisition, holding, disposition or redemption of the common units or Series A preferred units, provided that we are not treated as carrying on business in Norway, and the Non-Norwegian Holder is not engaged in a Norwegian trade or business to which the common units or Series A preferred units are effectively connected, or if the Non-Norwegian Holder is resident in a country that has an income tax treaty with Norway, such holder does not have a permanent establishment in Norway to which the common units are effectively connected.

We believe that we will be able to conduct our affairs so that Non-Norwegian Holders should not be subject to Norwegian tax on the acquisition, holding, disposition or redemption of the common units or Series A preferred units. However, this determination is dependent upon the facts existing at such time, including (but not limited to) the place where our board of directors meets and the place where our management makes decisions or takes certain actions affecting our business. We intend to conduct our affairs in a manner consistent with our Norwegian tax practice so that our business should not be treated as managed from or carried on in Norway for taxation purposes, and consequently, Non-Norwegian Holders should not be subject to tax in Norway solely by reason of the acquisition, holding, disposition or redemption of their common units or Series A preferred units. Nonetheless, there is no legal authority addressing our specific circumstances, and conclusions in this area remain matters of interpretation. Thus, it is possible that the Norwegian taxation authority could challenge, or a court could disagree with, our position.

While we do not expect it to be the case, if the arrangements we propose to enter into result in our being considered to carry on business in Norway for the purposes of the Tax Act on Income and Wealth, unitholders would be considered to be carrying on business in Norway and would be required to file tax returns with the Norwegian Tax Administration and, subject to any relief provided in any relevant double taxation treaty (including, in the case of holders resident in the United States, the U.S.-Norway Tax Treaty), would be subject to taxation in Norway on any income considered to be attributable to the business carried on in Norway.

F. Dividends and Paying Agents

Not applicable.

[Table of Contents](#)

G. Statement by Experts

Not applicable.

H. Documents on Display

Documents concerning us that are referred to in this Annual Report may be inspected at our offices at Cannon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda and may also be obtained from our website at www.hoeghlnpartners.com. Those documents electronically filed via the SEC's Electronic Data Gathering, Analysis, and Retrieval system may also be obtained from the SEC's website at www.sec.gov.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market risks, including interest rate and foreign currency exchange risks.

Interest Rate Risk

Interest rate swap contracts can be utilized to exchange a receipt of floating interest for a payment of fixed interest to reduce the exposure to interest rate variability on our outstanding floating rate debt. As of December 31, 2021, there are interest rate swap agreements on the Lampung and the \$385 million facilities' floating rate debt that are designated as cash flow hedges for accounting purposes. Please read notes 15 and 16 of our consolidated financial statements.

As of December 31, 2021, the following interest rate swap agreements were outstanding:

(in thousands of U.S. dollars)	Interest rate index	Notional amount	Fair value carrying amount liability	Term	Fixed interest rate (1)
LIBOR-based debt					
Lampung interest rate swaps (2)	LIBOR	\$ 64,437	\$ (2,476)	Sep 2026	2.800%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,869)	Jan 2026	2.941%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,610)	Oct 2025	2.838%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,527)	Jan 2026	2.735%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,388)	Jan 2026	2.650%

(1) Excludes the margins paid on the floating-rate debt.

(2) All interest rate swaps are U.S. dollar denominated and principal amount reduces quarterly.

The table below provides information about our financial instruments that are sensitive to interest rates:

(In thousands of U.S. dollars)	2022	2023	2024	2025	2026	Thereafter	Total	Fair value	Rate(1)
Liabilities									
Long-term Debt									
Fixed rate	\$ 6,667	6,667	6,667	6,667	6,667	4,500	37,835	\$ 37,990	3.9 %
Variable rate	39,718	37,080	37,080	37,081	202,988	—	353,947	352,290	2.9 %
Interest Rate Swaps									
Variable to fixed	\$ 5,239	3,209	2,310	1,816	296	—	12,870	\$ 12,870	2.8 %

(1) Rate refers to the weighted-average interest rate for our variable long-term debt, including the margin we pay on our floating-rate debt. The average variable to fixed rate for our interest rate swaps excludes the margin we pay on our drawn floating-rate debt. Please read note 12 of our consolidated financial statements.

Foreign Currency Risk

All financing, interest expenses from financing and most of the Partnership's revenue and expenditures for vessel improvements are denominated in U.S. dollars. Certain operating expenses can be denominated in currencies other than U.S. dollars. For the years ended December 31, 2021, 2020 and 2019, no derivative instruments have been used to manage foreign exchange risk.

Credit risk

Credit risk is the exposure to credit loss in the event of non-performance by the counterparties related to cash and cash equivalents, restricted cash, trade receivables, net investment in financing lease, amounts due from affiliates and interest rate swap agreements. Further, the Partnership has future exposure for Höegh LNG's ability to make payments to the Partnership under the Suspension and Make-Whole Agreements, for the technical modifications of the vessels and any prospective boil-off claims or other direct impacts of the boil-off settlement agreement. Refer to note 17 of our consolidated financial statements. In order to minimize counterparty risk, bank relationships are established with counterparties with acceptable credit ratings at the time of the transactions. Credit risk related to receivables is limited by performing ongoing credit evaluations of the customers' or counterparty's financial condition. PGN guarantees PGN LNG's obligations under the *PGN FSRU Lampung* time charter. NFE Atlantic Holdings LLC, a subsidiary of New Fortress, guarantees the performance of the charterer under the NFE Charter, subject to a cap on its total liability. Refer to note 16 of our consolidated financial statements.

Concentration of Risk

Financial instruments, which potentially subject the Partnership to significant concentrations of credit risk, consist principally of cash and cash equivalents, restricted cash, trade receivables, amounts due from affiliates and derivative contracts (interest rate swaps). The maximum exposure to loss due to credit risk is the book value at the balance sheet date. We do not have a policy of requiring collateral or security. Cash and cash equivalents and restricted cash are placed with qualified financial institutions. Periodic evaluations are performed of the relative credit standing of those financial institutions. In addition, exposure is limited by diversifying among counterparties. There are three charterers so there is a concentration of risk related to trade receivables. Credit risk related to trade receivables is limited by performing ongoing credit evaluations of the customer's financial condition. Refer to note 2 of our consolidated financial statements for information related to the allowance for expected credit losses. For the years ended December 31, 2021 and 2020, there was no change in the allowance for expected credit losses following the cumulative effect of adopting the standard on January 1, 2020. While the maximum exposure to loss due to credit risk is the book value of trade receivables at the balance sheet date, should the time charters for the *PGN FSRU Lampung*, the *Höegh Gallant* or the *Höegh Grace* terminate prematurely, or the option to acquire the *PGN FSRU Lampung* be exercised, there could be delays in obtaining new time charters and the hire rates could be lower depending upon the prevailing market conditions.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

As of December 31, 2021, we were in compliance with all applicable covenants under our debt agreements.

Item 14. Material Modifications to the Rights of Securities Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Disclosure Controls and Procedures

Under the direction of our Chief Executive Officer and Chief Financial Officer (“CEO” and “CFO”), we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of December 31, 2021. Disclosure controls and procedures are designed to ensure that (i) information required to be disclosed in our reports that are filed or submitted under the Exchange Act, are recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission’s rules and forms, and (ii) information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Based upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of December 31, 2021 as a result of the material weakness in internal controls over financial reporting described below.

Management’s Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as (defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). Internal controls are designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation and presentation of the financial statements for external purposes in accordance with accounting principles generally accepted in the United States. 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 our assets;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

In connection with the preparation of this Annual Report, management, under the supervision and with the participation of our CEO and CFO, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021, based on the criteria described in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on that evaluation, management has concluded that, as of December 31, 2021, the Partnership’s internal control over financial reporting was not effective due to the material weakness in internal control over financial reporting due to deficiencies related to information technology (“IT”) general controls.

[Table of Contents](#)

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Our IT general controls over user access and program change management were ineffective in that they did not adequately restrict user access or privileged (administrator) access to financial applications and data, and program changes related to certain IT systems that support our financial reporting processes. For certain IT systems, user access was granted, in certain cases, without appropriate approval and user access privileges were not removed on a timely basis when employment ended. Following the implementation of a new IT system, external consultants continued to have generic user IDs with privileged access increasing the risk of unauthorized changes, and program changes were not adequately reviewed prior to being placed in production. Our business process controls (automated and manual) that are dependent on the affected ITGCs were also deemed ineffective because they could have been adversely impacted.

Management believes that these control deficiencies were a result of heavy workload on IT personnel and control owners during the implementation of the new IT system resulting in inappropriate assignment of user and privileged access; lack of proper training and understanding of documentation and tracking or logging changes over program changes that could impact internal control over financial reporting; and insufficient IT resources assigned to monitoring controls as part of the IT compliance oversight function.

Following identification of the material weakness and prior to filing this Annual Report on Form 20-F, management initiated, and supervised procedures performed to review all program changes following the implementation of the new IT system to assess the appropriateness of the changes made and did not identify any unintended use of those with generic user IDs. In addition, a review of user and privileged access was completed, and appropriate modifications were implemented. Management did not identify any material misstatements to the consolidated financial statements and there were no changes to previously released financial results as a result of this material weakness.

Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Partnership's internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young AS, an independent registered public accounting firm, as stated in their report which appears on page F-4 of our consolidated financial statements.

Remediation

In response to the material weakness as of December 31, 2021, described herein, management, under the oversight of the audit committee, will implement measures designed to ensure that the control deficiencies contributing to the material weakness are remediated. The remediation actions include: (i) developing a training program addressing user and privileged access controls and change management controls and policies, including educating IT personnel and control owners concerning the principles and requirements of each control; (ii) formalize access requirements for external consultants and procedures for establishing separate IDs and passwords restricting access to the intended tasks; (iii) expanding the change management policy, clearly defining what constitutes a program change that requires proper testing, approval and formal documentation; and (iv) dedicating additional IT personnel to monitoring controls as part of the IT compliance oversight function. The above remediation will not be considered complete until such time that the controls put in place have a reasonable time to operate and we have been able to test their operating effectiveness.

Changes in Internal Control over Financial Reporting

Other than the changes referred to above, there were no changes in our internal control over financial reporting during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Disclosure Controls and Procedures in Internal Control over Financial Reporting

Our system of controls is designed to provide reasonable, not absolute, assurance regarding the reliability and integrity of accounting and financial reporting. Our CEO and CFO does not expect that our disclosure controls and internal controls over financial reporting will prevent all errors and fraud. Because of inherent limitations in any such control system (e.g. faulty judgments, human error, information technology system error, or intentional circumvention), there can be no assurance that the objectives of a control system will be met under all circumstances. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of a control system also must be considered relative to the costs of the system and our judgment regarding the likelihood of potential events. In addition, expectations related to any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Kathleen McAllister and David Spivak qualify as audit committee financial experts and are independent under applicable NYSE and SEC standards.

Item 16B. Code of Ethics

We have adopted the Höegh LNG Partners LP Code of Business Conduct and Ethics that applies to all of our employees, officers and directors. This document is available under the “Governance” section of our website (www.hoeghlnpartners.com). We intend to disclose, under this section of our website, any waivers to or amendments of the Höegh LNG Partners LP Corporate Code of Business Ethics and Conduct for the benefit of any of our directors and executive officers.

Item 16C. Principal Accountant Fees and Services

Our principal accountant for 2021 was Ernst & Young AS.

The audit committee of our board of directors has the authority to pre-approve permissible audit-related and non-audit services not prohibited by SEC and PCAOB standards to be performed by our independent auditors and associated fees. Engagements for proposed services either may be separately pre-approved by the audit committee or entered into pursuant to detailed pre-approval policies and procedures established by the audit committee, as long as the audit committee is informed on a timely basis of any engagement entered into on that basis. The audit committee separately pre-approved all engagements and fees paid to our principal accountant in 2021.

Fees Incurred by the Partnership for Ernst & Young AS’ Services

(In thousands of U.S. dollars)	2021	2020
Audit Fees	\$ 1,193	\$ 1,066
Total Fees	\$ 1,193	\$ 1,066

Audit Fees

Audit fees for 2021 and 2020 are the aggregate fees billed for professional services rendered by the principal accountant for the audit of the Partnership’s annual financial statements and services normally provided by the principal accountant in connection with statutory and regulatory filings or engagements for the two most recent fiscal years.

Audit-Related Fees

There were no audit-related fees for 2021 and 2020.

[Table of Contents](#)

Tax Fees

There were no tax fees for 2021 and 2020.

All Other Fees

No other fees were billed by our principal accountant in 2020 and 2021.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Overview

Pursuant to an exemption under the NYSE listing standards for foreign private issuers, the Partnership is not required to comply with the corporate governance practices followed by U.S. companies under the NYSE listing standards. However, pursuant to Section 303A.11 of the New York Stock Exchange Listed Company Manual, we are required to state any significant differences between our corporate governance practices and the practices required by the NYSE for U.S. companies. We believe that our established practices in the area of corporate governance are in line with the spirit of the NYSE standards and provide adequate protection to our unitholders. The significant differences between our corporate governance practices and the NYSE standards applicable to listed U.S. companies are set forth below.

Independence of Directors

The NYSE rules do not require a listed company that is a foreign private issuer to have a board of directors that is comprised of a majority of independent directors. Under Marshall Islands law, we are not required to have a board of directors comprised of a majority of directors meeting the independence standards described in the NYSE rules. In addition, the NYSE rules do not require limited partnerships like us to have boards of directors comprised of a majority of independent directors. Our board of directors has determined that each of Ms. McAllister, Mr. Shaw and Mr. Spivak satisfies the independence standards established by the NYSE as applicable to us.

Executive Sessions

The NYSE requires that non-management directors of a listed U.S. company meet regularly in executive sessions without management. The NYSE also requires that all independent directors of a listed U.S. company meet in an executive session at least once a year. As permitted under Marshall Islands law and our partnership agreement, our non-management directors do not regularly hold executive sessions without management, and we do not expect them to do so in the future.

Nominating/Corporate Governance Committee

The NYSE requires that a listed U.S. company have a nominating/corporate governance committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee. As

[Table of Contents](#)

permitted under Marshall Islands law and our partnership agreement, we do not currently have a nominating or corporate governance committee.

Compensation Committee

The NYSE requires that a listed U.S. company have a compensation committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee. As permitted under Marshall Islands law and our partnership agreement, we do not currently have a compensation committee.

Unitholder Approval

We are not required to obtain unitholder approval prior to the adoption of equity compensation plans or certain equity issuances, including, among others, issuing 20% or more of our outstanding common units or voting power in a transaction.

Corporate Governance Guidelines

The NYSE requires U.S. companies to adopt and disclose corporate governance guidelines. The guidelines must address, among other things: director qualification standards, director responsibilities, director access to management and independent advisers, director compensation, director orientation and continuing education, management succession and an annual performance evaluation. We are not required to adopt such guidelines under Marshall Islands law, and we have not adopted such guidelines.

We make available a statement of significant differences on our website (www.hoeghlnpartners.com) in the governance section.

We believe that our established corporate governance practices satisfy the NYSE listing standards.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The consolidated financial statements of Höegh LNG Partners LP and schedule set forth on pages F-1 through F-63 and Exhibit 15.1, together with the related reports of Ernst & Young AS, Independent Registered Public Accounting Firm (PCAOB ID: 1572) thereon, are filed as part of this Annual Report.

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required, are inapplicable or have been disclosed in the notes to the financial statements and therefore have been omitted.

Item 19. Exhibits

The following exhibits are filed as part of this Annual Report:

Exhibit Number	Description
1.1	Certificate of Limited Partnership of Höegh LNG Partners LP (incorporated by reference to Exhibit 3.1 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)
1.2	Second Amended and Restated Agreement of Limited Partnership of Höegh LNG Partners LP, dated October 5, 2017, between Höegh LNG GP LLC and Höegh LNG Holdings Ltd. (incorporated by reference to Exhibit 4.1 to the registrant's Report on Form 6-K, filed on October 5, 2017)
2.1	Description of Securities Registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 2.1 to the registrant's Annual Report on Form 20-F, filed on April 3, 2020).
4.1	Omnibus Agreement, dated August 12, 2014, among Höegh LNG Holdings Ltd., Höegh LNG Partners LP, Höegh LNG GP LLC and Höegh LNG Partners Operating LLC (incorporated by reference to Exhibit 4.2 to the registrant's Annual Report on Form 20-F, filed on April 24, 2015)
4.1.1	Letter Agreement, dated August 12, 2015, among Höegh LNG Holdings Ltd., Höegh LNG Partners LP, Höegh LNG GP LLC and Höegh LNG Partners Operating LLC (incorporated by reference to Exhibit 4.32 to the registrant's Annual Report on Form 20-F/A, filed on November 30, 2015)
4.2	2014 Höegh LNG Partners LP Long-Term Incentive Plan (incorporated by reference to Exhibit 4.3 to the registrant's Annual Report on Form 20-F, filed on April 24, 2015)
4.3*	Höegh LNG Partners LP Amended and Restated Non-Employee Director Compensation Plan (as amended April 6, 2022)
4.4	Administrative Services Agreement, dated December 20, 2019, among Höegh LNG Partners LP, Höegh LNG Partners Operating LLC and Höegh LNG AS (incorporated by reference to Exhibit 4.6 to the registrant's Annual Report on Form 20-F, filed on April 3, 2020)
4.4.1	Addendum No 1. to the Administrative Services Agreement, dated August 21, 2020, among Höegh LNG Partners LP, Höegh LNG Partners Operating LLC and Höegh LNG AS (incorporated by reference to Exhibit 4.4.1 to the registrant's Annual Report on Form 20-F, filed on April 9, 2021)

Table of Contents

Exhibit Number	Description
4.4.2	<u>Addendum No 2. to the Administrative Services Agreement, dated April 9, 2021, among Høegh LNG Partners LP, Høegh LNG Partners Operating LLC and Høegh LNG AS (incorporated by reference to Exhibit 4.4.2 to the registrant's Annual Report on Form 20-F, filed on April 9, 2021)</u>
4.5	<u>Commercial and Administration Management Agreement, dated November 24, 2009, between SRV Joint Gas Ltd. and Høegh LNG AS (<i>Neptune</i>) (incorporated by reference to Exhibit 10.8 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)</u>
4.6	<u>Commercial and Administration Management Agreement, dated May 19, 2010, between SRV Joint Gas Two Ltd. and Høegh LNG AS (<i>Cape Ann</i>) (incorporated by reference to Exhibit 10.9 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)</u>
4.7	<u>Management Agreement, dated March 27, 2015, between Høegh LNG Cyprus Limited and Høegh LNG AS (<i>Høegh Gallant</i>) (incorporated by reference to Exhibit 4.14 to the registrant's Annual Report on Form 20-F, filed on April 28, 2016)</u>
4.8	<u>Baltic and International Maritime Council Standard Ship Management Agreement, dated April 23, 2014, between SRV Joint Gas Ltd. and Høegh LNG Fleet Management AS (<i>Neptune</i>) (incorporated by reference to Exhibit 10.10 to Amendment No. 4 to the registrant's Form F-1 Registration Statement (333-197228), filed on August 6, 2014)</u>
4.9	<u>Baltic and International Maritime Council Standard Ship Management Agreement, dated April 23, 2014, between SRV Joint Gas Two Ltd. and Høegh LNG Fleet Management AS (<i>Cape Ann</i>) (incorporated by reference to Exhibit 10.11 to Amendment No. 4 to the registrant's Form F-1 Registration Statement (333-197228), filed on August 6, 2014)</u>
4.10	<u>Baltic and International Maritime Council Standard Ship Management Agreement, dated March 24, 2015, between Høegh LNG Cyprus Limited and Høegh LNG Fleet Management AS (<i>Høegh Gallant</i>) (incorporated by reference to Exhibit 4.17 to the registrant's Annual Report on Form 20-F, filed on April 28, 2016)</u>
4.11	<u>Baltic and International Maritime Council Standard Ship Management Agreement, dated October 17, 2016, between Høegh LNG Colombia S.A.S. and Høegh LNG Fleet Management AS (<i>Høegh Grace</i>) (incorporated by reference to Exhibit 4.17 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)</u>
4.12*	<u>Baltic and International Maritime Council Standard Ship Management Agreement, dated March 23, 2022, between Høegh LNG Jamaica Limited and Høegh LNG Fleet Management AS (<i>Høegh Gallant</i>)</u>
4.13	<u>Technical Information and Services Agreement, dated April 2, 2014, between PT Høegh LNG Lampung and Høegh LNG AS (<i>PGN FSRU Lampung</i>) (incorporated by reference to Exhibit 10.12 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)</u>
4.14	<u>Master Spare Parts Supply Agreement, dated April 2, 2014, between PT Høegh LNG Lampung and Høegh LNG Asia Pte. Ltd. (<i>PGN FSRU Lampung</i>) (incorporated by reference to Exhibit 10.13 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)</u>
4.15	<u>Master Maintenance Agreement, dated April 2, 2014, between PT Høegh LNG Lampung and Høegh LNG Shipping Services Pte Ltd (<i>PGN FSRU Lampung</i>) (incorporated by reference to Exhibit 10.14 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)</u>

Table of Contents

Exhibit Number	Description
4.16	<u>Sub-Technical Support Agreement, dated April 11, 2014, between Höegh LNG AS and Höegh LNG Fleet Management AS (PGN FSRU Lampung) (incorporated by reference to Exhibit 10.15 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)</u>
4.17	<u>Intercompany Agreement Regarding Secondment of Employees, dated March 31, 2015, between Höegh LNG Maritime Management Pte. Ltd. and Hoegh LNG Cyprus Limited, as amended by Addendum No. 1 dated November 17, 2015 (incorporated by reference to Exhibit 4.22 to the registrant's Annual Report on Form 20-F, filed on April 28, 2016)</u>
4.18	<u>Manning Agreement, dated September 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh Fleet Services Philippines Inc. (Höegh Grace) (incorporated by reference to Exhibit 4.23 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)</u>
4.19	<u>Management Consulting Agreement, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG AS (Höegh Grace) (incorporated by reference to Exhibit 4.24 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)</u>
4.20	<u>Agreement for the Provision of Professional Payment Services, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG Maritime Management Pte. Ltd. (Höegh Grace) (incorporated by reference to Exhibit 4.25 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)</u>
4.21	<u>Crew Recruitment Consulting Services Agreement, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG Maritime Management Pte. Ltd. (Höegh Grace) (incorporated by reference to Exhibit 4.26 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)</u>
4.22	<u>Spare Parts Procurement and Insurance Services Agreement, dated October 25, 2016, between Höegh LNG FSRU IV Ltd. and Höegh LNG Fleet Management AS (Höegh Grace) (incorporated by reference to Exhibit 4.27 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)</u>
4.23	<u>Technical Services Agreement, dated October 1, 2016, between Höegh LNG Colombia S.A.S. and Höegh LNG AS (Höegh Grace) (incorporated by reference to Exhibit 4.28 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)</u>
4.24*	<u>Commercial Consulting Services Agreement, dated March 14, 2022, between Höegh LNG Jamaica Ltd. and Höegh LNG AS (Höegh Gallant)</u>
4.25*	<u>Crew Recruitment Consulting Services Agreement, dated March 1, 2022, between Höegh LNG Jamaica Ltd. and Höegh LNG Maritime Management Pte. Ltd. (Höegh Gallant)</u>
4.26*	<u>Agreement for the Provision of Professional Payment Services, dated March 1, 2022, between Höegh LNG Jamaica Ltd. and Höegh LNG Maritime Management Pte. Ltd. (Höegh Gallant)</u>
4.27†	<u>SRV LNG Carrier Time Charterparty, dated March 20, 2007, between SRV Joint Gas Ltd. and Suez LNG Trading SA, as novated by the Novation Agreement, dated March 25, 2010, among SRV Joint Gas Ltd., GDF Suez LNG Trading SA (formerly known as Suez LNG Trading SA) and GDF Suez Global LNG Supply SA (Neptune) (incorporated by reference to Exhibit 10.16 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)</u>
4.27.1†	<u>Amendment No 1. to the SRV LNG Carrier Time Charterparty, dated February 23, 2015, between SRV Joint Gas Ltd. and GDF Suez LNG Supply SA (Neptune) (incorporated by reference to Exhibit 4.16.1 to the registrant's Annual Report on Form 20-F, filed on April 24, 2015)</u>

[Table of Contents](#)

Exhibit Number	Description
4.27.2†	Amendment No. 2, to the SRV LNG Carrier Time Charterparty, dated February 23, 2015, between SRV Joint Gas Ltd. and GDF Suez LNG Supply SA (<i>Neptune</i>) (incorporated by reference to Exhibit 4.16.2 to the registrant’s Annual Report on Form 20-F, filed on April 24, 2015)
4.27.3†	Amendment No. 3, dated April 23, 2014, to the SRV LNG Carrier Time Charterparty (<i>Neptune</i>) (incorporated by reference to Exhibit 10.16.1 to Amendment No. 4 to the registrant’s Form F-1 Registration Statement (333-197228), filed on August 6, 2014)
4.27.4†	Amendment No. 4, dated December 9, 2016, to the SRV LNG Carrier Time Charterparty (<i>Neptune</i>) (incorporated by reference to Exhibit 4.29.4 to the registrant’s Annual Report on Form 20-F, filed on April 6, 2017)
4.27.5	Deed of Novation and Amendment, dated December 20, 2019, to the SRV LNG Carrier Time Charterparty (<i>Neptune</i>), among SRV Joint Gas Ltd., Global LNG SAS and Total Gas & Power Limited. (incorporated by reference to Exhibit 4.25.5 to the registrant’s Annual Report on Form 20-F, filed on April 3, 2020)
4.27.6††	Amendment No. 5, dated April 1, 2020, to the SRV LNG Carrier Time Charterparty (<i>Neptune</i>) (incorporated by reference to Exhibit 4.25.6 to the registrant’s Annual Report on Form 20-F, filed on April 3, 2020)
4.28†	SRV LNG Carrier Time Charterparty, dated March 20, 2007, between SRV Joint Gas Ltd. and Suez LNG Trading SA, as novated by the Novation Agreement, dated December 20, 2007, among SRV Joint Gas Ltd., Suez LNG Trading SA and SRV Joint Gas Two Ltd., as novated by the Novation Agreement, dated March 25, 2010, among SRV Joint Gas Two Ltd., GDF Suez LNG Trading SA (formerly known as Suez LNG Trading SA) and GDF Suez Global LNG Supply SA, as amended by Amendment No. 1, dated June 20, 2012, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as amended by Amendment No. 2, dated June 20, 2012, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA, as supplemented by the Side Letter, dated November 17, 2013, between SRV Joint Gas Two Ltd. and GDF Suez LNG Supply SA (<i>Cape Ann</i>) (incorporated by reference to Exhibit 10.17 to the registrant’s Form F-1 Registration Statement (333-197228), filed on July 3, 2014)
4.28.1†	Amendment No. 3, dated April 23, 2014, to the SRV LNG Carrier Time Charterparty (<i>Cape Ann</i>) (incorporated by reference to Exhibit 10.17.1 to Amendment No. 4 to the registrant’s Form F-1 Registration Statement (333-197228), filed on August 6, 2014)
4.28.2†	Amendment No. 4, dated October 23, 2017, to the SRV LNG Carrier Time Charterparty, as supplemented by the Side Letter, dated October 27, 2017 (<i>Cape Ann</i>) (incorporated by reference to Exhibit 4.30.2 to the registrant’s Annual Report on Form 20-F filed on April 6, 2018)
4.28.3	Deed of Novation and Amendment, dated December 20, 2019, to the SRV LNG Carrier Time Charterparty (<i>Cape Ann</i>), among SRV Joint Gas Two Ltd., Global LNG SAS and Total Gas & Power Limited (incorporated by reference to Exhibit 4.26.3 to the registrant’s Annual Report on Form 20-F, filed on April 3, 2020)
4.28.4††	Amendment No. 5, dated February 20, 2020, to the SRV LNG Carrier Time Charterparty (<i>Cape Ann</i>) (incorporated by reference to Exhibit 4.26.4 to the registrant’s Annual Report on Form 20-F, filed on April 3, 2020)

Table of Contents

Exhibit Number	Description
4.28.5††	Amendment No. 6, dated April 1, 2020, to the SRV LNG Carrier Time Charterparty (Cape Ann) (incorporated by reference to Exhibit 4.26.5 to the registrant's Annual Report on Form 20-F, filed on April 3, 2020)
4.28.6††*	Amendment No. 7, dated October 18, 2021, to the SRV LNG Carrier Time Charterparty (Cape Ann)
4.29	Amendment and Restatement Agreement of the Original Lease, Operation and Maintenance Agreement, dated January 25, 2012, between Höegh LNG Ltd. and PT Perusahaan Gas Negara (Persero) Tbk, as novated by the Novation Agreement for Amended & Restated Lease, Operation & Maintenance Agreement, dated September 18, 2013, among PT Perusahaan Gas Negara (Persero) Tbk, Höegh LNG Ltd. and PT Höegh LNG Lampung, as novated by the Novation Agreement for Amended & Restated Lease, Operation & Maintenance Agreement, dated February 21, 2014, among PT Perusahaan Gas Negara (Persero) Tbk, PT PGN LNG Indonesia and PT Höegh LNG Lampung (PGN FSRU Lampung.) (incorporated by reference to Exhibit 10.18 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)
4.30††	Lease and Maintenance Agreement, dated April 30, 2020, between Hoegh LNG Cyprus Limited and Hoegh LNG Chartering LLC (Höegh Gallant) (incorporated by reference to Exhibit 4.1 to the registrant's Form 6-K, filed on June 18, 2020).
4.31††*	International Charter Agreement, dated September 23, 2021, between NFE International Shipping LLC and Höegh LNG Partners LP (Höegh Gallant)
4.32††*	FSRU Operation and Services Agreement, dated September 23, 2021, between NFE South Holdings Limited and Höegh LNG Partners Operating LLC (Höegh Gallant)
4.33*	LMA Suspension Agreement, dated December 22, 2021, among Hoegh LNG Cyprus Limited, Höegh LNG Chartering, LLC, Höegh LNG Ltd. and Höegh LNG Partners LP (Höegh Gallant)
4.34††*	LMA Make-Whole Agreement, dated December 22, 2021, between Höegh LNG Partners Operating LLC and Höegh LNG Ltd. (Höegh Gallant)
4.35†	International Leasing Agreement, dated November 1, 2014, between Höegh LNG FSRU IV Ltd. and Sociedad Portuaria El Cayao S.A. E.S.P., as amended by Amendment No. 1 thereto dated September 24, 2015 (Höegh Grace) (incorporated by reference to Exhibit 4.33 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)
4.36†	FSRU Operation and Services Agreement, dated November 1, 2014, between Höegh LNG Holdings Ltd. and Sociedad Portuaria El Cayao S.A. E.S.P., as amended by Amendment No. 1 thereto, dated September 24, 2015, as novated by the Deed of Novation, dated October 18, 2016, among Höegh LNG Holdings Ltd., Höegh LNG Colombia S.A.S. and Sociedad Portuaria El Cayao S.A. E.S.P. (Höegh Grace.) (incorporated by reference to Exhibit 4.34 to the registrant's Annual Report on Form 20-F, filed on April 6, 2017)
4.37	Second Amended and Restated Shareholders' Agreement, dated July 18, 2014, among Mitsui O.S.K Lines, Ltd., Höegh LNG Partners Operating LLC and Tokyo LNG Tanker Co., Ltd. (incorporated by reference to Exhibit 4.19 to the registrant's Annual Report on Form 20-F, filed on April 24, 2015)
4.38	Shareholders' Agreement, dated March 13, 2013, between Höegh LNG Lampung Pte Ltd. and PT Bahtera Daya Utama (incorporated by reference to Exhibit 10.20 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)

Table of Contents

Exhibit Number	Description
4.39*	Amended and Restated Shareholders' Loan Agreement, dated January 26, 2022, among Mitsui O.S.K. Lines, Ltd., Tokyo LNG Tanker Co., Ltd., Höegh LNG Partners Operating LLC and SRV Joint Gas Ltd.
4.40*	Amended and Restated Shareholders' Loan Agreement, dated November 10, 2021, among Mitsui O.S.K. Lines, Ltd., Tokyo LNG Tanker Co., Ltd., Höegh LNG Partners Operating LLC and SRV Joint Gas Two Ltd.
4.41	Amendment and Restatement Agreement, dated October 9, 2013, among Höegh LNG Lampung Pte Ltd., PT Bahtera Daya Utama and PT Imeco Inter Sarana (incorporated by reference to Exhibit 10.23 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 3, 2014)
4.42	Revolving Loan Agreement, dated August 12, 2014, between Höegh LNG Partners LP and Höegh LNG Holdings Ltd. in the amount of \$85,000,000 (incorporated by reference to Exhibit 4.24 to the registrant's Annual Report on Form 20-F, filed on April 24, 2015)
4.42.1	Amendment No. 1 to the Revolving Loan Agreement, dated February 28, 2016 (incorporated by reference to Exhibit 4.32.1 to the registrant's Annual Report on Form 20-F, filed on April 28, 2016)
4.42.2	Amendment No. 2 to the Revolving Loan Agreement, dated January 29, 2018 (incorporated by reference to Exhibit 4.40.2 to the registrant's Annual Report on Form 20-F filed on April 6, 2018)
4.42.3	Amendment No. 3 to the Revolving Loan Agreement, dated May 28, 2019 (incorporated by reference to Exhibit 4.36.3 to the registrant's Annual Report on Form 20-F, filed on April 3, 2020)
4.43*	Neptune Facility Agreement, dated November 17, 2021, among SRV Joint Gas Ltd. and the other parties thereto
4.44*	Sponsor's Undertaking for Neptune Facility Agreement, dated November 30, 2021, among Mitsui O.S.K. Lines, Ltd., Tokyo LNG Tanker Co., Ltd., Höegh LNG Partners LP
4.45	Cape Ann Facility Agreement, dated December 20, 2007, among SRV Joint Gas Two Ltd. and the other parties thereto, as amended by the Amendment Agreement, dated March 25, 2010, the Letter from the Agent for the Lenders, dated August 26, 2010, the Amendment Agreement, dated June 29, 2012 and the Letter from the Agent for the Lenders, dated July 25, 2014 (incorporated by reference to Exhibit 4.27 to the registrant's Annual Report on Form 20-F, filed on April 24, 2015)
4.45.1	Amendment Letter, dated December 20, 2019, to Cape Ann Facility Agreement, between SRV Joint Gas Ltd. and DNB Bank ASA, as security trustee and agent (incorporated by reference to Exhibit 4.38.1 to the registrant's Annual Report on Form 20-F, filed on April 3, 2020).
4.46*	Amended and Restated Lampung Facility Agreement, dated December 10, 2021, between PT Höegh LNG Lampung and the other parties thereto
4.47*	Guarantee for Amended and Restated Lampung Facility Agreement, dated December 10, 2021, between Höegh LNG Partners LP and Standard Chartered Bank
4.48	\$385 Million Senior Secured Term Loan and Revolving Credit Facility Agreement dated January 29, 2019 among Höegh LNG Partners LP, as borrower, and the other parties thereto (incorporated by reference to Exhibit 4.44 to the registrant's Annual Report on Form 20-F, filed on April 10, 2019)

Table of Contents

Exhibit Number	Description
4.49	<u>License Agreement, between Leif Höegh & Co. Ltd. and Höegh LNG Partners LP (incorporated by reference to Exhibit 10.29 to Amendment No. 1 to the registrant's Form F-1 Registration Statement (333-197228), filed on July 17, 2014)</u>
4.50	<u>Contribution, Purchase and Sale Agreement, dated August 12, 2015, among Höegh LNG Holdings Ltd., Höegh LNG Ltd., Höegh LNG Partners LP and Höegh LNG Partners Operating LLC (incorporated by reference to Exhibit 4.39 to the registrant's Annual Report on Form 20-F, filed on April 28, 2016)</u>
4.51	<u>Option Agreement, dated October 1, 2015, among Höegh LNG Holdings Ltd., Höegh LNG Ltd. and Höegh LNG Partners LP (incorporated by reference to Exhibit 4.41 to the registrant's Annual Report on Form 20-F, filed on April 28, 2016)</u>
4.52	<u>Contribution, Purchase and Sale Agreement, dated December 1, 2016, among Höegh LNG Holdings Ltd., Höegh LNG Ltd., Höegh LNG Partners LP and Höegh LNG Partners Operating LLC (incorporated by reference to Exhibit 4.1 to the registrant's Report on Form 6-K, filed on December 1, 2016)</u>
4.53	<u>Contribution, Purchase and Sale Agreement, dated November 16, 2017, among Höegh LNG Holdings Ltd., Höegh LNG Ltd., Höegh LNG Partners LP and Höegh LNG Partners Operating LLC (incorporated by reference to Exhibit 4.1 to the registrant's Report on Form 6-K, filed on January 26, 2018)</u>
4.54	<u>Indemnification Agreement, dated September 27, 2017, among Höegh LNG Partners LP, Höegh LNG Partners Operating LLC and Höegh LNG Holdings Ltd. (incorporated by reference to Exhibit 4.1 to the registrant's Report on Form 6-K, filed on September 28, 2017)</u>
4.55	<u>At-the-Market Issuance Sales Agreement, dated October 18, 2019, among Höegh LNG Partners LP, Höegh LNG GP LLC and Höegh LNG Partners Operating LLC and B. Riley FBR, Inc. (incorporated by reference to Exhibit 1.1 to the registrant's Report on Form 6-K, filed on October 18, 2019)</u>
8.1*	<u>Subsidiaries of Höegh LNG Partners LP</u>
12.1*	<u>Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer and the Principal Financial Officer</u>
13.1*	<u>Certification under Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer and the Principal Financial Officer</u>
15.1*	<u>Schedule I - Condensed Financial Information of Registrant</u>
15.2*	<u>Consent of Independent Registered Public Accounting Firm</u>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Schema Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Schema Definition Linkbase

[Table of Contents](#)

Exhibit Number	Description
101.LAB*	Inline XBRL Taxonomy Extension Schema Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Schema Presentation Linkbase
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† Certain portions have been omitted pursuant to a confidential treatment order. Omitted information has been filed separately with the SEC.

†† Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURE

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.

Date: April 25, 2022

HÖEGH LNG PARTNERS LP

By: /s/ Håvard Furu

Name: Håvard Furu

Title: Chief Executive Officer and
Chief Financial Officer

INDEX TO THE FINANCIAL STATEMENTS

Höegh LNG Partners LP

Audited Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm	F-2
Consolidated Statements of Income for the Years Ended December 31, 2021, 2020 and 2019	F-6
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2021, 2020 and 2019	F-7
Consolidated Balance Sheets as of December 31, 2021 and 2020	F-8
Consolidated Statements of Changes in Partners' Capital for the Years Ended December 31, 2021, 2020 and 2019	F-10
Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2020 and 2019	F-11
Notes to the consolidated financial statements	F-13

Exhibit 15.1 Schedule I - Condensed Financial Information of Registrant

Report of Independent Registered Public Accounting Firm

To the Unitholders and the Board of Directors of Höegh LNG Partners LP

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Höegh LNG Partners LP (the “Partnership”) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, changes in partners’ capital and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement Schedule I in Exhibit 15.1 of Item 19 (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership’s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 25, 2022 expressed an adverse opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on the Partnership’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership 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. 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.

Critical Audit Matter

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

Income Taxes – Provision for Uncertain Tax Positions in Indonesia

<i>Description of the Matter</i>	As discussed in Note 6 to the consolidated financial statements, as of December 31, 2021 the Partnership has recognized a provision of \$8,994 thousand for uncertain tax positions including associated interest and penalties in Indonesia. The Partnership’s tax positions in Indonesia are subject to audit by local taxing authorities and the resolution of such audits may take several years. Indonesian tax law is complex and often subject to various interpretations, accordingly, the ultimate outcome with respect to taxes the Partnership may owe may differ from the amounts recognized.
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[Table of Contents](#)

We identified the provisions for uncertain tax positions in Indonesia as a critical audit matter because auditing the identification, recognition and measurement of the provision includes a higher degree of judgment. The judgment was due to the Partnership's interpretation of, and compliance with, numerous and complex tax laws. In addition, a higher degree of auditor judgment was required in evaluating the Partnership's estimate of the ultimate resolution of its tax positions in Indonesia.

How We Addressed the Matter in Our Audit Our audit procedures included, among others, evaluating the Partnership's interpretation of Indonesian tax law by developing an independent assessment. For example, we involved local tax professionals with specialized skills to assist us in obtaining an understanding of and assessing the technical merits and the amount of the provision recognized related to the Partnership's tax positions. We inspected the Partnership's correspondence and assessments with the relevant Indonesian tax authorities. We evaluated third-party advice obtained by the Partnership in relation to specific Indonesian income tax law. We tested the completeness and accuracy of the underlying data used by the Partnership to calculate its uncertain tax positions in Indonesia. We assessed the adequacy of the Partnership's disclosures around uncertain tax positions in Indonesia included in Note 6.

/s/ Ernst & Young AS
We have served as the Partnership's auditor since 2013.
Oslo, Norway
April 25, 2022

Report of Independent Registered Public Accounting Firm

To the Unitholders and the Board of Directors of Höegh LNG Partners LP

Opinion on Internal Control Over Financial Reporting

We have audited Höegh LNG Partners LP's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, because of the effect of the material weakness described below on the achievement of the objectives of the control criteria, Höegh LNG Partners LP (the Partnership) has not maintained effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment. Management has identified a material weakness in controls related to the Partnership's information technology general controls.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Partnership as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, changes in partners' capital and cash flows for each of the three years in the period ended December 31, 2021, the related notes and financial statement Schedule I in Exhibit 15.1 of Item 19 (collectively referred to as the "consolidated financial statements"). This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2021 consolidated financial statements, and this report does not affect our report dated April 25, 2022, which expressed an unqualified opinion thereon.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

[Table of Contents](#)

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

/s/ Ernst & Young AS
Oslo, Norway
April 25, 2022

HÖEGH LNG PARTNERS LP
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(in thousands of U.S. dollars, except per unit amounts)

	Notes	2021	2020	2019
REVENUES				
Time charter revenues	3,4,14	\$ 141,260	143,095	\$ 145,321
Other revenue	3,4	—	—	115
Total revenues	3,4	<u>141,260</u>	<u>143,095</u>	<u>145,436</u>
OPERATING EXPENSES				
Vessel operating expenses	14	(28,845)	(24,072)	(30,870)
Administrative expenses		(12,410)	(9,740)	(9,861)
Depreciation and amortization	10,11	(20,418)	(20,937)	(21,477)
Total operating expenses	14	<u>(61,673)</u>	<u>(54,749)</u>	<u>(62,208)</u>
Equity in earnings (losses) of joint ventures	3,8	25,836	6,420	6,078
Operating income (loss)	3	<u>105,423</u>	<u>94,766</u>	<u>89,306</u>
FINANCIAL INCOME (EXPENSE), NET				
Interest income	5,14	553	605	947
Interest expense	5,12,14	(26,829)	(24,430)	(27,692)
Gain (loss) on debt extinguishment	5	—	—	1,030
Other items, net	5	(2,862)	(2,232)	(3,575)
Total financial income (expense), net	3,5	<u>(29,138)</u>	<u>(26,057)</u>	<u>(29,290)</u>
Income (loss) before tax		<u>76,285</u>	<u>68,709</u>	<u>60,016</u>
Income tax benefit (expense)	3,6	(16,290)	(5,564)	(7,275)
Net income (loss)	3	<u>\$ 59,995</u>	<u>63,145</u>	<u>\$ 52,741</u>
Preferred unitholders' interest in net income		15,508	14,802	13,850
Limited partners' interest in net income (loss)		<u>\$ 44,487</u>	<u>48,343</u>	<u>\$ 38,891</u>
Earnings per unit				
Common unit public (basic and diluted)	21	\$ 1.32	1.40	\$ 1.12
Common unit Höegh LNG (basic and diluted)	21	\$ 1.35	1.51	\$ 1.84
Subordinated unit Höegh LNG (basic and diluted)	21	\$ —	—	\$ 0.70

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

HØEGH LNG PARTNERS LP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(in thousands of U.S. dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net income (loss)		\$ 59,995	63,145	\$ 52,741
Unrealized gains (losses) on cash flow hedge	16	13,879	(11,367)	(12,217)
Income tax benefit (expense)	6,16	(187)	(262)	(389)
Other comprehensive income (loss)		13,692	(11,629)	(12,606)
Other comprehensive income from investments in joint ventures	16	181	—	—
Total other comprehensive income (loss)	16	13,873	(11,629)	(12,606)
Comprehensive income (loss)		\$ 73,868	51,516	\$ 40,135
Preferred unitholders' interest in net income		15,508	14,802	13,850
Limited partners' interest in comprehensive income (loss)		<u>\$ 58,360</u>	<u>36,714</u>	<u>\$ 26,285</u>

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

HØEGH LNG PARTNERS LP
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020
(in thousands of U.S. dollars)

	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	15	\$ 42,519	\$ 31,770
Restricted cash	15	8,410	7,198
Trade receivables	4,15	3,653	415
Amounts due from affiliates	4,14,15	7,500	3,639
Advances to joint ventures	9,15	—	3,284
Current portion of net investment in financing lease	4	5,426	4,969
Prepaid expenses and other receivables	7	3,772	3,883
Total current assets		<u>71,280</u>	<u>55,158</u>
Long-term assets			
Restricted cash	15	10,991	12,095
Accumulated earnings of joint ventures	8	35,708	9,690
Advances to joint ventures	9,15	7,511	869
Vessels, net of accumulated depreciation	10	602,289	619,620
Other equipment	10	100	109
Intangibles and goodwill	11	11,301	14,056
Net investment in financing lease	4	263,862	269,288
Long-term deferred tax asset	6	144	102
Other long-term assets		822	823
Total long-term assets		<u>932,728</u>	<u>926,652</u>
Total assets		<u>\$ 1,004,008</u>	<u>\$ 981,810</u>

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

HÖEGH LNG PARTNERS LP
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020
(in thousands of U.S. dollars)

	Notes	2021	2020
LIABILITIES AND EQUITY			
Current liabilities			
Current portion of long-term debt	12,15	\$ 46,385	\$ 59,119
Trade payables		3,890	467
Amounts due to owners and affiliates	14,15	3,655	2,600
Value added and withholding tax liability		935	1,445
Derivative instruments	15,16	5,239	6,945
Accrued liabilities and other payables	13	16,105	7,232
Total current liabilities		<u>76,209</u>	<u>77,808</u>
Long-term liabilities			
Long-term debt	12,15	339,687	355,470
Revolving credit facility due to owners and affiliates	14,15	24,942	18,465
Derivative instruments	15,16	7,631	19,530
Long-term tax liability	6	6,391	2,668
Long-term deferred tax liability	6	18,462	14,430
Other long-term liabilities		166	124
Total long-term liabilities		<u>397,279</u>	<u>410,687</u>
Total liabilities		<u>473,488</u>	<u>488,495</u>
EQUITY			
	19,20,21		
8.75% Series A preferred units:			
7,089,325 units issued and outstanding at December 31, 2021 and			
6,752,333 units issued and outstanding at December 31, 2020			
		176,078	167,760
Common units public:			
18,115,504 units issued and outstanding at December 31, 2021 and			
18,050,941 units issued and outstanding at December 31, 2020			
		317,515	308,850
Common units Höegh LNG:			
15,257,498 units issued and outstanding at December 31, 2021 and December 31, 2020			
		52,626	46,277
Accumulated other comprehensive income (loss)	16	(15,699)	(29,572)
Total partners' capital		<u>530,520</u>	<u>493,315</u>
Total equity		<u>530,520</u>	<u>493,315</u>
Total liabilities and equity		<u>\$ 1,004,008</u>	<u>\$ 981,810</u>

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

HÖEGH LNG PARTNERS LP
CONSOLIDATED STATEMENTS OF
CHANGES IN PARTNERS' CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(in thousands of U.S. dollars)

	Partners' Capital				Accumulated Other Comprehensive Income	Total Equity
	8.75% Series A Preferred Units	Common Units Public	Common Units Höegh LNG	Subordinated Units		
Consolidated balance as of December 31, 2018	\$ 151,259	325,250	6,844	42,421	(5,337)	\$ 520,437
Net income	13,850	20,186	12,973	5,732	—	52,741
Cash distributions to unitholders	(13,692)	(31,663)	(10,051)	(18,398)	—	(73,804)
Repayment of indemnification received from Höegh LNG	—	—	(9)	(55)	—	(64)
Conversion of subordinated units to common units	—	—	29,837	(29,837)	—	—
Other comprehensive income	—	—	—	—	(12,606)	(12,606)
Net proceeds from issuance of common units	—	1,029	—	—	—	1,029
Net proceeds from issuance of Series A preferred units	13,065	—	—	—	—	13,065
Issuance of units for Board of Directors' fees	—	194	—	—	—	194
Other and contributions from owners	—	180	201	137	—	518
Consolidated balance as of December 31, 2019	\$ 164,482	315,176	39,795	—	(17,943)	\$ 501,510
Net income	14,802	25,333	23,010	—	—	63,145
Cash distributions to unitholders	(14,698)	(31,737)	(28,451)	—	—	(74,886)
Cumulative change in accounting principle	—	(84)	(72)	—	—	(156)
Other comprehensive income	—	—	—	—	(11,629)	(11,629)
Net proceeds from issuance of Series A preferred units	3,174	—	—	—	—	3,174
Issuance of units for Board of Directors' fees	—	181	—	—	—	181
Contribution from Höegh LNG	—	—	11,850	—	—	11,850
Other and contributions from owners	—	(19)	145	—	—	126
Consolidated balance as of December 31, 2020	\$ 167,760	308,850	46,277	—	(29,572)	\$ 493,315
Net income	15,508	23,929	20,558	—	—	59,995
Cash distributions to unitholders	(15,508)	(16,293)	(14,532)	—	—	(46,333)
Other comprehensive income	—	—	—	—	13,692	13,692
Net proceeds from issuance of common units	—	818	—	—	—	818
Net proceeds from issuance of Series A preferred units	8,318	—	—	—	—	8,318
Issuance of units for Board of Directors' fees	—	211	—	—	—	211
Contribution from Höegh LNG	—	—	315	—	—	315
Other comprehensive income from investments in joint ventures	—	—	—	—	181	181
Other and contributions from owners	—	—	8	—	—	8
Consolidated balance as of December 31, 2021	\$ 176,078	317,515	52,626	—	(15,699)	\$ 530,520

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

HØEGH LNG PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(in thousands of U.S. dollars)

	2021	2020	2019
OPERATING ACTIVITIES			
Net income (loss)	\$ 59,995	63,145	\$ 52,741
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	20,418	20,937	21,477
Equity in (earnings) losses of joint ventures	(25,836)	(6,420)	(6,078)
Changes in accrued interest income on advances to joint ventures	(376)	(321)	(295)
Amortization of deferred debt issuance cost	5,677	2,289	2,361
Amortization in revenue for above market contract	2,755	3,052	3,631
Expenditure for drydocking	(3,062)	—	(3,107)
(Gain) loss on debt extinguishment	—	—	(1,030)
Changes in accrued interest expense	532	(435)	2,246
Receipts from repayment of principal on financing lease	4,969	4,551	4,168
Unrealized foreign exchange losses (gains)	(20)	(380)	360
Gain (loss) on the settlement of the derivatives	—	—	(199)
Proceeds from settlement of derivative instruments	—	—	1,398
Unrealized loss (gain) on derivative instruments	274	173	21
Non-cash revenue: tax paid directly by charterer	(889)	(867)	(867)
Non-cash income tax expense: tax paid directly by charterer	889	867	867
Deferred tax expense and provision for tax uncertainty	10,129	2,118	3,707
Issuance of units for Board of Directors' fees	211	181	194
Other adjustments	8	123	512
Changes in working capital:			
Trade receivables	(3,235)	176	543
Inventory	—	463	183
Prepaid expenses and other receivables	302	(1,168)	(2,081)
Trade payables	3,432	(80)	(10)
Amounts due to owners and affiliates	(2,815)	744	244
Value added and withholding tax liability	(750)	(633)	2,827
Accrued liabilities and other payables	6,647	(2,690)	1,439
Net cash provided by (used in) operating activities	79,255	85,825	85,252
INVESTING ACTIVITIES			
Expenditure for vessel and other equipment	—	(8)	(269)
Payment on principal on advances to joint ventures	(2,983)	—	—
Net cash provided by (used in) investing activities	\$ (2,983)	(8)	\$ (269)

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

HØEGH LNG PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(in thousands of U.S. dollars)

	2021	2020	2019
FINANCING ACTIVITIES			
Proceeds from long-term debt	\$ 14,750	—	\$ 368,300
Proceeds from revolving credit facility due to owners and affiliates	6,000	21,750	3,500
Repayment of long-term debt	(44,432)	(44,660)	(342,416)
Payment of debt issuance costs	(4,513)	—	(5,797)
Repayment of revolving credit facility due to owners and affiliates	—	—	(34,000)
Repayment of customer loan for funding of value added liability on import	—	—	(438)
Net proceeds from issuance of common units	818	—	1,029
Net proceeds from issuance of Series A preferred units	8,318	3,174	13,065
Cash distributions to limited partners and preferred unitholders	(46,333)	(74,886)	(73,804)
Repayment of indemnifications received from Høegh LNG	—	—	(64)
Net cash provided by (used in) financing activities	\$ (65,392)	(94,622)	\$ (70,625)
Increase (decrease) in cash, cash equivalents and restricted cash	10,880	(8,805)	14,358
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(23)	49	7
Cash, cash equivalents and restricted cash, beginning of period	51,063	59,819	45,454
Cash, cash equivalents and restricted cash, end of period	<u>\$ 61,920</u>	<u>51,063</u>	<u>\$ 59,819</u>

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets for the years ended December 31, 2021, 2020 and 2019

	2021	2020	2019	2018
Cash and cash equivalents	\$ 42,519	31,770	39,126	\$ 26,326
Restricted cash - current asset	8,410	7,198	8,066	6,003
Restricted cash - non-current asset	10,991	12,095	12,627	13,125
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 61,920</u>	<u>51,063</u>	<u>59,819</u>	<u>\$ 45,454</u>

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

1. Description of business

Höegh LNG Partners LP (the “Partnership”) was formed under the laws of the Marshall Islands on April 28, 2014 as an indirect 100% owned subsidiary of Höegh LNG Holdings Ltd. (“Höegh LNG”) for the purpose of acquiring Höegh LNG’s interests in Höegh LNG Lampung Pte. Ltd., PT Hoegh LNG Lampung (the owner of the *PGN FSRU Lampung*), SRV Joint Gas Ltd. (the owner of the *Neptune*), and SRV Joint Gas Two Ltd. (the owner of the *Cape Ann*) in connection with the Partnership’s initial public offering of its common units (the “IPO”) in August 2014.

On August 12, 2014, the Partnership completed its IPO. Prior to the closing of the IPO, Höegh LNG contributed to the Partnership all of its equity interests and loans and promissory notes due to it and affiliates in each of the entities owning the *Neptune*, the *Cape Ann* and the *PGN FSRU Lampung*. The transfer of the interests was recorded at Höegh LNG’s consolidated book values. At the closing of the IPO (including the exercise by the underwriters of the option to purchase an additional 1,440,000 common units), (i) 11,040,000 common units were sold to the public for net proceeds, after deduction of offering expenses, of \$203.5 million; (ii) Höegh LNG owned 2,116,060 common units and 13,156,060 subordinated units, representing approximately 58% of the limited partner interests in the Partnership, and 100% of the incentive distribution rights (“IDRs”) and (iii) a wholly owned subsidiary of Höegh LNG owned the non-economic general partner interest in the Partnership.

Under the partnership agreement, the general partner has irrevocably delegated to the Partnership’s board of directors the power to oversee and direct the operations of, manage and determine the strategies and policies of the Partnership. Four of the seven board members were elected by the common unitholders at the Partnership’s first annual meeting of unitholders held on September 24, 2014. As a result, Höegh LNG, as the owner of the general partner, does not have the power to control the Partnership’s board of directors or the Partnership, and the Partnership is not considered to be under the control of Höegh LNG for United States generally accepted accounting principles (“US GAAP”) purposes. Therefore, the sale of a business from Höegh LNG to the Partnership is a change of control. As a result, the Partnership accounts for acquisitions of businesses under the purchase method of accounting and not as transfers of entities under common control.

On October 1, 2015, the Partnership closed the acquisition of 100% of the shares in Höegh LNG FSRU III Ltd., the entity that indirectly owned the floating storage and regasification unit (“FSRU”) the *Höegh Gallant* (the “*Höegh Gallant* entities”). The *Höegh Gallant* was constructed by Hyundai Heavy Industries Co., Ltd. (“HHI”) and was delivered to Höegh LNG in November 2014.

In December 2016, the Partnership issued and sold 6,588,389 common units in an underwritten public offering for net proceeds of \$111.5 million primarily to fund the purchase price of the acquisition of a 51% ownership interest in Höegh LNG Colombia Holding Ltd., the owner of the entities that own and operate the FSRU *Höegh Grace* (the “*Höegh Grace* entities”), in January 2017.

On January 3, 2017, the Partnership closed the acquisition of a 51% ownership interest in Höegh Colombia Holding Ltd. On January 1, 2017, the Partnership entered into an agreement with Höegh LNG, under which Höegh LNG granted to the Partnership the authority to make decisions about operations of Höegh LNG Colombia Holding Ltd. from January 1, 2017 to the closing date of the acquisition. As a result, the Partnership has recorded the results of operations of the *Höegh Grace* entities in its consolidated statement of income from January 1, 2017.

On October 5, 2017, the Partnership issued 4,600,000 8.75% Series A cumulative redeemable preferred units (the “Series A preferred units”) for proceeds, net of underwriting discounts and expenses, of \$110.9 million. Refer to note 20. A portion of the net proceeds was used to repay outstanding debt under the seller’s credit note related to the *Höegh Gallant* acquisition and outstanding debt under the revolving credit facility.

On December 1, 2017, the Partnership closed the acquisition of the remaining 49% ownership interest in the *Höegh Grace* entities with a combination of cash remaining from the net proceeds from the issuance of Series A preferred units and draws on the revolving credit facility.

[Table of Contents](#)

On January 26, 2018, the Partnership entered into sales agreement with B. Riley FBR Inc. (the “Agent”). Under the terms of the sales agreement, the Partnership could offer and sell up to \$120 million aggregate offering amount of common units and Series A preferred units through the Agent, acting as agent for the Partnership (the “Prior ATM Program”).

On October 18, 2019, the Partnership entered into a sales agreement with the Agent for a new ATM program and terminated the Prior ATM Program. Under the terms of the new sales agreement, the Partnership may offer and sell up to \$120 million aggregate offering amount of common units and Series A preferred units, from time to time, through the Agent, acting as an agent for the Partnership. Sales of such units may be made in negotiated transactions that are deemed to be “at the market” offerings, including sales made directly on the New York Stock Exchange or through a market maker other than on an exchange.

The interests in SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd., collectively, are referred to as the “joint ventures” and the remaining entities owned by the Partnership, as reflected in the table below are, collectively, referred to as the “subsidiaries” in these consolidated financial statements. The *PGN FSRU Lampung*, the *Höegh Gallant*, the *Höegh Grace*, the *Neptune* and the *Cape Ann* are FSRUs and, collectively, referred to in these consolidated financial statements as the vessels or the “FSRUs.” The Tower Yoke Mooring System (the “Mooring”) is an offshore installation that is used to moor the *PGN FSRU Lampung* to offload the gas into an offshore pipe that transports the gas to a land terminal. PT Hoegh LNG Lampung, Hoegh LNG Cyprus Limited, the owner of the *Höegh Gallant*, Höegh LNG FSRU IV Ltd., the owner of the *Höegh Grace*, and the two joint ventures, SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd., are collectively referred to as the “FSRU-owning entities.”

The *Neptune* and the *Cape Ann* operate under long-term time charters with expiration dates in 2029 and 2030, respectively, and, in each case, with an option for the charterer, Global LNG Supply SA, as novated to Total Gas & Power Ltd. in February 2020, both subsidiaries of Total S.A. (“Total”), to extend for up to one additional period of ten years or two additional periods of five years each. The *PGN FSRU Lampung*, operates under a long term time charter which started in July 2014 with an expiration date in 2034, with an option for the charterer to extend for up to two additional periods of five years each, and uses the Mooring that was constructed, installed and sold to the charterer, PT PGN LNG Indonesia (“PGN LNG”), a subsidiary of PT Perusahaan Gas Negara (Persero) Tbk (“PGN”), a subsidiary of PT Pertamina, a government-controlled, Indonesian oil and gas producer, natural gas transportation and distribution company. The *Höegh Gallant* operated under a long term time charter which started in April 2015 and expired in April 2020 with Hoegh LNG Egypt LLC (“EgyptCo”), a subsidiary of Höegh LNG. On February 27, 2020, the Partnership exercised its right pursuant to an option agreement to cause Höegh LNG or its subsidiary to charter the *Höegh Gallant* from the expiration of the EgyptCo charter until July 2025. On April 30, 2020, the Partnership entered into a lease and maintenance agreement with another subsidiary of Höegh LNG for the time charter of the *Höegh Gallant* (the “Suspended Gallant Charter”). On September 23, 2021, the Partnership entered into agreements with subsidiaries of New Fortress Energy Inc (“New Fortress”) to charter the *Höegh Gallant* primarily for FSRU operations for a period of ten years, with FSRU operations commencing on March 20, 2022 (the “NFE Charter”). From November 26, 2021 until the FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations. The Partnership has also entered into an agreement to suspend the Suspended Gallant Charter, with effect from the commencement of the NFE Charter, and a make-whole agreement (together, the “Suspension and Make-Whole Agreements”) pursuant to which Höegh LNG’s subsidiary will compensate the Partnership monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. The *Höegh Grace* operates under a long term time charter which started in December 2016 with Sociedad Portuaria El Cayao S.A. E.S.P. (“SPEC”). SPEC is owned 51% by Promigas S.A. ESP, a Colombian company focused on the transportation and distribution of natural gas, and 49% by private equity investors. The non-cancellable charter period of 10 years ends in December 2026. The initial term of the charter is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if SPEC waives its rights to terminate in year 10 within a certain deadline, the Partnership will not be able to exercise its right to terminate in year 10.

[Table of Contents](#)

The following table lists the entities included in these consolidated financial statements and their purpose as of December 31, 2021.

Name	Jurisdiction of Incorporation or Registration	Purpose
Høegh LNG Partners LP	Marshall Islands	Holding Company
Høegh LNG Partners Operating LLC (100% owned)	Marshall Islands	Holding Company
Hoegh LNG Services Ltd (100% owned) (1)	United Kingdom	Administration Services Company
Hoegh LNG Lampung Pte. Ltd. (100% owned)	Singapore	Owens 49% of PT Hoegh LNG Lampung
PT Hoegh LNG Lampung (49% owned) (2)	Indonesia	Owens <i>PGN FSRU Lampung</i>
SRV Joint Gas Ltd. (50% owned) (3)	Cayman Islands	Owens <i>Neptune</i>
SRV Joint Gas Two Ltd. (50% owned) (3)	Cayman Islands	Owens <i>Cape Ann</i>
Hoegh LNG Cyprus Limited (100% owned)	Cyprus	Owens <i>Høegh Gallant</i>
Hoegh LNG Cyprus Limited Egypt Branch (100% owned)	Egypt	Branch of Hoegh LNG Cyprus Limited
Høegh LNG Colombia Holding Ltd. (100% owned)	Cayman Islands	Owens 100% of Høegh LNG FSRU IV Ltd. and Høegh LNG Colombia S.A.S.
Høegh LNG FSRU IV Ltd. (100% owned)	Cayman Islands	Owens <i>Høegh Grace</i>
Høegh LNG Colombia S.A.S. (100% owned)	Colombia	Operating Company
Høegh LNG Gallant Limited (100% owned)	Cayman Islands	Dormant entity
Hoegh LNG Jamaica Limited (100% owned)	Jamaica	Operating Company
FSRU Finance Ltd. (100% owned)	Bermuda	Dormant entity

- (1) Hoegh LNG Services Ltd is in the process of winding up.
- (2) PT Hoegh LNG Lampung is a variable interest entity, which is controlled by Hoegh LNG Lampung Pte. Ltd. and is, therefore, 100% consolidated in the consolidated financial statements.
- (3) The remaining 50% interest in each joint venture is owned by Mitsui O.S.K. Lines, Ltd. and Tokyo LNG Tanker Co.

2. Significant accounting policies

Basis of presentation

The consolidated financial statements are prepared in accordance with US GAAP. All intercompany balances and transactions are eliminated.

The consolidated financial statements have been prepared assuming that the Partnership will continue as a going concern.

It has been determined that PT Hoegh LNG Lampung, Hoegh LNG Cyprus Limited, Høegh LNG Colombia Holding Ltd., SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. are variable interest entities. A variable interest entity (“VIE”) is defined by US GAAP as a legal entity where either (a) the voting rights of some investors are not proportional to their rights to receive the expected residual returns of the entity, their obligations to absorb the expected losses of the entity, or both, and substantially all of the entity’s activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights, or (b) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (c) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability and an interest in the entity’s residual risks and rewards. The guidance requires a VIE to be consolidated if any of its interest holders are entitled to a majority of the entity’s residual returns or are exposed to a majority of its expected losses.

Based upon the criteria set forth in US GAAP, the Partnership has determined that PT Hoegh LNG Lampung is a VIE, as the equity holders, through their equity investments, may not participate fully in the entity’s expected residual returns

[Table of Contents](#)

and substantially all of the entity's activities either involve, or are conducted on behalf of, the Partnership. The Partnership is the primary beneficiary, as it has the power to make key operating decisions considered to be most significant to the VIE and receives all the expected benefits or expected losses. Therefore, 100% of the assets, liabilities, revenues and expenses of PT Hoegh LNG Lampung are included in the consolidated financial statements. Dividends may only be paid if the retained earnings are positive and a statutory reserve has been established equal to 20% of its paid-up capital under Indonesian law. PT Hoegh LNG Lampung had not established the required statutory reserves as of December 31, 2021 and 2020. Therefore, PT Hoegh LNG Lampung cannot make dividend payments under Indonesian law. Under the Lampung facility, there are limitations on cash dividends and intercompany loan distributions that can be made to the Partnership. Refer to note 12. As of December 31, 2021 and 2020, restricted net assets of the consolidated subsidiaries were \$185.0 million and \$179.9 million, respectively.

The Partnership has determined that Hoegh LNG Cyprus Limited is a VIE, as the equity investment does not provide sufficient equity to permit the entity to finance its activities without financial support. The Partnership is the primary beneficiary, as it has the power to make key operating decisions considered to be most significant to the VIE and receives all the expected benefits or expected losses. Therefore, 100% of the assets, liabilities, revenues and expenses of Hoegh LNG Cyprus Limited are included in the consolidated financial statements. Under Cyprus law, dividends may only be distributed out of profits and not from the share capital of the company. As of December 31, 2021 and 2020, restricted net assets of the consolidated subsidiaries were \$0.0 million.

The Partnership has also determined that Höegh LNG Colombia Holding Ltd. is a VIE since the entity would not be able to finance its activities without financial support and financial guarantees under its subsidiary's facility to finance the *Höegh Grace*. The Partnership is the primary beneficiary, as it has the power to make key operating decisions considered to be most significant to the VIE and receives the majority of the expected benefits or expected losses. Therefore, 100% of the assets, liabilities, revenues and expenses of Höegh LNG Colombia Holding Ltd., and subsidiaries, are included in the consolidated financial statements. Under Cayman Islands law, dividends may only be paid out of profits or capital reserves if the entity is solvent after the distributions. As of December 31, 2021 and 2020, restricted net assets of the consolidated subsidiaries were \$0.0 million.

Dividends and other distributions from Hoegh LNG Cyprus Limited, Höegh LNG Colombia Holding Ltd. and Höegh LNG FSRU IV Ltd. may only be distributed if after the dividend payment, the Partnership would remain in compliance with the financial covenants under the \$385 million facility. Refer to note 12.

In addition, the Partnership has determined that the two joint ventures, SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd., are VIEs since each entity did not have a sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support. The entities have been financed with third party debt and subordinated shareholder loans. The Partnership is not the primary beneficiary, as the Partnership cannot make key operating decisions considered to be most significant to the VIEs but has joint control with the other equity holders. Therefore, the joint ventures are accounted for under the equity method of accounting as the Partnership has significant influence. The Partnership's carrying value is recorded in advances to joint ventures and accumulated earnings (losses) of joint ventures in the consolidated balance sheets. For SRV Joint Gas Ltd., the Partnership had a receivable for the advances of \$6.6 million and \$3.3 million as of December 31, 2021 and 2020, respectively. The Partnership's accumulated earnings, or its share of net assets, was \$17.7 million and \$5.5 million, respectively, as of December 31, 2021 and 2020. The Partnership's carrying value for SRV Joint Gas Two Ltd. consists of a receivable for the advances of \$0.9 million and \$0.9 million as of December 31, 2021 and 2020, respectively. The Partnership's accumulated earnings, or its share of net assets, was \$18.0 million and \$4.2 million, respectively, as of December 31, 2021 and 2020. The major reason that the Partnership has had low accumulated earnings in the joint ventures and the major reason that the Partnership has had accumulated losses in the joint ventures, or net liabilities, in previous years is due to the fair value adjustments for the interest rate swaps recorded as liabilities on the balance sheets of SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. and eliminations for consolidation to the balance sheet. The maximum exposure to loss is the carrying value of the receivables, which is subordinated to the joint ventures' long-term bank debt, the investments in the joint ventures (accumulated earnings or losses), as the shares are pledged as security for the joint ventures' long-term bank debt, and Höegh LNG's commitment under long-term bank loan agreements to fund its share of drydocking costs and remarketing efforts in the event of an early termination of the charters. If the charters terminate for any reason that does not result in a termination fee, the joint ventures' long-term bank debt would be subject to mandatory repayment. Dividend

[Table of Contents](#)

distributions require a) agreement of the other joint venture owners; b) fulfilment of requirements of the long-term bank loans; c) and under Cayman Islands law may be paid out of profits or capital reserves subject to the joint venture being solvent after the distribution.

Significant accounting policies

Foreign currencies

The reporting currency in the consolidated financial statements is the U.S. dollar, which is the functional currency of the FSRU-owning entities. Nearly all revenues are received in U.S. dollars and a majority of the Partnership's expenditures for investments and all of the long-term debt are denominated in U.S. dollars. Transactions denominated in other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. Monetary assets and liabilities that are denominated in currencies other than the U.S. dollar are translated at the exchange rates in effect at the balance sheet date. Resulting gains or losses are reflected in the accompanying consolidated statements of income.

Business combinations and asset acquisitions

Business combinations are accounted for under the purchase method of accounting. Under this method, the purchase price is allocated to identifiable assets acquired and liabilities assumed based on their fair values as of the acquisition date. Any excess of the purchase price over the fair values of net assets is recognized as goodwill. Acquisition related costs are expensed as incurred. The results of entity acquired are included in the consolidated financial statements from the date of acquisition.

Dependent upon facts and circumstances, the assessment of a transaction may be considered the acquisition of an asset, when substantially all of the fair value of assets acquired is concentrated in a single identifiable asset, rather than a business combination. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets acquired and liabilities assumed on a relative fair value basis. Acquisition related costs are capitalized as a component of the cost of the assets acquired.

Time charter revenue, related contract balances and related expenses

Time charter revenues and related contract balances:

The Partnership is required to evaluate whether two or more contracts should be combined and accounted for as a single contract, whether the contract promises to deliver more than one distinct good or service, or performance obligations, and/or a lease, determine the transaction price under the contract, allocate the transaction price to the lease and the performance obligations and recognize revenue as the performance obligation is satisfied. The Partnership believes the nature of its time charter contracts are the same, regardless of whether the contracts are accounted for as financing leases or operating leases for accounting purposes. As such, when adopting the revised guidance on leases as of January 1, 2019, the Partnership did not elect to apply the practical expedient to not separate lease and services components for operating leases because this would result in inconsistent disclosure for the time charter contracts.

Performance obligations:

The Partnership determined that its time charter contracts contain a lease and a performance obligation for the provision of time charter services. The lease of the vessel, representing the use of the vessel without any associated performance obligations or warranties, is accounted for in accordance with the provisions of Accounting Standards Codification ("ASC") 842, *Leases*.

The provision of time charter services, including guarantees for the level of performance provided by the time charter contracts, is considered a distinct service and is accounted for in accordance with the provision of ASC 606, *Revenue from Contracts with Customers*. The Partnership determined that the nature of the time charter services promised, represents a single performance obligation, to stand ready over a 24-hour interval to accept LNG cargos, to transport

[Table of Contents](#)

cargos, to regasify the LNG and discharge the resulting gas into a pipeline in accordance with the charterer's instructions and requirements.

Time charter services revenue can be recognized as the performance obligation is satisfied over the 24-hour interval to the performance standards specified under the time charter contract. If the performance standards are not met, off-hire, reduced hire, liquidated damages or other performance payments may result.

Contract terms, determination of transaction price and allocation to performance obligations:

As of December 31, 2021, the Partnership's time charter contracts for all FSRUs, except the *Höegh Gallant*, included day rates or hire rates and warranty provisions with the following components:

- *Fixed element:* The fixed element is a fixed per day fee intended to cover remuneration for use of the vessel and the provision of time charter services.
- *Operating expense reimbursement element:* The operating expense reimbursement element is a rate per day intended to cover the operating costs of the vessel, including the crew, insurance, consumables, miscellaneous services, spares and maintenance and repairs costs and management services and fees. The amount of the operating expense reimbursement element may be based on actual cost incurred, or fees subject to indexing or other adjustments after a defined period, or a combination of both.
- *Tax reimbursement element:* The tax reimbursement element may be a rate per day, based on the estimated liability for the year divided by the number of days in the year, subject to adjustment for actual taxes incurred, or a reimbursement of the costs as the taxes are incurred. The tax reimbursement element may cover withholding taxes, payroll taxes, other local taxes and current income tax expense for the jurisdiction in which the vessel operates as defined by the provisions of the individual time charter contract.
- *Performance warranties element:* The performance warranties element includes defined operational capacity and standards that can result in the FSRUs being off-hire or require compensation to the charterer through provision of reduced hire, liquidated damages or performance payments. Examples of performance warranties include the ability to discharge regasified LNG at specified performance rates, guaranteed minimum fuel consumption, guaranteed minimum boil-off rates and the ability to accept cargos.

The Suspended Gallant Charter had a single day rate intended to cover all of the elements listed above. In addition, the Suspended Gallant Charter included a provision for off-hire for scheduled maintenance. The NFE Charter includes a fixed daily rate of hire and service fees. The joint ventures' time charter contracts also provide for upfront payments for variable costs for certain vessel modifications, drydocking costs, other additions to equipment or spare parts.

The hire rates for the *PGN FSRU Lampung* and the joint ventures are invoiced at the beginning of the month. The *Höegh Gallant* and the *Höegh Grace* invoice time charter revenues monthly in arrears.

The transaction price is estimated as the standalone selling price for the lease and the time charter services components of the fixed day rate element. Variable consideration per day for operating expense and tax reimbursements is estimated at the most likely amount to which the Partnership is expected to be entitled to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty related to the variable consideration is resolved. When there is significant uncertainty related to that amount of variable consideration to be received, that variable consideration is considered constrained. Typically, variable reimbursements and performance warranties are known at the end of each 24-hour interval, or as subsequently reassessed at the end of the reporting period. However, to the extent interpretations of contractual provisions are complex and/or disputed with the customer, this could give rise to constrained variable consideration. Constrained variable consideration is not estimated.

Variable consideration is allocated entirely to one performance obligation when the variable day rate relates specifically to the efforts to satisfy the single performance obligation. The default method of the relative standalone selling price method was used to allocate the remaining transaction price, principally the fixed element, between the lease and the

[Table of Contents](#)

time charter services. The total estimated transaction price for time charter services is considered variable consideration because it may be reduced by performance warranties.

The Partnership has made a policy election to exclude from the measurement of the transaction price all taxes assessed by a government entity on revenues and collected on behalf of that government entity from customers, such as sales or value added taxes.

Lease revenue recognition:

Leases are classified based upon defined criteria either as sale-type/direct financing leases (“financing leases”) or operating leases. A lease that transfers substantially all of the benefits and risks of the FSRU to the charterer is accounted for as a financing lease by the lessor. All other leases that do not meet the criteria are classified as operating leases. On January 1, 2019, when adopting the revised leasing guidance, the Partnership elected the package of practical expedients and did not reassess conclusions under the previous standard about whether any existing contracts are, or contain leases, lease classification, and initial direct costs for any existing leases. Accordingly, outstanding leases on January 1, 2019, continue to be classified in accordance with the prior lease guidance.

The lease component of time charters that are accounted for as operating leases is recognized on a straight-line basis over the term of the charter. The *Höegh Gallant's* time charter, the Suspended Gallant Charter, which had a five-year lease term, is accounted for as an operating lease. The NFE Charter, which has a ten-year lease term, is accounted for as an operating lease. The *Höegh Grace's* time charter contracts, which have a non-cancellable charter period of ten years, are accounted for as an operating lease. Under one of the time charter contracts, the contract provides for additional variable payments, including a finance component, over the initial term depending upon the actual commencement date of the contract within a defined window of potential commencement dates. The variable payments are considered directly related to the lease performance obligation. The revenue, excluding the financing component, is recognized over the initial 10-year term. Payments made by the charterer directly to the tax authorities on behalf of the subsidiaries for final income tax directly related to the provision of the lease is recorded as a component of lease revenues. The amount of non-cash revenue is disclosed separately in the consolidated statement of cash flows.

The lease component of time charters that are accounted for as financing leases is recognized over the lease term using the effective interest rate method and is included in time charter revenues. Origination costs related to the time charter are a component of the net investment in financing lease and amortized over the lease term using the effective interest method. Financing leases are reflected on the consolidated balance sheets as net investments in financing leases. The *PGN FSRU Lampung* time charter, which had a 20-year lease term at inception, meets the criteria of transferring substantially all of the benefits and risks to the charterer and is accounted for as a financing lease.

Time charter services revenue recognition:

Variable consideration for the time charter services performance obligation, including amounts allocated to time charter services, estimated reimbursements for vessel operating expenses and estimated reimbursements of certain types of costs and taxes, are recognized as revenues as the performance obligation for the 24-hour interval is fulfilled, subject to adjustment for off-hire and performance warranties. Constrained variable consideration is recognized as revenue on a cumulative catch-up basis when the significant uncertainty related to that amount of variable consideration to be received is resolved. Estimates for variable consideration, including constrained variable consideration, are reassessed at the end of each period. Payments made by the charterer directly to the tax authorities on behalf of the subsidiaries for advance collection of income taxes directly related to the provision of the time charter services are recorded as a component of time charter service revenues. The amount of non-cash revenue is disclosed separately in the consolidated statement of cash flows.

Joint venture FSRUs lease and time charter services revenue recognition:

The Partnership's interest in the Joint venture FSRUs' net income is included in the consolidated financial statements under the equity method of accounting, however, the Joint venture FSRUs' results are presented under the proportional consolidation method for the segment note (note 3) and the time charter revenue note (note 4). The *Neptune's* and the

[Table of Contents](#)

Cape Ann's time charters, which had a twenty-year lease term at inception, are accounted for as operating leases. The joint ventures' time charters include provisions for the charterer to make upfront payments to compensate for variable cost for certain vessel modifications, drydocking costs, other additions to equipment or spare parts. The expenditures are considered costs required to fulfill the lease component of the contract. Payments for modifications are deferred and amortized over the shorter of the remaining charter period or the useful life of the additions. Payments for reimbursement of drydocking costs are deferred and recognized on a straight line basis over the period to the next drydocking.

The accounting policy for time charter services for the joint ventures is the same as described above.

Significant judgments in revenue recognition:

The Partnership does not provide stand-alone bareboat leases or time charter services for FSRUs. As a result, observable stand-alone transaction prices for the performance obligations are not available. The estimation of the transaction price for the lease and the time charter service performance obligation is complex, subject to a number of input factors, such as market conditions when the contract is entered into, internal return objectives and pricing policies, and requires substantial judgment. Significant changes in the transaction price between the two performance obligations could impact conclusions on the accounting for leases as financing or operating leases. In addition, variable consideration is estimated at the most likely amount that the Partnership expects to be entitled to. Variable consideration is reassessed at the end of the reporting period taking into account performance warranties. The time charter contracts include provisions for performance guarantees that can result in off-hire, reduced hire, liquidated damages or other payments for performance warranties. Measurement of some of the performance warranties can be complex and require properly calibrated equipment on the vessel, complex conversions and computations based on substantial judgment in the interpretation of the contractual provisions. Conclusions on compliance with performance warranties impact the amount of variable consideration recognized for time charter services.

Contract assets:

Revenue recognized in excess of the monthly invoiced amounts, or accrued revenue, is recorded as contract assets on the consolidated balance sheet. The contract assets are reported in the consolidated balance sheet as a component of prepaid expenses and other receivables.

Contract liabilities:

Advance payments in excess of revenue recognized, or prepayments, and deferred revenue is recorded as contract liabilities on the consolidated balance sheet. Contract assets and liabilities are reported in a net position for each customer contract or combined contracts at the end of each reporting period. Contract liabilities are classified as current or non-current based on the expected timing of recognition of the revenue. Current and non-current contract liabilities are reported in the consolidated balance sheet as components of accrued liabilities and other payables and other long-term liabilities, respectively.

Refund liabilities:

Amounts invoiced or paid by the customer that are expected to be refunded to the customer are recorded as refund liabilities on the consolidated balance sheet. Refund liabilities may include invoiced amounts for estimated reimbursable operating expenses or other costs and taxes that exceeded the actual costs incurred, or off-hire, reduced hire, liquidated damages, or other payments for performance warranties. Refund liabilities are reported in the consolidated balance sheet as components of accrued liabilities and other payables.

Remaining performance obligations:

Remaining performance obligations represent the transaction price of contracts with customers under the scope of ASC 606 for which work has not been performed excluding unexercised contract options to extend the term. The Partnership qualifies for and has elected to apply the exemption to disclose the aggregate amount of remaining transaction price

[Table of Contents](#)

allocated to unsatisfied performance obligations at the end of the reporting period as consideration for time charter services is variable and allocated entirely to wholly satisfied performance obligations.

Related expenses:

Voyage expenses include bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls and agency fees. Voyage expenses are all expenses unique to a particular voyage and when a vessel is on hire under time charters are generally the responsibility of, and paid directly by the charterers, and not included in the statement of income. When the vessel is off-hire, voyage expenses, principally fuel, may also be incurred and are paid by the FSRU-owning entity.

Vessel operating expenses, reflected in expenses in the statement of income, include crewing, repairs and maintenance, insurance, stores, lube oils, communication expenses and management fees. Vessel operating expenses also include bunker fuel expenses when the vessel is on hire and the expenses are not directly paid and owed by the charterers. When the vessel is on hire, vessel operating expenses are invoiced as time charter service fees to the charterer or are covered by time charter rates. When the vessel is off-hire, vessel operating expenses are not invoiced to the charterer.

Voyage expenses, if applicable, and vessel operating expenses are expensed when incurred.

Loss contingencies, insurance and other claims

Accruals are recorded for loss contingencies or claims when it is probable that a liability will be incurred, and the amount of loss can be reasonably estimated. Significant judgment is required to determine the probability and the estimated amount of loss. Such assessments involve complex judgments about future events and estimates and assumptions that are deemed reasonable by management. Accruals are reviewed quarterly and adjusted to reflect the impact of additional information such as the impact of negotiations, advice of legal counsel or settlements.

Insurance claims for property damage are recorded, net of any deductible amounts, for recoveries up to the amount of loss recognized when the claims to insurance carriers are probable of recovery. Claims for property damage in excess of the loss recognized and for loss of revenue during off-hire, whether from insurance providers or indemnification from Höegh LNG, are considered gain contingencies, which are recognized when the proceeds are received.

Indemnification proceeds from Höegh LNG that cover the Partnership's costs are accounted for following the guidance of the Securities and Exchange Commission's Staff Accounting Bulletin ("SAB") Topic 1.B and SAB Topic 5.T. SAB Topic 1.B provides that the separate financial statements of a subsidiary should reflect any costs of its operations which are incurred by the owner on its behalf. SAB Topic 5.T provides that costs should be reflected as an expense in the subsidiary's financial statements with a corresponding credit to contributed equity.

Income taxes

Income taxes are accounted for using the liability method. Payments made by the charterer directly to the tax authorities on behalf of the subsidiaries for advance collection of income taxes or final income tax is recorded as a component of income tax expense. The amount of non-cash income tax expense is disclosed separately in the consolidated statement of cash flows.

Deferred tax assets and liabilities are recognized for the tax consequences of temporary differences between the tax and the book bases of assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Benefits of uncertain tax positions are recognized when it is more-likely-than-not that a tax position taken in a tax return will be sustained upon examination based on the technical merits of the position. If the more-likely-than-not recognition criterion is met, a tax position is measured based on the cumulative amount that is more-likely-than-not of being sustained upon examination by tax authorities to determine the amount of benefit to be recognized in the consolidated financial statements. Interest and penalties related to uncertain tax positions is recognized in income tax expense in the consolidated statement of income.

[Table of Contents](#)

Cash and cash equivalents

Cash, banks deposits, time deposits and highly liquid investments with original maturities of three months or less are recognized as cash and cash equivalents.

Restricted cash

Restricted cash includes balances deposited with a bank as required under debt facilities to settle withholding tax, other tax liabilities and other current obligations of the entity, and principal and interest payments as required by the debt facilities. Restricted cash is classified as long-term when the settlement is more than 12 months from the balance sheet date.

Trade receivables and allowance for expected credit losses

Trade receivables are recorded at the invoiced amount and do not bear interest. Trade receivables, contract assets and the net investment in a financing lease is initially recorded by including the current expected credit loss of the asset over the life of the contract. The allowance for expected credit losses is a valuation account that is deducted from the amortized cost of the asset to present the net amount expected to be collected. Each period the allowance for expected credit losses is adjusted through earnings to reflect the revised expected credit losses over the remaining lives of the assets. Receivable amounts are written off against the allowance when the asset is confirmed uncollectible. Expected credit losses are estimated using historical credit loss experience, relevant available information, from internal and external sources, relating to current conditions and reasonable and supportable forecasts of economic conditions impacting the collectability of the assets.

Investments in accumulated earnings or losses of and advances to joint ventures

Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments are stated at initial cost and are adjusted for the Partnership's proportionate share of earnings or losses and dividend distributions. As of December 31, 2021 and 2020, the Partnership had an accumulated share of earnings and the balance is classified on the consolidated balance sheet as an asset on the line accumulated earnings of joint ventures.

Advances to joint ventures represent loan receivables due from the joint ventures and are recorded at cost. Interest on the advances to joint ventures is recorded to interest income in the consolidated statements of income as incurred. The quarterly payments from joint ventures included a payment of interest for the first month of the quarter and repayment of principal. Interest is accrued for the last two months of the quarter for repayment at the end of the loans after the original principal was fully repaid. The joint ventures repaid the original principal of all shareholder loans during 2016. Payments of interest, including accrued interest repaid at the end of the loans, are treated as return on investment and included as a component of net cash provided by operating activities in the consolidated statement of cash flows. Payments of principal are included as a component of net cash provided by investing activities in the consolidated statement of cash flows.

Investments in joint ventures are evaluated for impairment when events or circumstances indicate that the carrying value of such investments may have experienced an other-than-temporary decline in value below its carrying value. If the estimated fair value is less than the carrying value, the carrying value is written down to its estimated fair value and the resulting impairment is recorded in the consolidated statement of income.

Loan receivables are impaired when, based on current information and events, it is probable that the full amount of the receivable will not be collected. The amount of the impairment is measured as the difference between the present value of expected future cash flows discounted at the loan's effective interest rate and the carrying amount. The resulting impairment amount is recognized in earnings.

[Table of Contents](#)

Inventory

Inventory consists of bunker fuel maintained on the FSRUs, if it is owned by the FSRU-owning entity. Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

Vessels

All costs incurred during the construction of newbuildings, including interest and supervision and technical costs, are capitalized. The cost of an acquired vessel is the fair value. Vessels are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over a vessel's estimated useful life, less an estimated residual value. Depreciation is calculated using an estimated useful life of 35 years for the FSRUs.

Modifications to the vessels, including the addition of new equipment, which improves or increases the operational efficiency, functionality or safety of the vessels, are capitalized. These expenditures are amortized over the estimated useful life of the modification.

Expenditures covering recurring routine repairs and maintenance are expensed as incurred.

Drydocking expenditures are capitalized when incurred and amortized over the period until the next anticipated drydocking. For vessels that are newly built, the "built-in overhaul" method of accounting is applied. Under the built-in overhaul method, costs of the newbuilding are segregated into costs that should be depreciated over the useful life of the vessel and costs that require drydocking at periodic intervals. The drydocking component is amortized until the date of the first drydocking following the delivery, upon which the actual drydocking cost is capitalized and the process is repeated. Costs of drydocking incurred to meet regulatory requirements or improve the vessel's operating efficiency, functionality or safety are generally capitalized. Costs incurred related to routine repairs and maintenance performed during drydocking are expensed.

Impairment of long-lived assets

Vessels are assessed for impairment when events or circumstances indicate the carrying amount of the asset may not be recoverable. When such events or changes in circumstances are present, the recoverability of vessels is assessed by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the vessel's net carrying value exceeds the net undiscounted cash flows expected to be generated over its remaining useful life, the carrying amount of the asset is reduced to its estimated fair value. An impairment loss is recognized based on the excess of the carrying amount over the fair value of the vessel.

Intangibles and goodwill

Intangible assets are initially measured at their fair value as of the acquisition date of a business combination. All intangible assets of the Partnership have a definite life. Intangible assets with a definite life are amortized over their useful life. Intangible assets with a definite life are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount exceeds the estimated fair value of the asset.

In determining the useful lives of intangible assets, the expected use of the assets, the contractual provisions that limit the useful life and other economic factors are considered. The contract related intangibles and their useful lives as of the acquisition dates, are as follows:

Intangible category	Useful life (Years)
Above market time charter <i>Höegh Gallant</i>	3.4
Option for time charter extension <i>Höegh Gallant</i>	5.3
Above market time charter <i>Höegh Grace</i>	9.5

[Table of Contents](#)

The intangible for the above market value of the time charter contract associated with the *Höegh Gallant* was amortized to time charter revenue on a straight line basis over the remaining term of the contract of approximately 3.4 years as of the acquisition date. On February 27, 2020, the Partnership exercised its right pursuant to an option agreement to cause Höegh LNG or its subsidiary to charter the *Höegh Gallant* from the expiration of its initial charter until July 2025. On April 30, 2020 the Partnership entered into the Suspended Gallant Charter which commenced on May 1, 2020 and was suspended on March 20, 2022. The Partnership has also entered into the Suspension and Make-Whole Agreements pursuant to which Höegh LNG's subsidiary will compensate the Partnership monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. The intangible for the option for the time charter extension is amortized on a straight line basis over the extension period starting on May 1, 2020, subsequent to impairment testing for recoverability in the preceding periods.

The intangible for the above market value of the time charter contract associated with the *Höegh Grace* is amortized to time charter revenue on a straight line basis calculated per day over the remaining non-cancellable charter term of approximately 9.5 years as of the acquisition date of the initial 51% interest in the *Höegh Grace* entities.

Goodwill arises when an acquisition is accounted for under the purchase method of accounting. The assets acquired and liabilities assumed are recorded at their fair values as of the acquisition date. Any excess of the consideration over the net assets acquired is recorded as goodwill. Goodwill is not amortized and is tested annually for impairment of value and whenever events or circumstances indicate that the carrying amount may not be recoverable.

Right-of-use assets and lease liability

Contracts are assessed to determine whether a contract contains a lease at inception of the contract. The assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Partnership obtains substantially all of the economic benefits from the use of that asset, and whether the Partnership has the right to direct the use of the asset. The Partnership does not separate lease components from non-lease components as lessee. The Partnership recognizes a right-of-use asset and a lease liability at the lease commencement date, except for short-term leases of 12 months or less, which are expensed on a straight-line basis over the lease term.

Derivative instruments

All derivative instruments are initially recorded at fair value as either assets or liabilities in the consolidated balance sheet and are subsequently remeasured to fair value, regardless of the purpose or intent for holding the derivative. The method of recognizing the resulting gain or loss is dependent on whether the contract is designated as a hedging instrument and qualifies for hedge accounting.

For derivative instruments that are not designated or that do not qualify for hedge accounting, the changes in the fair value of the derivative instruments are recognized in earnings. In order to designate a derivative as a cash flow hedge, formal documentation of the relationship between the derivative and the hedged item is required. This documentation includes the strategy and risk management objective for undertaking the hedge and the method that will be used to assess the effectiveness of the hedge.

Interest rate swaps are used for the management of interest rate risk exposure. The interest rate swaps have the effect of converting a portion of the outstanding debt from a floating to a fixed rate over the life of the transactions.

For interest rate swaps qualifying as cash flow hedges, the fair value of the portion of the derivative instruments included in the assessment of hedge effectiveness ("hedge effectiveness") and the initial fair value of the hedge component excluded from hedge effectiveness are initially recorded in accumulated other comprehensive income as a component of total equity. Subsequent changes in fair value for the portion of the derivative instruments included in hedge effectiveness are recorded in other comprehensive income. In the periods when the hedged items affect earnings (interest expense is incurred for floating interest rate debt), those amounts are transferred from accumulated other comprehensive income to the same line (interest expense) in the consolidated statement of income as the earnings effect of the hedged item. The initial fair value component excluded from hedge effectiveness is amortized to earnings over the life of the

[Table of Contents](#)

hedging instrument. The amortization is recognized on the same line (interest expense) in the consolidated statement of income as the earnings effect of the hedged item. Any difference in the change in fair value of the hedge components excluded from hedge effectiveness and the amount recognized in earnings is recorded as a component of other comprehensive income. Other comprehensive income also includes the Partnership's share of fair value changes for derivative instruments qualifying as cash flow hedges for the joint ventures which are accounted for under the equity accounting method.

Prospective and retrospective hedge effectiveness is assessed on an ongoing basis. If a cash flow hedge is no longer deemed highly effective, hedge accounting is discontinued. If a cash flow hedge for an interest rate swap is terminated and the originally hedged item is still considered probable of occurring, the gains and losses initially recognized in accumulated other comprehensive income remain there until the hedged item impacts earnings, at which point they are amortized to earnings on a systematic and rational basis to interest expense in the consolidated statement of income. If the hedged items are no longer considered probable of occurring, amounts recognized in total equity are immediately transferred to interest expense in the consolidated statement of income. Cash flows from derivative instruments that are accounted for as cash flow hedges are classified in the same category as the cash flows from the items being hedged.

Deferred debt issuance costs

Debt issuance costs, including arrangement fees and legal expenses, are deferred and presented as a direct deduction from the outstanding principal of the related debt in the consolidated balance sheet and amortized on an effective interest rate method over the term of the relevant loan. Amortization of debt issuance costs is included as a component of interest expense. If a loan or part of a loan is repaid early, any unamortized portion of the deferred debt issuance costs is recognized as interest expense proportionate to the amount of the early repayment in the period in which the loan is repaid.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates subject to such estimates and assumptions include revenue recognition, the useful lives of vessels, drydocking, loss contingencies and the value of derivative instruments.

Recently adopted accounting pronouncements

On January 1, 2021, the Partnership adopted the Financial Accounting Standards Board's ("FASB") revised guidance on Income Taxes - Simplifying the Accounting for Income Taxes. The revised guidance eliminates certain exceptions to the guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This revised guidance has not had a material impact on the Partnership's consolidated financial statements and related disclosures.

Recently issued accounting pronouncements

In March 2020, FASB issued final guidance for Reference Rate Reform to provide temporary optional expedients and exceptions to the guidance in US GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. For all types of hedging relationships, the guidance allows an entity to change the reference rate and other critical terms related to reference rate reform without having to dedesignate the relationship. In January 2021, FASB issued an update to the guidance from 2020 to clarify its scope. The guidance is effective upon issuance through December 31, 2022. The Partnership is evaluating the impact of this revised guidance on its consolidated financial statements for the expected transitions from LIBOR to alternative reference rates.

In October 2021, FASB issued final amendments to ASC 805, *Business Combinations*, that create an exception to the general recognition and measurement principle for contract assets and contract liabilities from contracts with customers

[Table of Contents](#)

acquired in a business combination. Under this exception, an acquirer applies ASC 606, *Revenue from Contracts with Customers*, to recognize and measure contract assets and contract liabilities on the acquisition date. ASC 805 generally requires the acquirer in a business combination to recognize and measure the assets it acquires and the liabilities it assumes at fair value on the acquisition date. The ASU applies to all contract assets and contract liabilities acquired in a business combination that result from contracts accounted for under the principles in ASC 606. The ASU does not affect the accounting for customer or contract-related intangible assets recognized in a business combination. It also does not apply to other assets or liabilities that may be recognized under ASC 606. The ASU is effective for fiscal years beginning after December 15, 2022 and interim periods therein for public business entities. The new guidance is not expected to materially impact the Partnership.

Other recently issued accounting pronouncements are not expected to materially impact the Partnership.

3. Segment information

There are two operating segments. The segment profit measure is Segment EBITDA, which is defined as earnings before interest, taxes, depreciation, amortization and impairment, and other financial items (gain (loss) on debt extinguishment, gain (loss) on derivative instruments and other items, net). Segment EBITDA is reconciled to operating income and net income in the segment presentation below. The two segments are “Majority held FSRUs” and “Joint venture FSRUs.” In addition, unallocated corporate costs, interest income from advances to joint ventures and interest expense related to the outstanding balance on the \$85 million revolving credit facility and the \$385 million facility are included in “Other.”

For the years ended December 31, 2021, 2020 and 2019, Majority held FSRUs includes the financing lease related to the *PGN FSRU Lampung* and the operating leases related to the *Höegh Gallant* and the *Höegh Grace*.

For the years ended December 31, 2021, 2020 and 2019, Joint venture FSRUs include two 50% owned FSRUs, the *Neptune* and the *Cape Ann*, that operate under long term time charters with one charterer.

The accounting policies applied to the segments are the same as those applied in the consolidated financial statements, except that i) Joint venture FSRUs are presented under the proportional consolidation method for the segment note and under equity accounting for the consolidated financial statements and ii) internal interest income and interest expense between the Partnership’s subsidiaries that eliminate in consolidation are not included in the segment columns for the other financial income (expense), net line. Under the proportional consolidation method, 50% of the Joint venture FSRUs’ revenues, expenses and assets are reflected in the segment note. Management monitors the results of operations of joint ventures under the proportional consolidation method and not the equity method of accounting.

[Table of Contents](#)

In time charters, the charterer, not the Partnership, controls the choice of locations or routes the FSRUs serve. Accordingly, the presentation of information by geographical region is not meaningful. The following tables include the results for the segments for the years ended December 31, 2021, 2020 and 2019.

Year ended December 31, 2021						
(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations	Consolidated reporting
Time charter revenues	\$ 141,260	42,531	—	183,791	(42,531)(1)	\$ 141,260
Total revenues	141,260	42,531	—	183,791		141,260
Operating expenses	(33,718)	(8,214)	(7,537)	(49,469)	8,214 (1)	(41,255)
Equity in earnings (losses) of joint ventures	—	—	—	—	25,836 (1)	25,836
Segment EBITDA	107,542	34,317	(7,537)	134,322		
Depreciation and amortization	(20,418)	(9,958)	—	(30,376)	9,958 (1)	(20,418)
Operating income (loss)	87,124	24,359	(7,537)	103,946		105,423
Gain (loss) on derivative instruments	—	12,048	—	12,048	(12,048)(1)	—
Other financial income (expense), net	(12,957)	(10,571)	(16,181)	(39,709)	10,571 (1)	(29,138)
Income (loss) before tax	74,167	25,836	(23,718)	76,285		76,285
Income tax expense	(16,290)	—	—	(16,290)	—	(16,290)
Net income (loss)	\$ 57,877	25,836	(23,718)	59,995		\$ 59,995
Preferred unitholders' interest in net income	—	—	—	—	15,508 (2)	15,508
Limited partners' interest in net income (loss)	\$ 57,877	25,836	(23,718)	59,995	(15,508)(2)	\$ 44,487

- (1) Eliminations reverse each of the income statement line items of the proportional amounts for Joint venture FSRUs and record the Partnership's share of the Joint venture FSRUs net income (loss) to Equity in earnings (losses) of joint ventures.
- (2) Allocates the preferred unitholders' interest in net income to the preferred unitholders.

As of December 31, 2021						
(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations	Consolidated reporting
Vessels, net of accumulated depreciation	\$ 602,289	232,308	—	834,597	(232,308)(1)	\$ 602,289
Net investment in financing lease	269,288	—	—	269,288	—	269,288
Goodwill	251	—	—	251	—	251
Advances to joint ventures	—	—	7,511	7,511	—	7,511
Total assets	975,286	266,336	28,722	1,270,344	(266,336)(1)	1,004,008
Accumulated earnings of joint ventures	—	—	50	50	35,658 (1)	35,708
Expenditures for vessels & equipment	—	—	—	—	— (2)	—
Expenditures for drydocking	3,062	6	—	3,068	(6)(2)	3,062
Principal repayment financing lease	4,969	—	—	4,969	—	4,969
Amortization of above market contract	\$ 2,755	—	—	2,755	—	\$ 2,755

- (1) Eliminates the proportional share of the Joint venture FSRUs' Vessels, net of accumulated depreciation, and Total assets and reflects the Partnership's share of net assets (assets less liabilities) of the Joint venture FSRUs as Accumulated earnings of joint ventures.

[Table of Contents](#)

- (2) Eliminates the Joint venture FSRUs' Expenditures for vessels & equipment and drydocking to reflect the consolidated expenditures of the Partnership.

	Year ended December 31, 2020					
(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations	Consolidated reporting
Time charter revenues	\$ 143,095	43,572	—	186,667	(43,572)(1)	\$ 143,095
Total revenues	143,095	43,572	—	186,667		143,095
Operating expenses	(27,462)	(9,452)	(6,350)	(43,264)	9,452 (1)	(33,812)
Equity in earnings (losses) of joint ventures	—	—	—	—	6,420 (1)	6,420
Segment EBITDA	115,633	34,120	(6,350)	143,403		
Depreciation and amortization	(20,937)	(9,965)	—	(30,902)	9,965 (1)	(20,937)
Operating income (loss)	94,696	24,155	(6,350)	112,501		94,766
Gain (loss) on derivative instruments	—	(6,073)	—	(6,073)	6,073 (1)	—
Other financial income (expense), net	(9,072)	(11,662)	(16,985)	(37,719)	11,662 (1)	(26,057)
Income (loss) before tax	85,624	6,420	(23,335)	68,709		68,709
Income tax expense	(5,564)	—	—	(5,564)	—	(5,564)
Net income (loss)	\$ 80,060	6,420	(23,335)	63,145	—	\$ 63,145
Preferred unitholders' interest in net income	—	—	—	—	14,802 (2)	14,802
Limited partners' interest in net income (loss)	\$ 80,060	6,420	(23,335)	63,145	(14,802)(2)	\$ 48,343

- (1) Eliminations reverse each of the income statement line items of the proportional amounts for Joint venture FSRUs and record the Partnership's share of the Joint venture FSRUs net income (loss) to Equity in earnings (losses) of joint ventures.
- (2) Allocates the preferred unitholders' interest in net income to the preferred unitholders.

	As of December 31, 2020					
(in thousands of U.S. dollars)	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations	Consolidated reporting
Vessels, net of accumulated depreciation	\$ 619,620	242,226	—	861,846	(242,226)(1)	\$ 619,620
Net investment in financing lease	274,257	—	—	274,257	—	274,257
Goodwill	251	—	—	251	—	251
Advances to joint ventures	—	—	4,153	4,153	—	4,153
Total assets	969,278	267,003	12,532	1,248,813	(267,003)(1)	981,810
Accumulated earnings of joint ventures	—	—	50	50	9,640 (1)	9,690
Expenditures for vessels & equipment	8	75	—	83	(75)(2)	8
Expenditures for drydocking	—	2	—	2	(2)(2)	—
Principal repayment financing lease	4,551	—	—	4,551	—	4,551
Amortization of above market contract	\$ 3,052	—	—	3,052	—	\$ 3,052

- (1) Eliminates the proportional share of the Joint venture FSRUs' Vessels, net of accumulated depreciation, and Total assets and reflects the Partnership's share of net assets (assets less liabilities) of the Joint venture FSRUs as Accumulated earnings of joint ventures.
- (2) Eliminates the Joint venture FSRUs' Expenditures for vessels & equipment and drydocking to reflect the consolidated expenditures of the Partnership.

[Table of Contents](#)

(in thousands of U.S. dollars)	Year ended December 31, 2019					
	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations	Consolidated reporting
Time charter revenues	\$ 145,321	42,433	—	187,754	(42,433)(1)	\$ 145,321
Other revenue	115	—	—	115	— (1)	115
Total revenues	145,436	42,433	—	187,869		145,436
Operating expenses (2)	(34,266)	(9,044)	(6,465)	(49,775)	9,044 (1)	(40,731)
Equity in earnings (losses) of joint ventures	—	—	—	—	6,078 (1)	6,078
Segment EBITDA	111,170	33,389	(6,465)	138,094		
Depreciation and amortization	(21,477)	(10,030)	—	(31,507)	10,030 (1)	(21,477)
Operating income (loss)	89,693	23,359	(6,465)	106,587		89,306
Gain (loss) on debt extinguishment	1,030	—	—	1,030	— (1)	1,030
Gain (loss) on derivative instruments	—	(5,209)	—	(5,209)	5,209	—
Other financial income (expense), net	(12,511)	(12,072)	(17,809)	(42,392)	12,072 (1)	(30,320)
Income (loss) before tax	78,212	6,078	(24,274)	60,016		60,016
Income tax benefit (expense)	(7,278)	—	3	(7,275)	—	(7,275)
Net income (loss)	\$ 70,934	6,078	(24,271)	52,741	—	\$ 52,741
Preferred unitholders' interest in net income	—	—	—	—	13,850 (3)	13,850
Limited partners' interest in net income (loss)	\$ 70,934	6,078	(24,271)	52,741	(13,850)(3)	\$ 38,891

- (1) Eliminations reverse each of the income statement line items of the proportional consolidation amounts for Joint venture FSRUs and record the Partnership's share of the Joint venture FSRUs' net income (loss) to Equity in earnings (loss) of joint ventures.
- (2) The Partnership's Indonesian subsidiary was assessed a property tax and penalties of \$3.0 million by the Indonesian authorities for the period from 2015 through 2019. The retroactive assessment was a result of the issuance of a new regulation in 2019, defining FSRUs as subject to the existing Indonesian property tax law. The property tax and penalties were recorded as a component of vessel operating expenses.
- (3) Allocates the preferred unitholders' interest in net income to the preferred unitholders.

For the years ended December 31, 2021, 2020 and 2019, the percentage of consolidated total revenues from the following customers accounted for over 10% of the Partnership's consolidated total revenues:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
PT PGN LNG Indonesia	32 %	33 %	33 %
Höegh LNG	30 %	30 %	31 %
Sociedad Portuaria El Cayao S.A. E.S.P.	38 %	37 %	36 %

4. Time charter revenues and related contract balances

The Partnership presents its revenue by segment, disaggregated by revenue recognized in accordance with accounting standards on leasing and on revenue from contracts with customers for time charter services. In addition, material elements where the nature, amount, timing and uncertainty of revenue and cash flows differ from the monthly invoicing under time charter contracts are separately presented. Revenue recognized for the Majority held FSRUs includes the amortization of above market contract intangibles. Revenue recognized for Joint venture FSRUs includes the amortization of deferred revenues related to the charterer's reimbursements for certain vessel modifications and drydocking costs. As a result, the timing of cash flows differs from monthly time charter invoicing. The Partnership believes the nature of its time charter contracts are the same, regardless of whether the contracts are accounted for as financing leases or operating leases for accounting purposes. As such, the Partnership did not apply the practical

[Table of Contents](#)

expedient in the lease guidance to combine lease and services components for operating leases because this would result in inconsistent disclosure for the time charter contracts.

The following tables summarize the disaggregated revenue of the Partnership by segment for the twelve months ended December 31, 2021, 2020 and 2019:

(in thousands of U.S. dollars)	Year ended December 31, 2021					
	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations (1)	Consolidated reporting
Lease revenues, excluding amortization (2)	\$ 86,540	25,690	—	112,230	(25,690)	\$ 86,540
Time charter service revenues, excluding amortization	57,475	14,109	—	71,584	(14,109)	57,475
Amortization of above market contract intangibles	(2,755)	—	—	(2,755)	—	(2,755)
Amortization of deferred revenue for modifications & drydock	—	2,732	—	2,732	(2,732)	—
Total revenues (4)	\$ 141,260	42,531	—	183,791	(42,531)	\$ 141,260

(in thousands of U.S. dollars)	Year ended December 31, 2020					
	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations (1)	Consolidated reporting
Lease revenues, excluding amortization (2)	\$ 87,948	25,760	—	113,708	(25,760)	\$ 87,948
Time charter service revenues, excluding amortization	58,199	15,098	—	73,297	(15,098)	58,199
Amortization of above market contract intangibles	(3,052)	—	—	(3,052)	—	(3,052)
Amortization of deferred revenue for modifications & drydock	—	2,714	—	2,714	(2,714)	—
Total revenues (4)	\$ 143,095	43,572	—	186,667	(43,572)	\$ 143,095

(in thousands of U.S. dollars)	Year ended December 31, 2019					
	Majority held FSRUs	Joint venture FSRUs (proportional consolidation)	Other	Total Segment reporting	Eliminations (1)	Consolidated reporting
Lease revenues, excluding amortization (2)	\$ 88,889	25,690	—	114,579	(25,690)	\$ 88,889
Time charter service revenues, excluding amortization	60,063	14,095	—	74,158	(14,095)	60,063
Amortization of above market contract intangibles	(3,631)	—	—	(3,631)	—	(3,631)
Amortization of deferred revenue for modifications & drydock	—	2,648	—	2,648	(2,648)	—
Other revenue (3)	115	—	—	115	—	115
Total revenues (4)	\$ 145,436	42,433	—	187,869	(42,433)	\$ 145,436

- (1) Eliminations reverse the proportional amounts of revenue for Joint venture FSRUs to reflect the consolidated revenues included in the consolidated income statement. The Partnership's share of the Joint venture FSRUs revenues is included in Equity in earnings (losses) of joint ventures on the consolidated income statement.
- (2) The financing lease revenues comprise about one-fourth of the total lease revenues for the years ended December 31, 2021, 2020 and 2019.
- (3) Other revenue consists of insurance proceeds received for prior period claims related to repairs under the Mooring warranty and for repairs for the *Höegh Gallant*. The Partnership was indemnified by Höegh LNG for the cost of the

[Table of Contents](#)

- repairs related to the Mooring, subject to repayment to the extent recovered from insurance proceeds. Refer to notes 3 and 17.
- (4) Payments made by the charterer directly to the tax authorities on behalf of the subsidiaries for advance collection of income taxes or final income tax is recorded as a component of total revenues and is disclosed separately in the consolidated statement of cash flows.

The Partnership's risk and exposure related to uncertainty of revenues or cash flows related to its long-term time charter contracts primarily relate to the credit risk associated with the individual charterers. Payments are due under time charter contracts regardless of the demand for the charterers' gas output or the utilization of the FSRU.

The consolidated trade receivables, contract assets, contract liabilities and refund liabilities included in the table below exclude the balances for the Joint venture FSRUs. The Partnership's share of net assets in the Joint venture FSRUs is recorded in the consolidated balance sheet using the equity method on the line Accumulated earnings in joint ventures.

The following table summarizes the allocation of consolidated receivables between lease and service components:

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Trade receivable for lease	\$ 5,260	\$ 2,608
Trade receivable for time charter services	5,953	1,506
Allowance for expected credit losses	(60)	(60)
Total trade receivable and amounts due from affiliates	\$ 11,153	\$ 4,054

Refer to note 2 for information related to the allowance for expected credit losses recorded on January 1, 2020. For the years ended December 31, 2021, there was no change in the allowance for expected credit losses following the cumulative effect of adopting the new standard.

The following table summarizes the consolidated contract assets, contract liabilities and refund liabilities to customers, as of December 31, 2021 and 2020:

(in thousands of U.S. dollars)	Services related	
	Contract asset	Refund liability to charters
Balance January 1, 2021	\$ 261	\$ (891)
Additions	402	(2,746)
Reduction for receivables recorded	—	(339)
Balance December 31, 2021	\$ 663	\$ (3,976)

(in thousands of U.S. dollars)	Services related	
	Contract asset	Refund liability to charters
Balance January 1, 2020	\$ 279	\$ (125)
Additions	—	(841)
Reduction for receivables recorded	(18)	—
Reduction for revenue recognized (excluding amortization)	—	10
Reduction for revenue recognized from previous years	—	48
Repayments of refund liabilities to charterer	—	17
Balance December 31, 2020	\$ 261	\$ (891)

Contract assets are reported in the consolidated balance sheet as a component of prepaid expenses and other receivables. Current and non-current contract liabilities are reported in the consolidated balance sheet as components of accrued liabilities and other payables and other long-term liabilities, respectively. Refund liabilities are reported in the consolidated balance sheet as a component of accrued liabilities and other payables.

[Table of Contents](#)

The service-related contract asset reflected in the balance sheet relates to accrued revenue for reimbursable costs from charterers.

Refund liabilities to charterers include invoiced revenue to be refunded to charterers for estimated reimbursable costs that exceeded the actual cost incurred and for non-compliance with performance warranties in the time charter contracts that result in reduction of hire, liquidated damages or other performance related payments.

During the year ended December 31, 2020 the major changes in the refund liability to charterers related mainly to a tax audit for the Partnership and its Indonesian subsidiary's 2019 tax return completed in June 2021. The Partnership and its Indonesian subsidiary disagree with the conclusion of the tax audit and the Indonesian subsidiary filed an Objection Request with the Central Jakarta Regional Tax Office on September 24, 2021. The total tax expense, including fees, of \$2.7 million is reimbursed to the charterer. Refer to notes 6 and 17 for information on the tax audit completed in 2021 for the Partnership and its Indonesian subsidiary's 2019 tax return.

Minimum contractual future revenues:

As of December 31, 2021, the minimum contractual future revenues to be received under the time charters for the *PGN FSRU Lampung*, the *Höegh Gallant* and the *Höegh Grace* during the next five years and thereafter are as follows:

(in thousands of U.S. dollars)	Service related	Lease related	Total
2022	\$ 32,369	90,441	\$ 122,810
2023	32,369	90,441	122,810
2024	32,369	90,441	122,810
2025	31,093	86,777	117,870
2026	28,562	79,296	107,858
Thereafter	128,223	343,250	471,473
Total - undiscounted	\$ 284,985	780,646	\$ 1,065,631
Operating lease		\$ 405,634	
Financing lease		375,012	
Discounting effect		(152,222)	
Financing lease receivable		\$ 222,790	

The long-term time charter for the *PGN FSRU Lampung* with PGN LNG has an initial term of 20 years from the acceptance date of October 30, 2014 and the contract expires in 2034. The time charter hire payments began July 21, 2014 when the project was ready to begin commissioning. The lease element of the time charter is accounted for as a financing lease. The minimum contractual future revenues in the table above include the fixed payments for the lease and services elements for the initial term but exclude the variable fees from the charterer for vessel operating expenses and reimbursement of tax expenses. The charterer has an option to purchase the *PGN FSRU Lampung*, which can be exercised after the third anniversary of the commencement of the charter until the twentieth anniversary, at stated prices in the time charter. The minimum contractual future revenues do not include the unexercised purchase option price. Should the purchase option be exercised in the short to medium term, the contractual price would exceed the net investment in financing lease, but the future hire payments would cease. The time charter also provides options for the charterer to extend the lease term for two five-year periods. Unexercised option periods are excluded from the minimum contractual future revenues.

The long-term time charter for the *Höegh Gallant* had an initial term of five years from April 2015 and the contract expired in 2020. On February 27, 2020, the Partnership exercised its right to an option agreement to cause Höegh LNG or its subsidiary to charter the *Höegh Gallant* from the expiration or termination of the initial five-year charter until July 2025 at a rate equal to 90% of the rate payable pursuant to the current charter plus any incremental taxes or operating expenses as a result of the new charter. On April 30, 2020, the Partnership entered into the Suspended Gallant Charter with Höegh LNG for the *Höegh Gallant*. The Suspended Gallant Charter commenced on May 1, 2020. The lease element of the time charter was accounted for as an operating lease. On September 23, 2021 the Partnership entered into agreements with subsidiaries of New Fortress to charter the *Höegh Gallant* primarily for FSRU operations for a period

[Table of Contents](#)

of ten years, with commencement of the FSRU operations on March 20, 2022. From November 26, 2021 until the FSRU operations commenced, New Fortress chartered the vessel for LNG carrier operations. The Partnership has also entered into an agreement to suspend the Suspended Gallant Charter, with effect from the commencement of the NFE Charter, the Suspension and Make-Whole Agreements, pursuant to which Höegh LNG's subsidiary will compensate the Partnership monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter. Afterwards, the Partnership will continue to receive the charter rate agreed with New Fortress for the remaining term of the NFE Charter.

The minimum contractual future revenues in the table above include the fixed payments for the lease element and the services element which also covers the vessel operating expenses and taxes. The minimum contractual future revenues do not include the unexercised option of one additional year.

The long-term time charter for the *Höegh Grace* has an initial term of 20 years and the contract expires in 2036. The minimum contractual future revenues in the table above include the fixed payments for the lease element and services element but exclude the variable fees from the charterer for vessel operating expenses and reimbursement of certain taxes. The non-cancellable charter period is 10 years. The initial term of the lease is 20 years. However, each party has an unconditional option to cancel the charter after 10 and 15 years without penalty. However, if the charterer waives its right to terminate in year 10 within a certain deadline, the Partnership will not be able to exercise its right to terminate in year 10. The charterer has an option to purchase the *Höegh Grace* at a price specified in the *Höegh Grace* charter in year 15 and year 20 of such charter. The minimum contractual future revenues do not include the unexercised purchase option price. Only the non-cancellable lease period is included in the minimum contractual future revenues.

Net investment in financing lease:

The lease element of time charter hire for the *PGN FSRU Lampung* is recognized over the lease term using the effective interest rate method and is included in time charter revenues. The financing lease is reflected on the consolidated balance sheets as net investment in financing lease, a receivable, as follows:

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Minimum lease payments	\$ 589,074	\$ 589,074
Unguaranteed residual value	146,000	146,000
Unearned income	(440,345)	(440,345)
Initial direct cost, net	3,095	3,095
Net investment in financing lease at origination	297,824	297,824
Principal repayment and amortization	(28,440)	(23,471)
Allowance for credit loss	(96)	(96)
Net investment in financing lease at period end	269,288	274,257
Less: Current portion	(5,426)	(4,969)
Long term net investment in financing lease	\$ 263,862	\$ 269,288
Net investment in financing lease consists of:		
Financing lease receivable	\$ 222,790	\$ 231,725
Unguaranteed residual value	46,498	42,532
Net investment in financing lease at period end	\$ 269,288	\$ 274,257

For the years ended December 31, 2021 and 2020, there was no change in the allowance for expected credit losses following the cumulative effect of adopting the standard on *Financial Instruments – Credit Losses: Measurement of Credit Losses*, on January 1, 2020. Refer to note 2 for information on trade receivables and allowance for expected credit losses.

[Table of Contents](#)

5. Financial income (expense), net

The components of financial income (expense), net are as follows:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Interest income	\$ 553	605	\$ 947
Interest expense:			
Interest expense	(19,901)	(21,830)	(24,929)
Amortization and gain (loss) on cash flow hedge	(274)	(173)	(21)
Commitment fees	(977)	(138)	(381)
Amortization of debt issuance cost	(5,677)	(2,289)	(2,361)
Total interest expense	(26,829)	(24,430)	(27,692)
Gain (loss) on debt extinguishment	—	—	1,030
Other items, net:			
Foreign exchange gain (loss)	22	444	(396)
Bank charges, fees and other	(560)	(276)	(297)
Withholding tax on interest expense and other	(2,324)	(2,400)	(2,882)
Total other items, net	(2,862)	(2,232)	(3,575)
Total financial income (expense), net	\$ (29,138)	(26,057)	\$ (29,290)

Interest income related to cash balances and interest accrued on the advances to the joint ventures for each of the years ended December 31, 2021, 2020 and 2019. Refer to note 16 for additional information on the types of gains and losses on derivatives included in interest expense for the years ended December 31, 2021 and 2020. Interest expense also includes interest related to the \$85 million revolving credit facility from Höegh LNG, the \$385 million facility, the Lampung facility and the prior facility secured by the *Höegh Grace* and *Höegh Gallant* (the “Prior Gallant/Grace facility”) until January 31, 2019. The gain on debt extinguishment relates to the refinancing of the Prior Gallant/Grace facility until January 31, 2019. When the entities owning the *Höegh Gallant* and the *Höegh Grace* were acquired, a premium on the debt under the Gallant facility and the Grace facility was recognized. The unamortized balance was recorded as a gain when the debt was extinguished on January 31, 2019. Refer to notes 12, 14 and 15.

6. Income tax

The components of income tax expense recognized in the consolidated statements of income are as follows:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Current tax (benefit) expense	\$ 12,487	3,832	\$ 4,126
Deferred tax (benefit) expense for			
Change in temporary differences	3,293	3,144	3,341
Tax loss and tax credit carried forward	(28)	393	(196)
Impact of change in tax rates	538	(1,809)	—
Change in valuation allowance	—	4	4
Total deferred tax (benefit) expense	3,803	1,732	3,149
Total income tax (benefit) expense	\$ 16,290	5,564	\$ 7,275

[Table of Contents](#)

Deferred tax (benefit) expense recognized in the consolidated statements of comprehensive income as a component of other comprehensive income (“OCI”) are as follows:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Cash flow hedge derivative instruments	\$ 187	262	\$ 389
Deferred tax (benefit) expense recognized in OCI	\$ 187	262	\$ 389

The reconciliation of the income before tax at the statutory rate in the Marshall Islands to the actual income tax expense for each year is as follows:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Income before tax	\$ 76,285	68,709	\$ 60,016
At applicable statutory tax rate			
Amount computed at corporate tax of 0%	—	—	—
Foreign tax rate differences	6,372	6,781	5,425
Permanent differences:			
Tax audit: disallowance prior year interest expense	2,741	—	—
Tax audit, amended tax return and changes in uncertain tax position, net	6,326	385	558
Non-deductible interest expense	—	571	1,477
Non-deductible withholding tax	984	625	717
Non-deductible loss on derivatives	(37)	(114)	120
Tax exemptions	(13)	(13)	(13)
Non-deductible other financial items	102	(106)	194
Other non-deductible costs	237	(18)	45
Tax credits	(960)	(742)	(1,252)
Impact of change in tax rate on deferred tax assets and deferred tax liabilities	538	(1,809)	—
Adjustment for valuation allowance	—	4	4
Tax expense (benefit) for year	\$ 16,290	5,564	\$ 7,275

Deferred income tax assets (liabilities) are summarized as follows:

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Deferred tax assets:		
Accrued liabilities and other payables	\$ 177	\$ 124
Derivative instruments	273	422
Other equipment	10	8
Tax credits carried forward	1,448	1,421
Tax loss carryforward	29	32
Valuation allowance	(29)	(32)
Deferred tax liabilities:		
Accrued interest income	(5,300)	(4,575)
Accrued liabilities and other payables	(478)	(400)
Financing lease	(14,448)	(11,328)
Deferred tax assets (liabilities), net	\$ (18,318)	\$ (14,328)

The Partnership is not subject to Marshall Islands corporate income taxes. The Partnership's subsidiaries incorporated in Singapore, Indonesia, Colombia and Cyprus are subject to tax on their income, and one of the Partnership's non-Colombian subsidiaries is subject to tax on certain Colombian source income. For the years ended December 31, 2021,

[Table of Contents](#)

2020 and 2019, the income tax expense principally related to subsidiaries in Indonesia, Singapore and Colombia. The Singapore subsidiary's taxable income mainly arises from internal interest income. The charterer in Colombia pays certain taxes directly to the Colombian tax authorities on behalf of the Partnership's subsidiaries that own and operate the *Höegh Grace*. The tax payments are a mechanism for advance collection of part of the income taxes for the Colombian subsidiary and a final income tax on Colombian source income for the non-Colombian subsidiary. The Partnership concluded these third-party payments to the tax authorities represent income taxes that must be accounted for under the guidance for income taxes. The amount of non-cash income tax expense was \$889, \$867 and \$867 for the years ended December 31, 2021, 2020 and 2019.

In late June 2021, the tax audit for the Indonesian subsidiary's 2019 tax return was completed. The main finding was that an internal promissory note was reclassified from debt to equity such that 100% of the accrued interest was disallowed as a tax deduction. The Partnership and its Indonesian subsidiary disagree with the conclusion of the tax audit and the Indonesian subsidiary filed an Objection Request with the Central Jakarta Regional Tax office on September 24, 2021. The audit findings result in an increase in current tax expense for the additional amount due for 2019 and an increase in the uncertain tax position for the open years that remain subject to a potential tax audit in Indonesia. The as-filed tax position for the open tax years was to take a tax deduction for the interest expense on the promissory note. The Partnership and its Indonesian subsidiary disagree with the conclusion from the tax audit to reclassify from debt to equity. However, the Partnership and its Indonesian subsidiary may not be successful in the appeal and the additional tax for 2019 of \$2,741 including penalties is expensed and was paid in July 2021. Accordingly, the Indonesian subsidiary recorded an increase in the tax provision, or liability, of \$9,543 during 2021 for the potential future obligation to the tax authorities for a disallowed interest deduction for the years 2017, 2018, 2020 and 2021. During 2021, the Indonesian subsidiary recorded a decrease in the tax provision of \$3,217 for the expiration of the statute of limitations for 2016.

On April 1, 2022, the Partnership's Colombian subsidiary received a notification from the Tax Administration of Cartagena assessing a penalty of approximately \$1.8 million for failure to file the 2016 to 2018 ICT returns. Refer to note 17 under "Claims and Contingencies" and "Colombian Municipal Industry and Commerce Tax" for details and management's assessment.

For the years ended December 31, 2021 and 2020, there was an increase to the uncertain tax position of \$6,326 and \$385, respectively, for a tax position to be taken in the 2021 and 2020 tax return which is not more-likely-than-not to be sustained. As of December 31, 2021 and 2020, the unrecognized tax benefits were \$8,994 and \$2,668, respectively.

Benefits of uncertain tax positions are recognized when it is more-likely-than-not that a tax position taken in a tax return will be sustained upon examination based on the technical merits of the position. Changes in the unrecognized tax benefits is summarized below:

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Unrecognized tax benefits as of January 1,	\$ (2,668)	(2,283)	\$ (1,725)
Decrease related to prior year tax positions	—	—	—
Increase related to current year tax positions	(9,543)	(385)	(558)
Settlements and expiration of statute of limitations	3,217	—	—
Unrecognized tax benefits as of December 31,	\$ (8,994)	(2,668)	\$ (2,283)

Tax loss carryforwards of \$229 expire between 2022 and 2025. The tax returns of Singapore and Indonesia are subject to examination for four years and five years, respectively, from the year of filing. For Colombia, tax returns are subject to examination for three years from the due date of the return. The tax returns from the years 2018 and subsequent years remain subject to review for Singapore. The tax returns from the years 2017 and subsequent years, excluding 2019, remain subject to review for Indonesia. As described above, the tax audit for the Indonesian subsidiary's 2019 tax return was completed in June 2021. For Colombia, tax returns from the years 2018 and subsequent years remain subject to review. Refer to note 17.

[Table of Contents](#)

7. Prepaid expenses and other receivables

The components of prepaid expenses and other receivables are as follows:

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Prepaid expenses	\$ 1,445	\$ 2,140
Other receivables	2,327	1,743
Total other prepaid expenses and other receivables	<u>\$ 3,772</u>	<u>\$ 3,883</u>

8. Investments in joint ventures

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Accumulated earnings of joint ventures	<u>\$ 35,708</u>	<u>\$ 9,690</u>

The Partnership has a 50% interest in each of SRV Joint Gas Ltd. (owner of the *Neptune*) and SRV Joint Gas Two Ltd. (owner of the *Cape Ann*). The following table presents the summarized financial information for 100% of the combined joint ventures on an aggregated basis.

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Time charter revenues	<u>\$ 85,061</u>	<u>87,144</u>	<u>\$ 84,865</u>
Operating expenses	(16,427)	(18,904)	(18,088)
Depreciation and amortization	(20,532)	(20,546)	(20,524)
Impairment of long-lived assets (1)	—	—	(149)
Operating income	<u>48,102</u>	<u>47,694</u>	<u>46,104</u>
Unrealized gain (loss) on derivative instruments	24,096	(12,146)	(10,418)
Other financial expense, net	(21,142)	(23,324)	(24,144)
Income (loss) before tax	<u>51,056</u>	<u>12,224</u>	<u>11,542</u>
Income tax expense	—	—	—
Net income (loss)	<u>\$ 51,056</u>	<u>12,224</u>	<u>\$ 11,542</u>
Share of joint ventures owned	50%	50%	50%
Share of joint ventures net income (loss) before eliminations	25,528	6,112	5,771
Eliminations	308	308	307
Equity in earnings (losses) of joint ventures	<u>\$ 25,836</u>	<u>6,420</u>	<u>\$ 6,078</u>

(1) At the completion of the class renewal survey of the *Neptune*, certain equipment was identified that was impaired.

[Table of Contents](#)

(in thousands of U.S. dollars)	As of	
	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 15,013	\$ 13,455
Restricted cash	21,429	21,264
Other current assets	2,804	178
Total current assets	39,246	34,897
Restricted cash	13,111	14,656
Vessels, net of accumulated depreciation	478,861	499,318
Derivative instruments	1,453	—
Total long-term assets	493,425	513,974
Current portion of long-term debt	191,365	199,030
Amounts and loans due to owners and affiliates	1,113	7,278
Derivative instruments	14,065	14,687
Refund liabilities	1,920	1,040
Other current liabilities	8,460	8,811
Total current liabilities	216,923	230,846
Long-term debt	137,151	176,385
Loans due to owners and affiliates	15,022	1,737
Derivative instruments	47,320	69,618
Other long-term liabilities	30,593	36,040
Total long-term liabilities	230,086	283,780
Net assets (liabilities)	\$ 85,662	\$ 34,245
Share of joint ventures owned	50%	50%
Share of joint ventures net assets (liabilities) before eliminations	42,831	17,123
Eliminations	(7,123)	(7,433)
Accumulated earnings (losses) of joint ventures	\$ 35,708	\$ 9,690

9. Advances to joint ventures

(in thousands of U.S. dollars)	As of	
	December 31, 2021	December 31, 2020
Current portion of advances to joint ventures	\$ —	\$ 3,284
Long-term advances to joint ventures	7,511	869
Advances/shareholder loans to joint ventures	\$ 7,511	\$ 4,153

The Partnership had advances of \$6.6 million and \$3.3 million due from SRV Joint Gas Ltd. as of December 31, 2021 and 2020, respectively. The Partnership had advances of \$0.9 million due from SRV Joint Gas Two Ltd. for both December 31, 2021 and 2020, respectively.

The advances consist of shareholder loans where the principal amounts, including accrued interest, are repaid based on available cash after servicing of long-term bank debt. The shareholder loans were amended during the fourth quarter of 2021 and in January 2022 to extend the maturity and increase the loan amount by \$1.1 million to \$8.6 million in the aggregate. The shareholder loans are due not later than the 20th anniversary of the delivery date of each FSRU. The *Neptune* and the *Cape Ann* were delivered on November 30, 2009 and June 1, 2010, respectively. Accordingly, the outstanding balances on the shareholder loans are classified as non-current portion of advances to joint ventures as of December 31, 2021.

The shareholder loans are subordinated to long-term bank debt. Under terms of the shareholder loan agreements, the repayments shall be prioritized over any dividend payment to the owners of the joint ventures. The shareholder loans bear interest at a fixed rate of 8.0% per year. The other joint venture partners have, on a combined basis, an equal amount of shareholder loans outstanding at the same terms to each of the joint ventures.

[Table of Contents](#)

The joint ventures repaid the original principal of all shareholder loans during 2016. On November 30, 2021, the SRV Joint Gas Ltd, closed the refinancing of the Neptune debt facility (the “New Neptune Facility”) which has an initial loan amount of \$154 million and which is scheduled to be fully amortized with quarterly debt service over a period of 8 years based on annuity repayment profile. The New Neptune Facility replaces the balloon amount of \$169 million that was repaid under the previous debt facility secured by the *Neptune*. The difference in the loan amount was mainly financed by cash held by SRV Joint Gas Ltd and subordinated shareholder loans from the shareholders, including a new subordinated shareholder loan of \$3.0 million from the Partnership made in the fourth quarter of 2021. As of December 31, 2021 and 2020, the outstanding balances consist of accrued interest on the shareholder loans and a new subordinated loan.

As of September 30, 2017, the joint ventures suspended payments on the shareholder loans pending the outcome of the boil-off claim. Accordingly, the outstanding balance on the shareholder loans was classified as long-term as of December 31, 2019. As of April 1, 2020, the joint ventures reached an agreement on the boil-off claim requiring full settlement during 2020. The first instalment of the settlement was paid by the joint ventures in April 2020 and the second and final instalment of the settlement was paid by the joint ventures in December 2020. Refer to note 17 under “Joint ventures boil-off settlement.” The shareholder loans are subordinated to long-term bank debt and the repayment plan is subject to quarterly discretionary revisions based on available cash after servicing of the long-term bank debt and meeting a 1.20 historical and projected debt service coverage ratio. As of December 31, 2021, both the 1.20 historical and projected debt service coverage ratios were met by SRV Joint Gas Ltd and SRV Joint Gas Two Ltd. As a result, both SRV Joint Gas Ltd. and SRV Joint Gas Two Ltd. qualify to make payments on the shareholder loans or other distributions.

10. Vessels and other equipment

(in thousands of U.S. dollars)	Vessel	Dry-docking	Total
Historical cost December 31, 2019	\$ 706,898	9,774	\$ 716,672
Additions	8	—	8
Historical cost December 31, 2020	706,906	9,774	716,680
Depreciation for the year	(19,398)	(1,421)	(20,819)
Accumulated depreciation December 31, 2020	(89,662)	(7,398)	(97,060)
Vessels, net December 31, 2020	<u>617,244</u>	<u>2,376</u>	<u>619,620</u>
Historical cost December 31, 2020	706,906	9,774	716,680
Additions	—	3,062	3,062
Historical cost December 31, 2021	706,906	12,836	719,742
Depreciation for the year	(19,399)	(994)	(20,393)
Accumulated depreciation December 31, 2021	(109,061)	(8,392)	(117,453)
Vessels, net December 31, 2021	<u>\$ 597,845</u>	<u>4,444</u>	<u>\$ 602,289</u>

As of December 31, 2021, other equipment consists principally of office equipment, computers and a right-of-use-asset. Other equipment of \$199 and \$308 is recorded net of accumulated depreciation of \$176 and \$260 in the consolidated balance sheet as of December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, the right-of-use assets and lease liability for operating leases was \$77 and \$61, respectively. Depreciation expense for other equipment was \$25, \$118 and \$307 for the years ended December 31, 2021, 2020 and 2019, respectively.

11. Intangibles and goodwill

(in thousands of U.S. dollars)	Above market time charter	Option for time charter extension	Total Intangibles	Goodwill	Total
Historical cost December 31, 2019	\$ 22,760	8,000	30,760	251	\$ 31,011
Amortization for the year	(2,030)	(1,022)	(3,052)	—	(3,052)
Accumulated amortization, December 31, 2020	(15,933)	(1,022)	(16,955)	—	(16,955)
Intangibles and goodwill, December 31, 2020	6,827	6,978	13,805	251	14,056
Historical cost December 31, 2020	22,760	8,000	30,760	251	31,011
Additions	—	—	—	—	—
Historical cost December 31, 2021	22,760	8,000	30,760	251	31,011
Amortization for the year	(1,232)	(1,523)	(2,755)	—	(2,755)
Accumulated amortization, December 31, 2021	(17,165)	(2,545)	(19,710)	—	(19,710)
Intangibles and goodwill, December 31, 2021	\$ 5,595	5,455	11,050	251	\$ 11,301

The following table presents estimated future amortization expense for the intangibles:

(in thousands of U.S. dollars)	Total
2022	\$ 2,755
2023	2,755
2024	2,762
2025	2,116
2026	\$ 662

12. Long-term debt

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
<i>Lampung facility:</i>		
Export credit tranche	\$ 64,437	\$ 79,324
FSRU tranche	14,688	18,635
<i>\$385 million facility:</i>		
Commercial tranche	211,774	230,705
Export credit tranche	37,833	44,500
Revolving credit tranche	63,050	48,300
Outstanding principal	391,782	421,464
Lampung facility unamortized debt issuance cost	(2,751)	(2,999)
\$385 million facility unamortized debt issuance costs	(2,959)	(3,876)
Total debt	386,072	414,589
Less: Current portion of long-term debt	(46,385)	(59,119)
Long-term debt	\$ 339,687	\$ 355,470

Lampung facility

In September 2013, PT Höegh (the “Borrower”) entered into a secured \$299 million term loan facility (as amended, the “Lampung facility”) with a syndicate of banks and an export credit agency for the purpose of financing a portion of the construction of the *PGN FSRU Lampung* and the Mooring. On December 24, 2021, the commercial tranche’s outstanding amount of \$15.5 million was refinanced in full and the Lampung facility was amended and restated. The Partnership is the guarantor for the Lampung facility. The term loan facility includes the commercial tranche, also referred to as the FSRU tranche, and the export credit tranche. The interest rates vary by tranche.

[Table of Contents](#)

The refinanced FSRU tranche has an interest rate of three months LIBOR plus a margin of 3.75%. The interest rate for the export credit tranche is three months LIBOR plus a margin of 2.3%. The refinanced FSRU tranche and the export credit tranche are repayable and will amortize with equal quarterly installments to zero by June 2026, subject to a cash sweep mechanism. The weighted average interest rate, including the amortization of debt issuance costs and excluding the impact of the associated interest rate swaps, for the years ended December 31, 2021 and 2020 was 3.9% and 4.7% respectively.

The primary financial covenants under the Lampung facility are as follows:

- Borrower must maintain a minimum debt service coverage ratio of 1.10 to 1.00 for the preceding nine-month period tested on each quarterly repayment date;
- The Partnership's consolidated book equity must be greater than the higher of (i) \$200 million and (ii) 25% of total assets; and
- The Partnership's consolidated working capital (current assets, excluding marked-to-market value of any financial derivative, less current liabilities, excluding marked-to-market value of any financial derivative and the current portion of interest-bearing debt) shall at all times be greater than zero
- The Partnership's consolidated free liquid assets (cash and cash equivalents or available draws on credit facilities) must equal or exceed the higher of;
 - \$15 million, and
 - \$2.5 million multiplied by the number of vessels owned or leased by the Partnership (prorated for partial ownership), subject to a cap of \$20 million

The refinanced Lampung facility includes certain restrictions on the use of cash generated by *PGN FSRU Lampung* as well as a cash sweep mechanism. Until the pending arbitration with the charterer of the *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved, no shareholder loans may be serviced and no dividends may be paid to the Partnership by the Borrower under the Lampung facility. Furthermore, each quarter, 50% of the *PGN FSRU Lampung*'s generated cash flow after debt service must be applied to pre-pay outstanding loan amounts under the refinanced Lampung facility, applied pro rata across the FSRU and export tranches. The remaining 50% will be retained by the Borrower and pledged in favor of the lenders until the pending arbitration with the charterer of the *PGN FSRU Lampung* has been terminated, cancelled or favorably resolved. As a consequence, no cash flow from the *PGN FSRU Lampung* will be available for the Partnership until the pending arbitration has been terminated, cancelled or favorably resolved. This limitation does not prohibit the Partnership from paying distributions to preferred and common unitholders.

In addition, a security maintenance ratio based on the aggregate market value of the *PGN FSRU Lampung* and any additional security must be at least 120% of the aggregate outstanding loan balance.

As of December 31, 2021 and 2020, the Borrower and the guarantor were in compliance with the financial covenants.

All project agreements and guarantees are assigned to the bank syndicate and the export credit agent and all cash accounts and the shares in PT Höegh and Höegh Lampung are pledged in favor of the bank syndicate and the export credit agent.

The Lampung facility requires cash reserves that are held for specifically designated uses, including working capital, operations and maintenance and debt service reserves. Distributions are subject to "waterfall" provisions that allocate revenues to specified priorities of use (such as operating expenses, scheduled debt service, targeted debt service reserves and any other reserves) with the remaining cash being distributable only on certain dates and subject to satisfaction of certain conditions, including meeting a 1.20 historical debt service coverage ratio, no default or event of default then continuing or resulting from such distribution and the guarantor not being in breach of the financial covenants applicable to it. The Lampung facility limits, among other things, the ability of the Borrower to change its business, sell or grant liens on its property including the *PGN FSRU Lampung*, incur additional indebtedness or guarantee other indebtedness, make investments or acquisitions, enter into intercompany transactions and make distributions.

[Table of Contents](#)

\$385 million facility

On January 29, 2019, the Partnership entered into a loan agreement with a syndicate of banks to refinance the outstanding balances of the Prior Gallant/Grace facility. Höegh LNG Partners LP is the borrower (the “Borrower”) for the senior secured term loan and revolving credit facility (the “\$385 million facility”). The aggregate borrowing capacity is \$320 million on the senior secured term loan and \$63 million on the revolving credit tranche. Hoegh LNG Cyprus Limited, which owns the *Höegh Gallant*, and Höegh LNG FSRU IV Ltd., the owner of the *Höegh Grace* (collectively, the “Vessel Owners”), and Höegh LNG Colombia S.A.S., are guarantors for the facility (collectively, the “guarantors”). The facility is secured by, among other things, a first priority mortgage of the *Höegh Gallant* and the *Höegh Grace*, an assignment of the Hoegh LNG Cyprus Limited’s, Höegh LNG FSRU IV Ltd.’s, Höegh LNG Colombia S.A.S.’s rights under their respective time charters and earnings and a pledge of the Borrower’s and Guarantor’s cash accounts. The Partnership and its subsidiaries have provided a pledge of shares in Hoegh LNG Cyprus Limited, Höegh LNG FSRU IV Ltd. and Höegh LNG Colombia S.A.S

The senior secured term loan related to the \$385 million facility includes a commercial tranche and the export credit tranche. Each tranche is divided into two term loans for each of the *Höegh Gallant* and the *Höegh Grace*.

On January 31, 2019, the Partnership drew \$320 million under the commercial and the export credit tranches on the \$385 million facility to settle \$303.2 million and \$1.6 million of the outstanding balance and accrued interest, respectively, on the Prior Gallant/Grace facility and used proceeds of \$5.5 million to pay arrangement fees due under the \$385 million facility. The remaining proceeds of \$9.6 million were used for general partnership purposes. On August 12, 2019, the Partnership drew \$48.3 million under the revolving credit tranche of the \$385 million facility of which \$34.0 million was used to repay part of the outstanding balance on the \$85 million revolving credit facility due to Höegh LNG. There were no draws during the year ended December 31, 2020. On September 3, 2021, the Partnership drew the remaining \$14.7 million available on the revolving credit tranche of the \$385 million facility.

The commercial tranche and the revolving credit tranche related to the \$385 million facility have an interest rate of LIBOR plus a margin of 2.30%. The commitment fee on the undrawn portion of the revolving credit tranche is approximately 1.6%. The interest rate for the export credit tranche related to the \$385 million facility have fixed interest rates and guarantee commissions of 3.98% and 3.88% on the term loans related to the *Höegh Gallant* and the *Höegh Grace*, respectively. The commercial tranche is repayable quarterly with a final balloon payment of \$136.1 million due in January 2026. The term loans for export credit tranche related to the *Höegh Gallant* and the *Höegh Grace* are repayable in quarterly installments with the final payments in October 2026 and April 2028, respectively, assuming the balloon payments of the commercial tranches are refinanced. If not, the export credit agent can exercise a prepayment right for repayment of the total outstanding balance on both the terms loans of the export credit tranche of \$9.5 million upon maturity of the commercial tranche. Any outstanding balance on the revolving credit facility is due in full in January 2026. The weighted average interest rate, including the amortization of debt issuance costs and excluding the impact of the associated interest rate swaps, for the years ended December 31, 2021 and 2020 was 2.6% and 3.4%, respectively.

The primary financial covenants under the \$385 million facility are as follows:

- The Partnership must maintain
 - Consolidated book equity (excluding hedge reserves and mark to market value of derivatives) equal to the greater of
 - 25% of total assets, and
 - \$150 million
 - Consolidated working capital (current assets, excluding intercompany receivables and marked-to-market value of any financial derivative, less current liabilities, excluding intercompany payables, marked-to-market value of any financial derivative and the current portion of long-term debt) shall at all times be greater than zero
 - Minimum liquidity (cash and cash equivalents and available draws under a bank credit facility for a term of more than 12 months) equal to the greater of
 - \$15 million, and

[Table of Contents](#)

- \$2.5 million multiplied by the number of vessels owned or leased by the Partnership (prorated for partial ownership), subject to a cap of \$20 million
- o A ratio of combined EBITDA for the Vessel Owners to debt service (principal repayments, guarantee commission, commitment fees and interest expense) for the preceding twelve months of a minimum of 115%

As of December 31, 2021 and 2020, the Borrower and the Vessel Owners were in compliance with the financial covenants.

In addition, a security maintenance ratio based on the aggregate market value of the *Höegh Gallant*, the *Höegh Grace* and any additional security must be at least 125% of the aggregate outstanding loan balance.

If the security maintenance ratio is not maintained, the relevant Borrower has 30 days to provide more security or to repay part of the loan to be in compliance with the ratio no later than 30 days after notice from the lenders.

The \$385 million facility provides that if, by January 2024, a charter with a specified rate and backlog has not been obtained for the *Höegh Gallant*, the revolving credit tranche will be cancelled and early quarterly repayments will be due under the commercial tranche and the export credit tranche. The lenders under the facility have agreed that, provided the NFE Charter remains in effect on such date, it will satisfy the requirement of this provision and no cancellation or repayment will be required.

Under the \$385 million facility, cash accounts are freely available for the use of the Borrower and the guarantors, unless there is an event of default. Events of default include, among other things, change of control of Höegh LNG or the Partnership due to the failure of Höegh LNG to own at least 25% of the Partnership's common units. Cash can be distributed as dividends or to service loans of owners and affiliates provided that after the distribution the Borrower and the guarantors would remain in compliance with the financial covenants. The \$385 million facility limits, among other things, the ability of the Borrower and the guarantors to change their business, grant liens on the *Höegh Gallant* or the *Höegh Grace*, incur additional indebtedness that is not *pari passu* with the \$385 million facility, enter into intercompany debt that is not subordinated to the \$385 million facility and for the Vessel Owners to make investments or acquisitions.

The principal on long-term debt outstanding as of December 31, 2021 was repayable as follows:

(in thousands of U.S. dollars)	Total
2022	\$ 46,385
2023	43,747
2024	43,747
2025	43,748
2026	209,655
2027 and thereafter	4,500
Total	\$ 391,782

[Table of Contents](#)

13. Accrued liabilities and other payables

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Accrued operating and administrative expenses	\$ 4,909	\$ 3,042
Accrued interest	2,382	2,641
Current tax payable	1,315	469
Current portion of provision for tax uncertainty (note 6)	2,603	—
Refund liabilities (note 4)	3,976	891
Lease liability	63	39
Other accruals and payables	857	150
Total accrued liabilities and other payables	<u>\$ 16,105</u>	<u>\$ 7,232</u>

Refer to note 4 for additional information on the refund liability to charterers. Refer to note 6 for additional information on the provision for tax uncertainty. Refer to notes 2 and 10 for additional information on the lease liability.

14. Related party transactions

Income (expenses) from related parties

As described in *Related party agreements* below, subsidiaries of Höegh LNG have provided administrative services to the Partnership and ship management and/or technical support services for the *PGN FSRU Lampung*, the *Höegh Gallant* and the *Höegh Grace*, as well as leasing the *Höegh Gallant*. Historically, the service providers for ship management have accounted for the purchases of consumables, spare parts and third party services and subsequently invoiced or re-charged these costs to the vessel owning entities. On April 1, 2021, a new integrated accounting system was implemented by the Höegh LNG group. To improve efficiency, third party invoices for consumables, spare parts and third party services are recorded directly to the accounts of the entities owning the *Höegh Gallant* and the *Höegh Grace*. As a result, these costs are no longer regarded as related party expenses which has reduced the Vessel operating expenses for the year ended December 31, 2021 compared with the year ended December 31, 2020.

Related party amounts included in the consolidated statements of income for the years ended December 31, 2021, 2020 and 2019 or included in the consolidated balance sheets as of December 31, 2021 and 2020 are as follows:

(in thousands of U.S. dollars)	2021	2020	2019
<i>Revenues</i>			
Time charter revenue <i>Höegh Gallant</i> (1)	\$ 43,551	45,274	\$ 47,173
<i>Operating expenses</i>			
Vessel operating expenses (2)	(15,189)	(21,328)	(24,523)
Hours, travel expense and overhead (3) and Board of Directors' fees (4)	(5,020)	(4,353)	(4,072)
<i>Financial (income) expense</i>			
Interest income from joint ventures (5)	376	321	295
Interest expense and commitment fees to Höegh LNG (6)	(946)	(64)	(1,882)
Total	<u>\$ 22,772</u>	<u>19,850</u>	<u>\$ 16,991</u>

Balance sheet (in thousands of U.S. dollars)	As of December 31,	
	2021	2020
<i>Equity</i>		
Contribution from Höegh LNG (7)	\$ 315	\$ 11,850
Issuance of units for Board of Directors' fees (4)	211	181
Other and contribution from owner (8)	8	109
Total	<u>\$ 534</u>	<u>\$ 12,140</u>

1) *Time charter revenue Höegh Gallant*: Subsidiaries of Höegh LNG have leased the *Höegh Gallant*.

[Table of Contents](#)

- 2) *Vessel operating expenses*: Subsidiaries of Höegh LNG provide ship management of vessels, including crews and the provision of all other services and supplies.
- 3) *Hours, travel expenses and overhead*: Subsidiaries of Höegh LNG provide management, accounting, bookkeeping and administrative support under administrative service agreements. These services are charges based upon the actual hours incurred for each individual as registered in the time-write system based on a rate which includes a provision for overhead and any associated travel expenses.
- 4) *Board of Directors' fees*: Total Board of Directors' fees were \$670, \$571 and \$496 for the years ended December 31, 2021, 2020 and 2019, respectively. Part of the compensation is awarded as common units of the Partnership. Effective June 7, 2021, a total of 11,960 common units were awarded to non-employee directors as compensation of \$203 for part of directors' fees for 2021 under the Höegh LNG Partners LP Long Term Incentive Plan. Effective September 4, 2020 and June 4, 2019, a total of 15,528 and 11,180 common units were awarded to non-employee directors as compensation of \$162 and \$194, respectively, for part of directors' fees for 2020 and 2019. The awards were recorded as administrative expense and as an issuance of common units. Common units are recorded when issued.
- 5) *Interest income from joint ventures*: The Partnership and its joint venture partners have provided subordinated financing to the joint ventures as shareholder loans. Interest income for the Partnership's shareholder loans to the joint ventures is recorded as interest income.
- 6) *Interest expense and commitment fees to Höegh LNG and affiliates*: Höegh LNG and its affiliates provided an \$85 million revolving credit facility for general partnership purposes. The Partnership incurred an interest expense on the drawn balance.
- 7) *Non-cash contribution from/distribution to Höegh LNG*: As described under "Indemnification" below, Höegh LNG made indemnification payments to the Partnership or received refunds of indemnification from the Partnership which were recorded as contributions or distributions to equity.
- 8) *Other and contribution from owner*: Höegh LNG granted share-based incentives to certain key employees whose services benefit the Partnership. Related expenses are recorded as administrative expenses and as a contribution from owner since the Partnership is not invoiced for this employee benefit. Effective March 26, 2020, March 21, 2019 and September 14, 2018, the Partnership granted or extended the terms for 8,100, 10,917 and 28,018 phantom units, respectively, to the Chief Executive Officer and Chief Financial Officer of the Partnership. Related expenses are recorded over the vesting period as an administrative expense and as increase in equity. On August 6, 2020, the Partnership announced that the Partnership's Chief Executive Officer and Chief Financial Officer resigned, which resulted in 15,378 of the phantom units not vesting, resulting in a reduction in administration expense and equity for the forfeited units. The remaining phantom units vested in November 2021. There are no unvested phantom units as of December 31, 2021.

Dividends to Höegh LNG: The Partnership has declared and paid quarterly distributions totaling \$14.5 million, \$28.5 million and \$28.4 million to Höegh LNG for each of the years ended December 31, 2021, 2020 and 2019, respectively.

Receivables and payables from related parties

Amounts due from affiliates

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
Amounts due from affiliates	\$ 7,500	\$ 3,639

The amount due from affiliates relates to a receivable for time charter hire from subsidiaries of Höegh LNG for the *Höegh Gallant* time charter and prefunding for intercompany services. The time charter hire is due 18 days from the receipt of the invoice. Time charter hire is invoiced at the end of the month in arrears.

[Table of Contents](#)

Amounts due to owners and affiliates

(in thousands of U.S. dollars)	As of	
	December 31,	
	2021	2020
Amounts due to owners and affiliates	\$ 3,655	\$ 2,600

As of December 31, 2021 and 2020 amounts due to owners and affiliates principally relate to trade payables for services provided by subsidiaries of Höegh LNG.

Revolving credit facility due to owners and affiliates

(in thousands of U.S. dollars)	As of	
	December 31,	
	2021	2020
Revolving credit facility due to owners and affiliates - non-current portion	\$ 24,942	\$ 18,465

In August 2014, upon the closing of the IPO, the Partnership entered into an \$85 million revolving credit facility with Höegh LNG, to be used to fund acquisitions and working capital requirements of the Partnership. The credit facility is unsecured and was repayable on January 1, 2020. On May 28, 2019, the repayment date on the \$85 million revolving credit facility was extended to January 1, 2023 and the terms amended for the interest rate to be LIBOR plus a margin of 1.4% in 2019, 3.0% in 2020 and 4.0% thereafter. On April 8, and December 11, 2020, the Partnership was indemnified by Höegh LNG for its share of the joint ventures' boil-off settlement payments by a reduction of \$8.6 million and \$3.3 million, respectively, on its outstanding balance on the \$85 million revolving credit facility. On April 24, 2020, August 7, 2020 and October 23, 2020, the Partnership drew \$4.5 million, \$6.6 million and \$10.7 million, respectively, on the \$85 million revolving credit facility. On March 12, 2021, the Partnership was indemnified by Höegh LNG for its share of the joint ventures' performance claims for the year ended December 31, 2020, by a reduction of \$0.3 million on its outstanding balance on the \$85 million revolving credit facility. On May 7, 2021, the Partnership drew \$6.0 million on the \$85 million revolving credit facility. The outstanding revolving credit facility had a weighted average interest rate for the years ended December 31, 2021 and 2020 of 4.3% and 3.6%, respectively.

The Partnership has received notice from Höegh LNG that it will not extend the \$85 million revolving credit facility when it matures on January 1, 2023, and that it will have very limited capacity to extend any additional advances to the Partnership beyond what is currently drawn under such facility. Also, further drawdowns on the \$85 million revolving credit facility may be subject to Höegh LNG's consent because of the Notice of Arbitration ("NOA") received from the charterer of *PGN FSRU Lampung* on August 2, 2021.

Related party agreements

In connection with the IPO the Partnership entered into several agreements including:

- (i) An \$85 million revolving credit facility with Höegh LNG, which was undrawn at the closing of the IPO;
- (ii) An omnibus agreement with Höegh LNG, the general partner, and Höegh LNG Partners Operating LLC (the "operating company") governing, among other things:
 - a. To what extent the Partnership and Höegh LNG may compete with each other;
 - b. The Partnership's rights of first offer on certain FSRUs and LNG carriers operating under charters of five or more years ("Five-Year Vessels"); and
 - c. Höegh LNG's provision of certain indemnities to the Partnership.

[Table of Contents](#)

Following the consummation of an amalgamation by Höegh LNG that closed in May 2021, some provisions of the omnibus agreement entered into in connection with the IPO terminated in accordance with their terms, including (i) the prohibition on Höegh LNG from acquiring, owning, operating or chartering any Five-Year Vessels, (ii) the prohibition on us from acquiring, owning, operating or chartering any non-Five-Year Vessels, and (iii) the rights of first offer associated with those rights.

Existing agreements remained in place following the IPO for provision of certain services to the Partnership's vessel owning joint ventures or entity, of which the material agreements are as follows:

- The joint ventures are parties to ship management agreements with Höegh LNG Fleet Management AS ("Höegh LNG Management") pursuant to which Höegh LNG Management provides the joint ventures with technical and maritime management and crewing of the *Neptune* and the *Cape Ann*, and Höegh LNG AS ("Höegh Norway") is a party to a sub-technical support agreement with Höegh LNG Management pursuant to which Höegh LNG Management provides technical support services with respect to the *PGN FSRU Lampung*; and
- The joint ventures are parties to commercial and administration management agreements with Höegh Norway, and PT Hoegh LNG Lampung is a party to a technical information and services agreement with Höegh Norway.

Subsequent to the IPO, the Partnership has acquired vessel owning entities. Existing agreements remained in place following the acquisition for the time charter of the *Höegh Gallant* and receipt of certain services, of which the material agreements are as follows:

- Hoegh LNG Cyprus Limited acting through its Egyptian Branch had a lease and maintenance agreement (the "time charter") with EgyptCo for the lease and maintenance of the *Höegh Gallant* and the provision of crew and certain ship management services for a combined daily hire rate. The time charter started in April 2015 and expired in April 2020;
- On April 30, 2020, the Partnership entered into the Suspended Gallant Charter with a subsidiary of Höegh LNG for the time charter of the *Höegh Gallant* and the provision of crew and certain ship management services for use as either an FSRU or an LNG carrier for a combined daily hire rate. The terms of the agreement were approved by the Partnership's board of directors and the conflicts committee. The Suspended Gallant Charter commenced on May 1, 2020 and expired March 2022, when the NFE Charter commenced.
- Hoegh LNG Cyprus Limited is party to a ship management agreement with Höegh LNG Management pursuant to which Höegh LNG Management provides the technical management of the *Höegh Gallant*, and Hoegh LNG Maritime Management Pte. Ltd. ("Höegh Maritime Management") is a party to a secondment agreement, as amended, with Hoegh LNG Cyprus Limited pursuant to which Höegh Maritime Management provides qualified crew for the *Höegh Gallant*. The Partnership expects that these two agreements will be suspended by mutual consent of the parties in connection with the commencement of the NFE Charter; and
- Hoegh LNG Cyprus Limited is party to a management agreement with Höegh Norway, pursuant to which Höegh Norway provides administrative, commercial and technical management services, each as instructed from time to time by Hoegh LNG Cyprus Limited.

The Partnership has entered into an agreement to suspend the Suspended Gallant Charter, with effect from the commencement of the NFE Charter on March 20, 2022, and a make-whole agreement pursuant to which Höegh LNG's subsidiary will compensate the Partnership monthly for the difference between the charter rate earned under the NFE Charter and the charter rate earned under the Suspended Gallant Charter with the addition of a modest increase until July 31, 2025, the original expiration date of the Suspended Gallant Charter.

[Table of Contents](#)

In connection with the commencement of the *Höegh Gallant* under the NFE Charter in March 2022, Höegh LNG Jamaica Ltd. has entered into several agreements with affiliates of Höegh LNG to provide services related to the *Höegh Gallant*:

- a ship management agreement with Höegh LNG Management pursuant to which Höegh LNG Management provides the technical management of the *Höegh Gallant*;
- a commercial consulting agreement with Höegh Norway to provide support related to certain commercial administrative services, project execution services and commercial operations services;
- a crew recruitment consulting services agreement with Höegh Maritime Management to provide professional consulting services in connection with recruitment of crew and other employees; and
- an agreement for provision of professional payment services with Höegh Maritime Management to provide services in connection with the payment of monthly salaries to the crew and employees working on the vessel.

Existing agreements remained in place for the time charter of the *Höegh Grace* following the acquisition and receipt of certain services, of which the material agreements are as follows:

- a ship management agreement with Höegh LNG Management pursuant to which Höegh LNG Management provides technical and maritime management services;
- a manning agreement with Höegh Fleet Services Philippines Inc. to recruit and engage crew for the vessel;
- a technical services agreement with Höegh Norway to provide technical services for the vessel;
- a management consulting agreement with Höegh Norway to provide support related to certain management activities;
- a crew recruitment consulting services agreement with Höegh Maritime Management to provide professional consulting services in connection with recruitment of crew and other employees;
- an agreement for provision of professional payment services with Höegh Maritime Management to provide services in connection with the payment of monthly salaries to the crew and employees working on the vessel; and
- a spare parts procurement and insurance services agreement with Höegh LNG Management to arrange for the supply of spare parts and the insurance coverage for the vessel.

In December 2019, the Partnership and the operating company entered into an administrative services agreement with Höegh Norway, pursuant to which Höegh Norway provides certain administrative services to the Partnership.

Indemnifications

Other indemnifications:

Under the omnibus agreement Höegh LNG agreed to indemnify the Partnership for, among other items, losses related to certain tax liabilities attributable to the operation of the assets contributed or sold to the Partnership prior to the time they were contributed or sold. Pursuant to a letter agreement dated August 12, 2015, Höegh LNG confirmed that the indemnification provisions of the omnibus agreement include indemnification for all non-budgeted, non-creditable Indonesian value added taxes and non-budgeted Indonesian withholding taxes, including any related impact on cash flow from PT Höegh LNG Lampung and interest and penalties associated with any non-timely Indonesian tax filings related to the ownership or operation of the *PGN FSRU Lampung* and the Mooring whether incurred (i) prior to the closing date

[Table of Contents](#)

of the IPO, (ii) after the closing date of the IPO to the extent such taxes, interest, penalties or related impact on cash flows relate to periods of ownership or operation of the *PGN FSRU Lampung* and the Mooring and are not subject to prior indemnification payments or deemed reimbursable by the charterer under its audit of the taxes related to the *PGN FSRU Lampung* time charter for periods up to and including June 30, 2015, or (iii) after June 30, 2015 to the extent withholding taxes exceed the minimum amount of withholding tax due under Indonesian tax regulations due to lack of documentation or untimely withholding tax filings.

No indemnification claim was filed or received for the years ended December 31, 2021 and 2020. For the year ended December 31, 2019, the Partnership refunded to Höegh LNG approximately \$0.1 million related to insurance proceeds received related to the warranty provision and costs for previous years determined to be reimbursable by the charterer. Refer to note 17.

Under the contribution, purchase and sale agreement entered into with respect to the purchase of the *Höegh Gallant* entities, Höegh LNG will indemnify the Partnership for, among other items:

1. losses from breach of warranty;
2. losses related to certain tax liabilities attributable to the operation of the *Höegh Gallant* prior to the closing date; and
3. any recurring non-budgeted costs owed to Höegh LNG Management with respect to payroll taxes.

No indemnification claims were filed or received for the years ended December 31, 2021, 2020 and 2019.

Under the contribution, purchase and sale agreements entered into with respect to the acquisitions of the 51% and 49% ownership interests in the *Höegh Grace* entities, Höegh LNG will indemnify the Partnership for, among other items:

- losses from breach of warranty;
- losses related to certain environmental liabilities, damages or repair costs and tax liabilities attributable to the operation of the *Höegh Grace* prior to the closing date; and
- any recurring non-budgeted costs owed to tax authorities with respect to payroll taxes, taxes related to social security payments, corporate income taxes (including income tax for equality and surcharge on income tax for equality), withholding tax, port associations, local Cartagena tax, and financial transaction tax, including any penalties associated with taxes to the extent not reimbursed by the charterer.

No indemnification claims were filed or received for the years ended December 31, 2021, 2020 and 2019.

On September 27, 2017, the Partnership entered into an indemnification agreement with Höegh LNG with respect to the boil-off claims under the *Neptune* and *Cape Ann* time charters, pursuant to which Höegh LNG will, among other things, indemnify the Partnership for its share of any losses and expenses related to or arising from the failure of either *Neptune* or *Cape Ann* to meet the performance standards related to the daily boil-off of LNG under their respective time charters (including any cash impact that may result from any settlement with respect to such claims). For the year ended December 31, 2020, the Partnership was indemnified by Höegh LNG for its share of the joint-ventures boil-off settlement payments to its charter by a reduction of \$11.9 million on its outstanding balance on the \$85 million revolving credit facility from Höegh LNG. Indemnification payments and the non-cash settlements were recorded as contribution to equity and increases to equity respectively. On March 12, 2021, the Partnership was indemnified by Höegh LNG for its share of the joint ventures' performance claims for the year ended December 31, 2020 by a reduction of \$0.3 million in its outstanding balance on the \$85 million revolving credit facility from Höegh LNG. No indemnification claims were made or received by the Partnership subsequent to March 12, 2021. Refer to note 17.

15. Financial Instruments

Fair value measurements

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

Cash and cash equivalents and restricted cash – The fair value of the cash, cash equivalents, and restricted cash approximates its carrying amounts reported in the consolidated balance sheets.

Amounts due from (to) owners and affiliates – The fair value of the non-interest bearing receivables or payables approximates their carrying amounts reported in the consolidated balance sheets since the receivables or payables are to be settled consistent with trade receivables and payables.

Derivative instruments – The fair values of the interest rate swaps are estimated based on the present value of cash flows over the term of the instruments based on the relevant LIBOR interest rate curves, adjusted for the subsidiary's credit worthiness and the credit worthiness of the counterparty to the derivative.

Advances (shareholder loans) to joint ventures – The fair values of the fixed rate subordinated shareholder loans are estimated using discounted cash flow analyses based on rates currently available for debt with similar terms and remaining maturities and the current credit worthiness of the joint ventures.

Lampung and \$385 million facilities – The fair values of the variable rate debt are estimated based on the present value of cash flows over the term of the instruments based on the estimated currently available margins and LIBOR interest rates as of the balance sheet date for debt with similar terms and remaining maturities and the current credit worthiness of the Partnership.

Revolving credit due to owners and affiliates – The fair value of the variable rate debt is estimated based on the present value of cash flows over the term of the instruments based on the estimated currently available margins and LIBOR interest rates as of the balance sheet date for debt with similar terms and remaining maturities and the current credit worthiness of the Partnership.

The fair value estimates are categorized by a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

[Table of Contents](#)

The following table includes the estimated fair value and carrying value of those assets and liabilities that are measured at fair value on a recurring and non-recurring basis, as well as the estimated fair value of the financial instruments that are not accounted for at a fair value on a recurring basis. Trade payables and receivables for which the estimated fair values are equivalent to carrying values are not specified below.

(in thousands of U.S. dollars)	Level	As of December 31, 2021		As of December 31, 2020	
		Carrying amount Asset (Liability)	Fair value Asset (Liability)	Carrying amount Asset (Liability)	Fair value Asset (Liability)
<i>Recurring:</i>					
Cash and cash equivalents	1	\$ 42,519	42,519	31,770	\$ 31,770
Restricted cash	1	19,401	19,401	19,293	19,293
Derivative instruments	2	(12,870)	(12,870)	(26,475)	(26,475)
<i>Other:</i>					
Amounts due from affiliate	2	7,500	7,500	3,639	3,639
Advances (shareholder loans) to joint ventures	2	7,511	7,993	4,153	4,305
Current amounts due to owners and affiliates	2	(3,655)	(3,655)	(2,600)	(2,600)
Lampung facility	2	(76,374)	(79,253)	(94,960)	(99,295)
\$385 million facility	2	(309,698)	(311,027)	(319,629)	(323,342)
Revolving credit facility due to owners and affiliates	2	\$ (24,942)	(23,954)	(18,465)	\$ (16,987)

Financing receivables and net investment in financing lease

The following table contains a summary of the class of financial asset, year of origination and the method by which the credit quality is monitored on a quarterly basis:

Class (in thousands of U.S. dollars)	Year	Credit Quality Indicator	Grade	As of December 31,	
				2021	2020
Advances/shareholder loans to joint ventures	2006	Collection experience	Performing	\$ 7,511	\$ 4,153
Net investment in financing lease	2014	Credit Information	Performing	\$ 269,288	\$ 274,257

The shareholder loans to joint ventures are classified as advances to joint ventures in the consolidated balance sheet. Refer to note 9.

Refer to note 2 for information related to the allowance for expected credit losses recorded on January 1, 2020. For the years ended December 31, 2021 and 2020, there was no change in the allowance for expected credit losses following the cumulative effect of adopting the new standard. For the net investment in financing lease, the Partnership monitors quarterly actual credit losses, forecasts of LNG demand and changes in charterer or guarantor-specific publicly available financial and credit information in developing expected credit losses. The Partnership has never incurred actual credit losses related to the net investment in financing lease. The Partnership measures the allowance for credit losses for the net investment in financing lease using the probability of default and loss given default method.

16. Risk management and concentrations of risk

Derivative instruments can be used in accordance with the overall risk management policy.

Interest rate risk, derivative instruments and cash flow hedges

Cash flow hedging strategy

The Partnership is exposed to fluctuations in cash flows from floating interest rate exposure on its long-term debt used principally to finance its vessels. Interest rate swaps are used for the management of the floating interest rate risk

[Table of Contents](#)

exposure. The interest rate swaps have the effect of converting a portion of the outstanding debt from a floating to a fixed rate over the life of the interest rate swaps. Interest rate swaps exchange a receipt of floating interest for a payment of fixed interest which reduces the exposure to interest rate variability on the Partnership's outstanding floating-rate debt over the life of the interest rate swaps. As of December 31, 2021 and 2020, there were interest rate swap agreements related to the Lampung facility ("Lampung interest rate swaps") and the commercial tranche of the \$385 million facility ("\$385 million interest rate swaps") floating rate debt that are designated as cash flow hedges for accounting purposes. As of December 31, 2021, the following interest rate swap agreements were outstanding:

(in thousands of U.S. dollars)	Interest rate index	Notional amount	Fair value carrying amount liability	Term	Fixed interest rate (1)
LIBOR-based debt					
Lampung interest rate swaps (2)	LIBOR	\$ 64,437	\$ (2,476)	Sep 2026	2.800%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,869)	Jan 2026	2.941%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,610)	Oct 2025	2.838%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,527)	Jan 2026	2.735%
\$385 million facility swaps (2)	LIBOR	\$ 52,086	\$ (2,388)	Jan 2026	2.650%

- 1) Excludes the margins paid on the floating-rate debt.
- 2) All interest rate swaps are U.S. dollar denominated and the notional amount reduces quarterly from the effective date of the interest rate swaps.

The Borrower under the Lampung facility entered five forward starting swap agreements with identical terms for a total notional amount of \$237.1 million with an effective date of March 17, 2014. The swaps amortize over 12 years to match the amortization profile of the Lampung facility and exchange 3-month USD LIBOR variable interest payments for fixed rate payments at 2.8%. The interest rate swaps were designated for accounting purposes as cash flow hedges of the variable interest payments on the Lampung facility. As of December 29, 2014, a prepayment of \$7.9 million on the Lampung facility occurred which resulted in an amendment of the original interest rate swaps and the hedge was de-designated for accounting purposes. The other terms of the amended interest rate swaps did not change but the nominal amount of the interest rate swaps was reduced to match the outstanding debt. The amended interest rate swaps were re-designated as a cash flow hedge for accounting purposes. The FSRU tranche of the Lampung facility was refinanced on December 24, 2021. Borrowings under the export credit tranche continue to be hedged with the interest rate swaps, while the refinanced FSRU tranche is unhedged.

As of December 31, 2018, the Partnership had entered into forward starting interest rate swaps with a nominal amount of \$130.0 million to hedge part of the interest rate risk on the floating element of the interest rate for the commercial tranches of the \$385 million facility. The Partnership makes fixed payments of 2.941% and 2.838%, based on a nominal amount of \$65.0 million for each, in exchange for floating payments. The interest rate swaps were designated for accounting purposes as cash flow hedges of the variable interest payments for \$130.0 million of the commercial tranches of the \$385 million facility which was expected to be drawn and was drawn on January 31, 2019. In February 2019, the Partnership entered into interest rate swaps related to the \$385 million facility with a nominal amount of \$127.7 million for which the Partnership makes fixed payments of 2.650% and 2.735% based on nominal amount of \$63.8 million for each. The interest rate swaps were designated for accounting purposes as cash flow hedges of the variable interest payments for \$127.7 million of the commercial tranches of the \$385 million facility. The swaps amortize over approximately 7 years to match the outstanding balances of the commercial tranches of the \$385 million facility until the maturity dates. The export credit tranches have a fixed interest rate and, therefore, no variability in cash flows as a result of changes in interest rates.

[Table of Contents](#)

The following table presents the location and fair value amounts of derivative instruments, segregated by type of contract, on the consolidated balance sheets. All derivatives are designated as cash flow hedging instruments.

(in thousands of U.S. dollars)	Current assets: derivative instruments	Long-term assets: derivative instruments	Current liabilities: derivative instruments	Long-term liabilities: derivative instruments
As of December 31, 2021				
Interest rate swaps	\$ —	\$ —	\$ (5,239)	\$ (7,631)
As of December 31, 2020				
Interest rate swaps	\$ —	\$ —	\$ (6,945)	\$ (19,530)

The following effects of cash flow hedges relating to interest rate swaps are included in interest expense and income tax expense in the consolidated statements of income which are the same lines as the earnings effects of the hedged item for the years ended December 31, 2021 and 2020.

(in thousands of U.S. dollars)	Year ended December 31, 2021	
	Interest expense	Income tax benefit
Gain (loss) on interest rate swaps in cash flow hedging relationships:		
Reclassification from accumulated other comprehensive income included in hedge effectiveness	\$ (8,417)	\$ —
Amortization of amount excluded from hedge effectiveness	750	—
Reclassification discontinued hedge and initial fair value from accumulated other comprehensive income based on amortization approach	(1,024)	187
Total gains (losses) on derivative instruments	\$ (8,691)	\$ 187

(in thousands of U.S. dollars)	Year ended December 31, 2020	
	Interest expense	Income tax benefit
Gain (loss) on interest rate swaps in cash flow hedging relationships:		
Reclassification from accumulated other comprehensive income included in hedge effectiveness	\$ (5,849)	\$ —
Amortization of amount excluded from hedge effectiveness	851	—
Reclassification discontinued hedge and initial fair value from accumulated other comprehensive income based on amortization approach	(1,024)	262
Total gains (losses) on derivative instruments	\$ (6,022)	\$ 262

The settlement of cash flow hedge related to the interest rate swaps for Prior Gallant/Grace facility. The Prior Gallant/Grace interest rate swaps were terminated when the facility was extinguished on January 31, 2019. Due to the termination, the counterparties of the Prior Gallant/Grace facility interest rate swaps paid settlement amounts resulting in a gain on the settlement of the cash flow hedge.

[Table of Contents](#)

The effect of cash flow hedges relating to interest rate swaps and the related tax effects on other comprehensive income, changes in accumulated OCI and on earnings is as follows as of and for the years ended December 31, 2021 and 2020.

(in thousands of U.S. dollars)	Cash Flow Hedge				
	Accumulated other comprehensive income			Earnings	
	Before tax gains (losses)	Tax benefit (expense)	Accumulated OCI: Net of tax	Interest expense	Tax benefit
Accumulated OCI as of December 31, 2020	\$ (29,486)	(86)	\$ (29,572)		
Effective portion of unrealized loss on cash flow hedge	4,438	—	4,438		
Reclassification from accumulated other comprehensive income included in hedge effectiveness	8,417	—	8,417	(8,417)	—
Reclassification discontinued hedge and initial fair value from accumulated other comprehensive income based on amortization approach	1,024	(187)	837	(1,024)	187
Other comprehensive income for period	13,879	(187)	13,692		
Reclassification from accumulated other comprehensive income included in hedge effectiveness of joint ventures	181	—	181		
Total other comprehensive income for period	14,060	(187)	13,873		
Accumulated OCI as of December 31, 2021	\$ (15,426)	(273)	\$ (15,699)		
Gain (loss) reclassified to earnings				\$ (9,441)	\$ 187

(in thousands of U.S. dollars)	Cash Flow Hedge				
	Accumulated other comprehensive income			Earnings	
	Before tax gains (losses)	Tax benefit (expense)	Accumulated OCI: Net of tax	Interest expense	Tax benefit
Accumulated OCI as of December 31, 2019	\$ (18,119)	176	\$ (17,943)		
Effective portion of unrealized loss on cash flow hedge	(18,240)	—	(18,240)		
Reclassification from accumulated other comprehensive income included in hedge effectiveness	5,849	—	5,849	(5,849)	—
Reclassification discontinued hedge and initial fair value from accumulated other comprehensive income based on amortization approach	1,024	(262)	762	(1,024)	262
Other comprehensive income for period	(11,367)	(262)	(11,629)		
Accumulated OCI as of December 31, 2020	\$ (29,486)	(86)	\$ (29,572)		
Gain (loss) reclassified to earnings				\$ (6,873)	\$ 262

On November 30, 2021, the SRV Joint Gas Ltd. the joint venture owning the *Neptune*, closed a refinancing of the Neptune facility. The interest rate swaps entered into under the previous Neptune facility were novated from the previous group of swap providers to the new lenders and restructured to match the refinanced Neptune facility's loan amount and amortization plan, hence hedge accounting has been applied for SRV Joint Gas Ltd. as from the date of refinancing. The Partnership's share of fair value changes for derivative instruments qualifying as cash flow hedges for SRV Joint Gas Ltd. which is accounted for under the equity accounting method is included in other comprehensive income.

As of December 31, 2021, the estimated amounts to be reclassified from accumulated other comprehensive income to earnings during the next twelve months is \$7.9 million.

Foreign exchange risk

All financing, interest expenses from financing and most of the Partnership's revenue and expenditures for vessel improvements are denominated in U.S. dollars. Certain operating expenses can be denominated in currencies other than U.S. dollars. For the years ended December 31, 2021, 2020 and 2019, no derivative instruments have been used to manage foreign exchange risk.

[Table of Contents](#)

Credit risk

Credit risk is the exposure to credit loss in the event of non-performance by the counterparties related to cash and cash equivalents, restricted cash, trade receivables, net investment in financing lease, amounts due from affiliates and interest rate swap agreements. Further, the Partnership has future exposure for Höegh LNG's ability to make payments to the Partnership under the Suspension and Make-Whole Agreements, for the technical modifications of the vessels and any prospective boil-off claims or other direct impacts of the boil-off settlement agreement. Refer to note 17. In order to minimize counterparty risk, bank relationships are established with counterparties with acceptable credit ratings at the time of the transactions. Credit risk related to receivables is limited by performing ongoing credit evaluations of the customers' or counterparty's financial condition. PGN guarantees PGN LNG's obligations under the *PGN FSRU Lampung* time charter. NFE Atlantic Holdings LLC, a subsidiary of New Fortress, guarantees the performance of the charterer under the NFE Charter, subject to a cap on its total liability. Refer to note 2 for a discussion of the allowance for expected credit loss.

Concentrations of risk

Financial instruments, which potentially subject the Partnership to significant concentrations of credit risk, consist principally of cash and cash equivalents, restricted cash, trade receivables, amounts due from affiliates and derivative contracts (interest rate swaps). The maximum exposure to loss due to credit risk is the book value at the balance sheet date. The Partnership does not have a policy of requiring collateral or security. Cash and cash equivalents and restricted cash are placed with qualified financial institutions. Periodic evaluations are performed of the relative credit standing of those financial institutions. In addition, exposure is limited by diversifying among counterparties. There are three charterers so there is a concentration of risk related to trade receivables. While the maximum exposure to loss due to credit risk is the book value of trade receivables at the balance sheet date, should the time charters for the *PGN FSRU Lampung*, the *Höegh Gallant* or the *Höegh Grace* terminate prematurely, or the option to acquire the *PGN FSRU Lampung* be exercised, there could be delays in obtaining new time charters and the hire rates could be lower depending upon the prevailing market conditions.

17. Commitments and contingencies

Contractual commitments

As of December 31, 2021, the Partnership has no material commitments for capital expenditures. However, during the fourth quarter of 2021, the *Höegh Gallant* was modified and prepared for performance under the NFE Charter, and incurred expenditures of \$4.9 million during the quarter. No off-hire occurred during the fourth quarter of 2021. Pursuant to an agreement entered into with Höegh LNG's subsidiary, in February 2022 the Partnership received indemnification payments for 50% of the amount of expenditures incurred in the fourth quarter of 2021.

As of December 31, 2021, there were no material contractual purchase commitments.

Claims and Contingencies

Joint ventures boil-off settlement

Under the *Neptune* and the *Cape Ann* time charters, the joint ventures undertake to ensure that the vessel always meets specified performance standards during the term of the time charters. The performance standards include the vessel not exceeding a maximum average daily boil-off of LNG, subject to certain contractual exclusions, as specified in the time charter. Pursuant to the charters, the hire rate is subject to deduction by the charterer of, among other things, sums due in respect of the joint ventures' failure to satisfy the specified performance standards during the period. On September 8, 2017, the charterer notified the joint ventures that it was formally making a claim for compensation in accordance with the provisions of the charters for a stated quantity of LNG exceeding the maximum average daily boil-off since the beginning for the charters. Accruals are recorded for loss contingencies or claims when it is probable that a liability will be incurred, and the amount of loss can be reasonably estimated. As of September 30, 2017, the joint ventures

[Table of Contents](#)

determined the liability associated with the boil-off claim was probable and could be reasonably estimated resulting in a total accrual of \$23.7 million which was recorded as a reduction of time charter revenues in the third quarter of 2017. As a precaution, the joint ventures suspended payments on their shareholder loans as of September 30, 2017 pending the outcome of the boil-off claim. Refer to note 8. The Partnership's 50% share of the accrual was approximately \$11.9 million. The claim was referred to arbitration.

In February 2020, each of the joint ventures and the charterer reached a commercial settlement addressing all the past and future claims related to boil-off with respect to the *Neptune* and the *Cape Ann*. The settlement amount was in line with the accrual made by the joint ventures. Accordingly, the accrual was unchanged as of December 31, 2019. The settlement reached was subject to executing final binding agreements between the parties. The final settlement and release agreements were signed on and had an effective date of April 1, 2020. Among other things, the settlement provided that 1) the boil-off claim, up to the effective date of the settlement agreements, would be settled for an aggregate amount of \$23.7 million, paid in instalments during 2020, 2) the costs of the arbitration tribunal would be equally split between the parties and each party would settle its legal and other costs, 3) the joint ventures have or would implement technical upgrades on the vessels at their own cost to minimize boil-off, and 4) the relevant provisions of the time charters would be amended regarding the computation and settlement of prospective boil-off claims. The Partnership's 50% share of the settlement was the same as its share of the accrual, or approximately \$11.9 million. As a result, the settlement had no impact to the Partnership's consolidated income statement for the year ended December 31, 2020.

The first installment of the settlement of \$17.2 million was paid by the joint ventures in April 2020. The Partnership's 50% share was \$8.6 million. The second and final installment of the settlement of \$6.5 million was paid by the joint ventures in December 2020. The Partnership's 50% share was \$3.3 million.

The Partnership is indemnified by Höegh LNG for its share of the cash impact of the settlement, the arbitration costs and any legal expenses, the technical modifications of the vessels and any prospective boil-off claims or other direct impacts of the settlement agreement. On April 8, 2020 and December 11, 2020, the Partnership was indemnified by Höegh LNG for its share of the joint ventures boil-off settlement payments by a reduction of \$8.6 million and \$3.3 million, respectively, on its outstanding balance on the \$85 million revolving credit facility from Höegh LNG.

Höegh LNG and the other major owner guarantee the performance and payment obligations of the joint ventures under the time charters.

On March 12, 2021, the Partnership was indemnified by Höegh LNG for its share of joint ventures performance claims for the year ended December 31, 2020 by a reduction of \$0.3 million in its outstanding balance on the \$85 million revolving credit facility from Höegh LNG. No indemnification claims were made or received by the Partnership subsequent to March 12, 2021.

Indonesian corporate income tax

Based upon the Partnership's experience in Indonesia, tax regulations, guidance and interpretation in Indonesia may not always be clear and may be subject to alternative interpretations or changes in interpretations over time. The Partnership's Indonesian subsidiary is subject to examination by the Indonesian tax authorities for corporate income tax for up to five years following the completion of a fiscal year. On January 22, 2021, the Partnership's Indonesian subsidiary received a letter from the Indonesian tax authorities that there will be an examination by the Indonesian tax authorities for the tax return from 2019 during 2021. As of December 31, 2021, the open years for examination by the Indonesian tax authorities are 2017, 2018, 2020 and 2021. Additionally, in April 2022 the Partnership's Indonesian subsidiary received a letter from the Indonesian tax authorities raising certain questions and requiring certain additional information about the tax return for 2018. The examinations may lead to ordinary course adjustments or proposed adjustments to the subsidiary's taxes with respect to years under examination. Future examinations may or may not result in changes to the Partnership's provisions on tax filings for the open tax years that remain subject to a potential tax audit in Indonesia. The as-filed tax position for the open tax years was to take a tax deduction for the interest expense on the internal promissory note. For 2019, see *Indonesian 2019 tax audit* below. For this tax position, the Partnership concluded that it does not have the level of evidence necessary to support a conclusion that the tax position is more-

[Table of Contents](#)

likely-than-not of being sustained. Accordingly, unrecognized tax benefits for uncertain tax positions increased during 2021. As of December 31, 2021 and 2020, the unrecognized tax benefits for uncertain tax positions were \$9.0 million and \$2.7 million, respectively.

Indonesian 2019 tax audit

In June 2021, the tax audit for the Partnership's Indonesian subsidiary's, the owner of the *PGN FSRU Lampung*, 2019 tax return was completed. The main finding was that the internal promissory note was reclassified from debt to equity such that 100% of the accrued interest was disallowed. The Indonesian subsidiary filed an Objection Request with the Central Jakarta Regional Tax Office on September 24, 2021. The Partnership and its Indonesian subsidiary disagree with the conclusion. However, the Partnership and its Indonesian subsidiary may not be successful in the appeal and have expensed and paid the additional tax for 2019 including penalties of a total of \$2.7 million as of December 31, 2021. Additionally, and as described above and under *Indonesian corporate income tax*, the Indonesian subsidiary recorded an increase in the tax provision, or liability, of \$9.5 million during 2021 for the potential future obligation to the tax authorities for a disallowed interest deduction compared with its position for open years. During 2021, the Indonesian subsidiary recorded a decrease in the tax provision of \$3.2 million for the expiration of the statute of limitations for 2016.

Indonesian property tax

The Partnership's Indonesian subsidiary was assessed for Land and Building tax ("property tax") and penalties of \$3.0 million by the Indonesian authorities for the period from 2015 through 2019. The assessment was due to the issuance of the Indonesian Minister of Finance's Decree No. 186/PMK.03/2019 ("PMK 186/2019") which defines FSRUs as a "Building" subject to the tax. The Partnership's Indonesian subsidiary has appealed the assessment. Depending on the level of appeal pursued, the appeal process could take a number of years to conclude. There can be no assurance of the result of the appeal or whether the Indonesian subsidiary will prevail. As a result, the property tax and penalties were expensed as a component of vessel operating expenses for the year ended December 31, 2019. Until the appeal is concluded, the Indonesian subsidiary will be required to pay an annual property tax of approximately \$0.5 million.

Colombian Municipal Industry and Commerce Tax

On April 1, 2022, the Partnership's Colombian subsidiary received a notification from the Tax Administration of Cartagena assessing a penalty of approximately \$1.8 million for failure to file the 2016 to 2018 Municipal Industry and Commerce Tax ("ICT") returns. ICT is imposed on gross receipts on customer invoices and is similar to a sales tax. The municipal tax authorities have alleged that the customer invoices are for industrial activities performed within the municipal jurisdiction. However, all of the Colombian subsidiary's activities take place offshore which is outside of the Municipality's borders. According to Colombian law, municipalities do not have jurisdiction over maritime waters or low-tide areas. Management intends to deny the allegations and file an appeal to vigorously defend the Colombian subsidiary's position. Accruals for loss contingencies are recorded when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Management, with advice of its outside legal advisors, has assessed the status of this matter and has concluded that an adverse judgment after concluding an appeals process is not probable. As a result, no provision has been made in the consolidated financial statements. Management estimates the range of possible loss for 2016-2021, including accrued interest, to be approximately \$1.3 million to \$2.9 million as of December 31, 2021, plus additional accrued interest thereon until final disposition of the ICT allegation.

PGN FSRU Lampung Arbitration

As previously reported, by letter dated July 13, 2021, the charterer under the lease and maintenance agreement for the *PGN FSRU Lampung* ("LOM") raised certain issues with PT Hoegh LNG Lampung in relation to the operations of the *PGN FSRU Lampung* and the LOM and by further letter dated July 27, 2021, stated that it would commence arbitration against PT Hoegh LNG Lampung. On August 2, 2021 the charter served a notice of arbitration ("NOA") to declare the LOM null and void, and/or to terminate the LOM, and/or seek damages. PT Hoegh LNG Lampung has served a reply refuting the claims as baseless and without legal merit and has also served a counterclaim against the charterer for multiple breaches of the LOM and a claim against the parent company of the charterer for the fulfillment of the

[Table of Contents](#)

charterer's obligations under the LOM as stated in a guarantee provided by the parent company, with a claim for damages. PT Hoegh LNG Lampung will take all necessary steps and will vigorously defend the charterer's claims in the legal process.

No assurance can be given at this time as to the outcome of the dispute with the charterer of the *PGN FSRU Lampung*. Notwithstanding the NOA, both parties have continued to perform their respective obligations under the LOM.

The Securities Class Action

On October 27, 2021, a federal securities class action lawsuit was filed against the Partnership and certain of its current and former officers in the United States District Court for the District of New Jersey. The name of the case is *In re Höegh LNG Partners LP Securities Litigation*, Case No. 2:21-cv-19374-KM-JBC. The complaint alleges that the Partnership made materially false and misleading statements about its business and operations, and seeks unspecified damages, attorneys' fees and any other relief the court deems proper. On March 11, 2022, the Court appointed lead plaintiffs and lead counsel for the class, and the Court has issued a schedule for the filing of a consolidated amended complaint and briefing on defendants' anticipated motion to dismiss. The Partnership believes the allegations in this suit are without merit and intends to vigorously defend against it. As a result of the uncertainty regarding the outcome of this matter, no provision has been made in the Consolidated Financial Statements.

PGN LNG claims including delay liquidated damages

The Partnership was indemnified by Höegh LNG for i) any hire rate payments not received under the *PGN FSRU Lampung* time charter for the period commencing on August 12, 2014 through the acceptance date of the *PGN FSRU Lampung* and ii) non-budgeted expenses (including warranty costs associated with repairs of the Mooring) incurred in connection with the *PGN FSRU Lampung* project prior to the date of acceptance, and for iii) certain subsequently incurred non-budgeted costs and expenses.

No indemnification claim was filed for the year ended December 31, 2021 and 2020. For the year ended December 31, 2019, the Partnership refunded to Höegh LNG approximately \$0.1 million related to insurance proceeds received related to the warranty provision and costs for previous years determined to be reimbursable by the charterer. Refer to note 14.

18. Supplemental cash flow information

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
<i>Supplemental disclosure for cash paid during the year for:</i>			
Interest expense	\$ (19,369)	(22,265)	\$ (22,683)
Income taxes	(4,527)	(1,669)	(3,066)
<i>Supplemental disclosure of non-cash investing activities:</i>			
Non-cash expenditures for vessel and other equipment	—	—	(43)
<i>Supplemental disclosure of non-cash financing activities:</i>			
Non-cash indemnifications received	\$ 315	11,850	\$ —

Refer to note 14 for information on non-cash indemnification received.

19. Issuance of common units and Series A preferred units

From the commencement of the Prior ATM program in January 2018 through December 31, 2021, the Partnership sold 2,489,325 Series A preferred units and 358,869 common units under the ATM programs and received net proceeds of \$63.2 million and \$6.4 million, respectively. The compensation paid to the Agent for such sales was \$1.3 million.

For the year ended December 31, 2021, the Partnership sold (i) an aggregate of 52,603 common units under the ATM program at an average gross sales price of \$15.75 per unit and received net proceeds, after sales commissions, of \$0.8 million and (ii) an aggregate of 336,992 Series A preferred units at an average gross sales price of \$25.12 per unit and

[Table of Contents](#)

received net proceeds, after sales commissions, of \$8.3 million. The compensation paid to the Agent for such sales was \$0.2 million. Proceeds in the table below are included for all units issued for the year ended December 31, 2021.

(in thousands of U.S. dollars)	December 31, 2021		
	Common units	Series A preferred units	Total
Gross proceeds for units issued	\$ 829	8,467	\$ 9,296
Less: Commissions	(11)	(149)	(160)
Net proceeds for units issued	<u>\$ 818</u>	<u>8,318</u>	<u>\$ 9,136</u>

For the year ended December 31, 2020, the Partnership did not issue any common units under the ATM program. For the year ended December 31, 2020, the Partnership sold 126,743 Series A preferred units at an average gross sales price of \$25.50 per unit for net proceeds, after sales commissions, of \$3.2 million. The compensation paid to the Agent for such sales was \$0.1 million. Proceeds in the table below are included for all units issued for the year ended December 31, 2020.

(in thousands of U.S. dollars)	Year ended December 31, 2020		
	Common units	Series A preferred units	Total
Gross proceeds for units issued	\$ —	3,231	\$ 3,231
Less: Commissions	—	(57)	(57)
Net proceeds for units issued	<u>\$ —</u>	<u>3,174</u>	<u>\$ 3,174</u>

For the year ended December 31, 2019, the Partnership sold 53,160 common units at an average gross sales price of \$19.60 per unit for net proceeds, after sales commissions, of \$1.0 million. For the year ended December 31, 2019, the Partnership sold 496,520 Series A preferred units at an average gross sales price of \$26.79 per unit for net proceeds, after sales commissions, of \$13.1 million. The compensation paid to the Agent for such sales was \$0.2 million. Proceeds in the table below are included for all units issued for the year ended December 31, 2019.

(in thousands of U.S. dollars)	Year ended December 31, 2019		
	Common units	Series A preferred units	Total
Gross proceeds for units issued	\$ 1,042	13,298	\$ 14,340
Less: Commissions	(13)	(233)	(246)
Net proceeds for units issued	<u>\$ 1,029</u>	<u>13,065</u>	<u>\$ 14,094</u>

[Table of Contents](#)

20. Common, subordinated and preferred units

The following table shows the movements in the number of common units, subordinated units and preferred units during the years ended December 31, 2021, 2020 and 2019:

(in units)	Common Units Public	Common Units Höegh LNG	Subordinated Units	8.75% Series A Preferred Units
December 31, 2018	17,944,701	2,101,438	13,156,060	6,129,070
June 4, 2019; Awards to non-employee directors as compensation for directors' fees	8,944	—	—	—
July 16, 2019; Awards to non-employee directors as compensation for directors' fees	2,236	—	—	—
August 16, 2019; Subordinated units converted to common units	—	13,156,060	(13,156,060)	—
Phantom units issued to CEO/CFO during 2019	19,745	—	—	—
ATM program (from January 1, 2019 to December 31, 2019)	53,160	—	—	496,520
December 31, 2019	18,028,786	15,257,498	—	6,625,590
September 4, 2020; Awards to non-employee directors as compensation for directors' fees	3,882	—	—	—
September 15, 2020; Awards to non-employee directors as compensation for directors' fees	7,764	—	—	—
October 23, 2020; Awards to non-employee directors as compensation for directors' fees	3,882	—	—	—
Phantom units issued to CEO/CFO during 2020	6,627	—	—	—
ATM program (from January 1, 2020 to December 31, 2020)	—	—	—	126,743
December 31, 2020	18,050,941	15,257,498	—	6,752,333
June 21, 2021; Awards to non-employee directors as compensation for directors' fees	7,176	—	—	—
July 12, 2021; Awards to non-employee directors as compensation for directors' fees	2,392	—	—	—
July 16, 2021; Awards to non-employee directors as compensation for directors' fees	2,392	—	—	—
ATM program (from January 1, 2021 to December 31, 2021)	52,603	—	—	336,992
December 31, 2021	18,115,504	15,257,498	—	7,089,325

The subordination period, as defined in the Second Amended and Restated Agreement of Limited Partnership of Höegh LNG Partners LP, for the subordinated units ended on August 16, 2019. All of the subordinated units, which were owned by Höegh LNG, converted to common units on a one-for-one basis. As of December 31, 2021 and 2020, Höegh LNG owned 15,257,498 common units.

Refer to note 21 for information on distributions to common and subordinated unitholders. The Series A preferred units represent perpetual equity interests in the Partnership and, unlike the Partnership's debt, do not give rise to a claim for payment of a principal amount at a particular date. The Series A preferred units rank senior to the Partnership's common units as to the payment of distributions and amounts payable upon liquidation, dissolution or winding up but junior to all the Partnership's debt and other liabilities. The Series A preferred units have a liquidation preference of \$25.00 per unit. At any time on or after October 5, 2022, the Partnership may redeem, in whole or in part, the Series A preferred units at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption. The distribution rate on the Series A preferred units is 8.75% per annum of the \$25.00 per unit value (equivalent to \$2.1875 per annum per unit).

The distributions are cumulative and recorded when declared. However, since the Series A preferred units rank senior to the Partnership's common units, the portion of net income, equivalent to the Series A preferred units' paid and undeclared distributions for that period, is reflected as Preferred unitholders' interest in net income on the consolidated statement of income. Distributions are payable quarterly, when, and if declared by the Partnership's board of directors out of legally available funds for such purpose. Holders of the Series A preferred units generally have no voting rights.

[Table of Contents](#)

However, if and whenever distributions payable on the Series A preferred units are in arrears for six or more quarterly periods, whether or not consecutive, holders of Series A preferred units will be entitled to replace one of the members of the Partnership's board of directors appointed by the general partner with a person nominated by such holders.

21. Earning per unit and cash distributions

The calculation of basic and diluted earnings per unit are presented below:

(in thousands of U.S. dollars, except per unit numbers)	Year ended December 31,		
	2021	2020	2019
Net income	\$ 59,995	63,145	\$ 52,741
Adjustment for:			
Preferred unitholders' interest in net income	15,508	14,802	13,850
Limited partners' interest in net income	44,487	48,343	38,891
Less: Dividends paid or to be paid (1)	(16,080)	(60,222)	(60,149)
Under (over) distributed earnings	28,407	(11,879)	(21,258)
Under (over) distributed earnings attributable to:			
Common units public	15,420	(6,437)	(11,514)
Common units Höegh LNG	12,987	(5,442)	(3,211)
Subordinated units Höegh LNG (4)	—	—	(6,533)
	\$ 28,407	(11,879)	\$ (21,258)
Basic weighted average units outstanding (in thousands)			
Common units public	18,106	18,034	17,986
Common units Höegh LNG	15,257	15,257	7,039
Subordinated units Höegh LNG (4)	—	—	8,218
Diluted weighted average units outstanding (in thousands)			
Common units public	18,117	18,037	17,995
Common units Höegh LNG	15,257	15,257	7,039
Subordinated units Höegh LNG (4)	—	—	8,218
Basic and diluted earnings per unit (2):			
Common unit public	\$ 1.32	\$ 1.40	\$ 1.12
Common unit Höegh LNG (3)	\$ 1.35	\$ 1.51	\$ 1.84
Subordinated unit Höegh LNG (3) (4)	\$ —	\$ —	\$ 0.70

- (1) Includes all distributions paid or to be paid in relationship to the period, regardless of whether the declaration and payment dates were prior to the end of the period and is based the number of units outstanding at the period end.
- (2) Effective March 26, 2020, the Partnership granted 8,100 phantom units to the CEO/CFO of the Partnership. One-third of such phantom units vest as of November 30, 2021, 2022 and 2023, respectively. Effective March 21, 2019, the Partnership granted 10,917 phantom units to the CEO/CFO of the Partnership. One-third of such phantom units vested as of November 30, 2019, 2020 and 2021, respectively. Effective March 23, 2018, the Partnership granted 14,584 phantom units to the then-serving CEO/CFO of the Partnership. One-third of such phantom units vested as of November 30, 2019, 2020 and 2021, respectively. Effective June 3, 2016, the Partnership granted 21,500 phantom units to the then-serving CEO/CFO of the Partnership. One-third of such phantom units vested as of December 31, 2017, November 30, 2018 and November 30, 2019, respectively. On September 14, 2018, the plan was amended to extend the terms and conditions of such unvested units for the grants effective March 23, 2017 and June 3, 2016 of the then-serving CEO/CFO that resigned as CEO/CFO of the Partnership. The phantom units impacted the diluted weighted average units outstanding. As a result of the resignation of the CEO/CFO of the Partnership in August 2020, a total of 15,378 of the unvested phantom units terminated.
- (3) Includes total amounts attributable to incentive distributions rights of \$400, \$1,598 and \$1,597 for the years ended December 31, 2021, 2020 and 2019, respectively. For the year ended December 31, 2021 and 2020, the full amount was attributable to common units owned by Höegh LNG. For the year ended December 31, 2019, \$908 and \$688 was attributed to common units owned by Höegh LNG and to subordinated units owned by Höegh LNG, respectively.

[Table of Contents](#)

(4) On August 16, 2019, all subordinated units converted into common units on a one-for-one basis.

Earnings per unit is calculated by dividing net income by the weighted average number of common and subordinated units outstanding during the applicable period.

The common unitholders' interest in net income is calculated as if all net income were distributed according to terms of the Partnership's Second Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), regardless of whether those earnings would or could be distributed. The Partnership Agreement does not provide for the distribution of net income; rather, it provides for the distribution of available cash. Available cash, a contractual defined term, generally means all cash on hand at the end of the quarter after deduction for cash reserves established by the board of directors and the Partnership's subsidiaries to i) provide for the proper conduct of the business (including reserves for future capital expenditures and for the anticipated credit needs); ii) comply with applicable law, any of the debt instruments or other agreements; iii) provide funds for payments on the Series A preferred units; and iv) provide funds for distributions to the unitholders for any one or more of the next four quarters. Therefore, the earnings per unit are not indicative of future cash distributions that may be made. Unlike available cash, net income is affected by non-cash items, such as depreciation and amortization, unrealized gains or losses on derivative instruments and unrealized gains or losses on foreign exchange transactions.

In addition, Höegh LNG currently holds all the IDRs in the Partnership. IDRs represent the rights to receive an increasing percentage of quarterly distributions of available cash for operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved.

Distributions of available cash from operating surplus are to be made among the unitholders and the holders of the IDRs in the following manner:

- first, 100.0% to all common unitholders, pro rata, until each such unitholder receives a total of \$0.388125 per unit for that quarter;
- second, 85.0% to all common unitholders, pro rata, and 15.0% to the holders of the IDRs, pro rata, until each such unitholder receives a total of \$0.421875 per unit for that quarter;
- third, 75.0% to all common unitholders, pro rata, and 25.0% to the holders of the IDRs, pro rata, until each such unitholder receives a total of \$0.50625 per unit for that quarter; and
- thereafter, 50.0% to all common unitholders, pro rata, and 50.0% to the holders of the IDRs, pro rata.

In each case, the percentage interests set forth above assume that the Partnership does not issue additional classes of equity securities.

22. Subsequent events

On February 15, 2022, the Partnership paid a cash distribution of \$0.3 million, or \$0.01 per common unit, with respect to the three months ended December 31, 2021.

On February 15, 2022, the Partnership paid a cash distribution of \$3.9 million, or \$0.546875 per Series A preferred unit, for the period commencing on November 15, 2021 to February 14, 2022.

On February 24, 2022, the Russian attack on Ukraine started. It may lead to further regional and international conflicts or armed action. It is possible that such conflict could disrupt supply chains and cause instability in the global economy. Additionally, the ongoing conflict could result in the imposition of further economic sanctions by the United States and the European Union against Russia. While much uncertainty remains regarding the global impact of the invasion, it is possible that such tensions could adversely affect the Partnership's business, financial condition, results of operation and cash flows. Furthermore, it is possible that third parties with whom the Partnership has charter contracts may be impacted by events in Russia and Ukraine, which could adversely affect its operations.

On March 20, 2022, the *Höegh Gallant* commenced FSRU operations under the NFE Charter with subsidiaries of New Fortress.

[Table of Contents](#)

On April 1, 2022, the Partnership's Colombian subsidiary received a notification from the Tax Administration of Cartagena assessing a penalty of approximately \$1.8 million for failure to file the 2016 to 2018 ICT returns. Refer to note 17 under "Claims and Contingencies" and "Colombian Municipal Industry and Commerce Tax" for details and management's assessment.



HÖEGH LNG PARTNERS LP
AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR COMPENSATION PLAN
FOR THE PERIOD 2021-2023

(As approved by the Board on June 4, 2019, amended April 24, 2020, September 11, 2020 and April 6, 2022)

The non-employee members of the Board of Directors (the “**Board**”) of Höegh LNG Partners LP (the “**Partnership**”) will be entitled to receive the following compensation:

1. Retainer Fees

- Each non-employee director will receive an annual cash retainer fee of USD 40,600 (subject to adjustment from time to time, as determined by the Board) for each year of service as a director.
- The Chairman of the Board of Directors will receive an annual cash retainer fee of USD 21,900 (subject to adjustment from time to time, as determined by the Board) for each year of service in such capacity.
- The Chairs of the Audit and Conflict Committees will each receive an annual cash retainer fee of USD 21,900 (subject to adjustment from time to time, as determined by the Board) for each year of service in such capacity.
- Other committee members will receive an annual cash retainer fee of USD 11,000 (subject to adjustment from time to time, as determined by the Board) for each year of service in such capacity.

2. Equity Awards

- Each non-employee director will receive an annual equity-based award (with award type, vesting and all other terms and conditions to be determined by the Board for any given year), valued at USD 40,600 (subject to adjustment from time to time, as determined by the Board) on the applicable date of grant, for each year of service as a director, which such award will be granted under the Höegh LNG Partners LP Long Term Incentive Plan, as amended from time to time (the “**Plan**”), or a successor plan, program or arrangement. Subject to approval by the Board, the Partnership may elect to pay cash (or a combination of equity and cash) in lieu of the equity-based award described in this Section 2 to any one or more directors.

3. Expense Reimbursement

- Each non-employee director will be reimbursed for travel and miscellaneous expenses to attend meetings and activities of the Board or its committees and related to the director’s participation in the Partnership’s general education and orientation programs for directors.

4. Proposed Transaction

- As compensation for performing his or her duties as a member of the Conflicts Committee of the Board in connection the Conflicts Committee's review, evaluation and, if applicable, negotiation of an offer made by Höegh LNG Holdings Ltd. ("Höegh LNG") to acquire all of the outstanding common units representing limited partner interests of the Partnership not already owned by Höegh LNG (the "Proposed Transaction"), beginning from December 3, 2021, each member of the Conflicts Committee shall receive:
-

- (i) USD 20,000.00 per month (or USD 25,000.00 per month in the case of the Chairman of the Conflicts Committee) payable monthly in arrears and continuing until the earlier of (y) abandonment of the Proposed Transaction or (z) the execution of a definitive agreement regarding the Proposed Transaction; and
- (ii) upon the execution of a definitive agreement regarding the Proposed Transaction, USD 7,500.00 per month (or USD 10,000.00 per month in the case of the Chairman of the Conflicts Committee) payable monthly in arrears and continuing until the closing of the Proposed Transaction;

provided however, the amounts payable under the foregoing clauses (i) and (ii) shall be pro-rated for any partial months.

In connection with any litigation involvement relating to, or arising out of, the Proposed Transaction, each member of the Conflicts Committee (including the Chairman of the Conflicts Committee) shall receive (i) USD 1,000.00 per hour for time actually spent in connection with litigation-related matters, if any, payable monthly in arrears, upon submission of an invoice to the Partnership; and, (ii) to the extent travel is needed, a fee of USD 2,500.00 per travel day and reimbursement of travel costs.



SHIPMAN 2009

STANDARD
SHIP MANAGEMENT AGREEMENT

PART I

1. Place and date of Agreement Oslo, Norway 23 March 2022 Vessel: Høegh Gallant, IMO No. 9653678	2. Date of commencement of Agreement (Cl. 2, 12, 21 and 25) Vessel Acceptance Date under the FSRU Operation & Services Agreement ("OSA") between Hoegh LNG Jamaica Limited ("HJAM") and NFE South Holdings Limited ("NFE")
3. HJAM Owners (name, place of registered office and law of registry) (Cl. 1) (i) Name: Hoegh LNG Jamaica Limited (ii) Place of registered office: 48 Duke Street, Kingston, Jamaica (iii) Law of registry: Jamaica	4. Managers Technical Contractor (name, place of registered office and law of registry) (Cl. 1) (i) Name: Høegh LNG Fleet Management AS (ii) Place of registered office: Drammensveien 134, 0277 Oslo, Norway (iii) Law of registry: Norway
5. The Company (with reference to the ISM/ISPS Codes) (state name and IMO Unique Company Identification number. If the Company is a third party then also state registered office and principal place of business) (Cl. 1 and 9(c)(i)) (i) Name: Høegh LNG Fleet Management AS (ii) IMO Unique Company Identification number: 5479796 (iii) Place of registered office: Drammensveien 134, 0277 Oslo, Norway (iv) Principal place of business: Oslo, Norway	6. Technical Management Technical services (state "yes" or "no" as agreed) (Cl. 4) YES
	7. Crew Management (state "yes" or "no" as agreed) (Cl. 5(a)) NO
	8. Commercial Management (state "yes" or "no" as agreed) (Cl. 6) NO
9. Chartering Services period (only to be filled in if "yes" stated in Box 8) (Cl.6(a)) NO	10. Crew Insurance arrangements (state "yes" or "no" as agreed) (i) Crew Insurances* (Cl. 5(b)): NO (ii) Insurance for persons proceeding to sea onboard (Cl. 5(b)(i)): NO *only to apply if Crew Management (Cl. 5(a)) agreed (see Box 7)
11. Insurance arrangements (state "yes" or "no" as agreed) (Cl. 7) NO	12. Optional insurances (state optional insurance(s) as agreed, such as piracy, kidnap and ransom, loss of hire and FD&D) (Cl. 10(a)(iv)) NO
13. Interest (state rate of interest to apply after due date to outstanding sums) (Cl. 9(a)) LIBOR + 3% per annum	14. Annual management fee Technical Services Fee (state annual amount) (Cl. 12(a)) USD 711,000
15. Manager's Technical Operator's nominated account (Cl.12(a)) Bank name: Nordea, Bank account number: 6010.04.91209, SWIFT: NDEANOKK	16. Daily rate (state rate for days in excess of those agreed in budget) (Cl. 12(c)) N/A
	17. Lay-up period / number of months (Cl.12(d)) N/A
18. Minimum contract period (state number of months) (Cl.21(a)) N/A	19. Management fee Technical Services Fee on termination (state number of months to apply) (Cl. 22(g)) Two months
20. Severance Costs (state maximum amount) (Cl. 22(h)(ii)) N/A	21. Dispute Resolution (state alternative Cl. 23(a), 23(b) or 23(c); if Cl. 23(c) is agreed, place of arbitration must be stated) (Cl. 23) (a) English law, London arbitration UK

<p>22. Notices (state full style contact details for serving notice and communication to the OwnersHJAM) (Cl. 24) Hoegh LNG Jamaica Ltd 48 Duke Street, Kingston, Jamaica hoegh.jamaica@hoeghlng.com</p>	<p>23. Notices (state full style contact details for serving notice and communication to the ManagersTechnical Contractor) (Cl. 24) Høegh LNG Fleet Management AS, Drammensveien 134, 0277 Oslo, Norway Nils.jakob.hasle@hoeghlng.com Tel: +47 97557400</p>
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It is mutually agreed between the party stated in Box 3 and the party stated in Box 4 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel or Vessels), "B" (Details of Crew), "C" (Budget), "D" (Associated Vessels) and "E" (Fee Schedule) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C", "D" and "E" shall prevail over those of PART II to the extent of such conflict but no further.

<p>Signature(s) (OwnersHJAM)</p>  <p>Eduardo R. Polo Title: Director</p>	<p>Signature(s) (ManagersTechnical Contractor)</p>  <p>Name: Nils Jakob Hasle Title: General Manager</p>
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ENCLOSURES:

APPENDIX A - Details of Vessel or Vessels

APPENDIX C - Budget

PART II - Background and basis of the Agreement

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PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

SECTION 1 – Basis of the Agreement

1. Definitions

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

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

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

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

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

“Flag State” means the State whose flag the Vessel is flying.

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

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

“Technical Contractor” means the party identified in Box 4 of Part I.

“Technical Services” means the services described in Clause 4 below.

~~“Managers~~ **Technical Contractor**” means the party identified in Box 4.

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

~~“Owners~~ **HJAM**” means the party identified in Box 3.

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

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

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

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

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

2. Commencement and Appointment

With effect from the date stated in Box 2 for the commencement of the Management Services and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel in respect of the Management Services. ~~With effect from the date stated in Box 2 of Part I for the commencement of the Technical Services pertaining to the Agreement and continuing unless and until terminated as provided herein, HJAM hereby appoints the Technical Contractor and the Technical Contractor hereby agrees to provide the Technical Services pertaining to the Agreement for the Vessel, as required by HJAM.~~

3. Authority of the ~~Managers~~ Technical Contractor

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

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

Subject to the terms and conditions herein provided, during the period of this Agreement, the Technical Contractor shall render the Technical Services pertaining to the Agreement in respect of the Vessel as agents for and on behalf of Shipowner, as instructed by HJAM.

HJAM shall rely on the technical expertise of the Technical Contractor when adopting any such technical decisions as will be required from time to time. The Technical Contractor shall render all the Services and instruct HJAM in all issues comprised under this Agreement in accordance with sound ship management practice, including but not limited to compliance with all relevant rules and regulations.

SECTION 2 – Services

4. ~~Technical-Management~~ Technical services

(only applicable if agreed according to Box 6).

The ~~Managers~~**Technical Contractor** shall provide ~~technical-management~~**technical services** which includes, but is not limited to, the following services:

- (a) ensuring that the Vessel complies with the requirements of the law of the Flag State;
- (b) ensuring compliance with the ISM Code;
- (c) ensuring compliance with the ISPS Code;
- (d) providing competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (e) arranging and supervising dry dockings, repairs, alterations and the maintenance of the Vessel to the standards agreed with ~~the Owners~~**HJAM** provided that the ~~Managers~~**Technical Contractor** shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with all requirements and recommendations of the classification society, and with the law of the Flag State and of the places where the Vessel is required to trade;
- (f) arranging the supply of necessary stores, spares and lubricating oil;
- (g) appointing surveyors and technical consultants as the ~~Managers~~**Technical Contractor** may consider from time to time to be necessary;
- (h) in accordance with ~~the Owners~~**HJAM**' instructions, supervising the sale and physical delivery of the Vessel under the sale agreement. However services under this Sub-clause 4(h) shall not include negotiation of the sale agreement or transfer of ~~owners~~**ownership** of the Vessel;
- (i) arranging for the supply of provisions unless provided by ~~the Owners~~**HJAM**; and
- (j) arranging for the sampling and testing of bunkers.

5. ~~Crew Management and Crew Insurances~~

(a) ~~Crew Management~~

(only applicable if agreed according to Box 7)

~~The Managers shall provide suitably qualified Crew who shall comply with the requirements of STCW 95. The provision of such crew management services includes, but is not limited to, the following services:~~

- ~~(i) selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment payable in each Crew member's country of domicile;~~
- ~~(ii) ensuring that the applicable requirements of the law of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;~~

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

~~(iii) ensuring that all Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements or such higher standard of medical examination as may be agreed with the Owners. In the absence of applicable Flag State requirements the medical certificate shall be valid at the time when the respective Crew member arrives on board the Vessel and shall be maintained for the duration of the service on board the Vessel;~~

~~(iv) ensuring that the Crew shall have a common working language and a command of the English language of a sufficient standard to enable them to perform their duties safely;~~

~~(v) arranging transportation of the Crew, including repatriation;~~

~~(vi) training of the Crew;~~

~~(vii) conducting union negotiations; and~~

~~(viii) if the Managers are the Company, ensuring that the Crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing;~~

~~(ix) If the Managers are not the Company:~~

~~(1) — ensuring that the Crew, before joining the Vessel, are given proper familiarisation with their duties in relation to the ISM Code; and~~

~~(2) — instructing the Crew to obey all reasonable orders of the Company in connection with the operation of the SMS.~~

~~(x) Where Managers are not providing technical management services in accordance with Clause 4 (Technical Management):~~

~~(1) — ensuring that no person connected to the provision and the performance of the crew management services shall proceed to sea on board the Vessel without the prior consent of the Owners (such consent not to be unreasonably withheld); and~~

~~(2) — ensuring that in the event that the Owners' drug and alcohol policy requires measures to be taken prior to the Crew joining the Vessel, implementing such measures;~~

~~(b) — Crew Insurances~~

~~(only applicable if Sub clause 5(a) applies and if agreed according to Box 10)~~

~~The Managers shall throughout the period of this Agreement provide the following services:~~

~~(i) — arranging Crew Insurances in accordance with the best practice of prudent managers of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations. Insurances for any other persons proceeding to sea onboard the Vessel may be separately agreed by the Owners and the Managers (see Box 10);~~

~~(ii) — ensuring that the Owners are aware of the terms, conditions, exceptions and limits of liability of the insurances in Sub clause 5(b)(i);~~

~~(iii) — ensuring that all premiums or calls in respect of the insurances in Sub clause 5(b)(i) are paid by their due date;~~

~~(iv) — if obtainable at no additional cost, ensuring that insurances in Sub clause 5(b)(i) name the Owners as a joint assured with full cover and, unless otherwise agreed, on terms such that Owners shall be under no liability in respect of premiums or calls arising in connection with such insurances.~~

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

(v) ~~providing written evidence, to the reasonable satisfaction of the Owners, of the Managers' compliance with their obligations under Sub clauses 5(b)(ii) and 5(b)(iii) within a reasonable time of the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the insurances in Sub clause 5(b)(i).~~

6. ~~Commercial-Management~~

~~(only applicable if agreed according to Box 8):~~

~~The Managers shall provide the following services for the Vessel in accordance with the Owners' instructions, which shall include but not be limited to:~~

- ~~(a) seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 9, consent thereto in writing shall first be obtained from the Owners;~~
- ~~(b) arranging for the provision of bunker fuels of the quality specified by the Owners as required for the Vessel's trade;~~
- ~~(c) voyage estimating and accounting and calculation of hire, freights, demurrage and/or despatch monies due from or due to the charterers of the Vessel, assisting in the collection of any sums due to the Owners related to the commercial operation of the Vessel in accordance with Clause 11 (Income Collected and Expenses Paid on Behalf of Owners);~~

~~If any of the services under Sub clauses 6(a), 6(b) and 6(c) are to be excluded from the Management Fee, remuneration for these services must be stated in Annex E (Fee Schedule). See Sub clause 12(e).~~

- ~~(d) issuing voyage instructions;~~
- ~~(e) appointing agents;~~
- ~~(f) appointing stevedores; and~~
- ~~(g) arranging surveys associated with the commercial operation of the Vessel.~~

7. ~~Insurance Arrangements~~

~~(only applicable if agreed according to Box 11):~~

~~The Managers shall arrange insurances in accordance with Clause 10 (Insurance Policies), on such terms as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles, franchises and limits of liability.~~

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

SECTION 3 – Obligations

8. ~~Managers~~Technical Contractor'- Obligations

- (a) The ~~Managers~~**Technical Contractor** undertake to use their best endeavours to provide the ~~Management Services~~**Technical Services** as agents for and on behalf of ~~the Owners~~**HJAM** in accordance with sound ship ~~management~~ **operation** practice and to protect and promote the interests of ~~the Owners~~**HJAM** in all matters relating to the provision of services hereunder.

Provided however, that in the performance of their management responsibilities under this Agreement, the ~~Managers~~**Technical Contractor** shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the ~~Managers~~**Technical Contractor** shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the ~~Managers~~**Technical Contractor** in their absolute discretion consider to be fair and reasonable.

- (b) Where the ~~Managers~~**Technical Contractor** are providing ~~technical management~~**technical services** in accordance with Clause 4 (~~Technical Management~~**Technical services**), they shall procure that the requirements of the Flag State are satisfied and they shall agree to be appointed as the Company, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code and the ISPS Code, if applicable.

9. ~~Owners~~HJAM' Obligations

- (a) ~~The Owners~~**HJAM** shall pay all sums due to the ~~Managers~~**Technical Contractor** punctually in accordance with the terms of this Agreement. In the event of payment after the due date of any outstanding sums the ~~Manager~~**Technical Contractor** shall be entitled to charge interest at the rate stated in Box 13 of **part I**.

- (b) Where the ~~Managers~~**Technical Contractor** are providing ~~technical management~~**technical services** in accordance with Clause 4 (~~Technical Management~~**Technical services**), ~~the Owners~~**HJAM** shall:

(i) report (or ~~where the Owners are not the registered owners of the Vessel~~ procure that the registered ~~ownership~~**owner** -report) to the Flag State administration the details of the ~~Managers~~**Technical Contractor** as the Company as required to comply with the ISM and ISPS Codes;

(ii) procure that any officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95; and

(iii) instruct such officers and ratings to obey all reasonable orders of the ~~Managers~~**Technical Contractor** (in their capacity as the Company) in connection with the operation of the ~~Managers~~**Technical Contractor**' safety management system.

- ~~(c) Where the Managers are not providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:~~

~~(i) procure that the requirements of the Flag State are satisfied and notify the Managers upon execution of this Agreement of the name and contact details of the organization that will be the Company by completing Box 5;~~

~~(ii) if the Company changes at any time during this Agreement, notify the Managers in a timely manner of the name and contact details of the new organization;~~

~~(iii) procure that the details of the Company, including any change thereof, are reported to the Flag State administration as required to comply with the ISM and ISPS Codes. The Owners shall advise the Managers in a timely manner when the Flag State administration has approved the Company; and~~

~~(iv) unless otherwise agreed, arrange for the supply of provisions at their own expense.~~

- ~~(d) Where the Managers are providing crew management services in accordance with Sub-clause 5(a) the Owners shall:~~

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

~~(i) inform the Managers prior to ordering the Vessel to any excluded or additional premium area under any of the Owners' Insurances by reason of war risk and/or piracy or like perils and pay whatever additional costs may properly be incurred by the Managers as a consequence of such orders including, if necessary, the costs of replacing any member of the Crew. Any delays resulting from negotiation with or replacement of any member of the Crew as a result of the Vessel being ordered to such an area shall be for the Owners' account. Should the vessel be within an area which becomes an excluded or additional premium area the above provisions relating to cost and delay shall apply;~~

~~(ii) agree with the Managers prior to any change of flag of the Vessel and pay whatever additional costs may properly be incurred by the Managers as a consequence of such change. If agreement cannot be reached then either party may terminate this Agreement in accordance with Sub clause 22(c); and~~

~~(iii) provide, at no cost to the Managers, in accordance with the requirements of the law of the Flag State, or higher standard, as mutually agreed, adequate Crew accommodation and living standards.~~

~~(c) ——— Where the Managers are not the Company, the Owners shall ensure that Crew are properly familiarised with their duties in accordance with the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.~~

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

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

10. Insurance Policies

The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, that throughout the period of this Agreement:

- (a) at the Owners' expense, the Vessel is insured for not less than its sound market value or entered for its full gross tonnage, as the case may be for:

(i) hull and machinery marine risks (including but not limited to crew negligence) and excess liabilities;

(ii) protection and indemnity risks (including but not limited to pollution risks, diversion expenses and, except to the extent insured separately by the Managers in accordance with Sub-clause 5(b)(i), Crew insurances);

NOTE: if the Managers are not providing crew management services under Sub-clause 5(a) (Crew Management) or have agreed not to provide Crew Insurances separately in accordance with Sub-clause 5(b)(i), then such insurances must be included in the protection and indemnity risks cover for the Vessel (see Sub-clause 10(a)(ii) above):

(iii) war risks (including but not limited to blocking and trapping, protection and indemnity, terrorism and crew risks); and

(iv) such optional insurances as may be agreed (such as piracy, kidnap and ransom, loss of hire and FD & D) (see Box 12)

Sub-clauses 10(a)(i) through 10(a)(iv) all in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations ("the Owners' Insurances");

- (b) all premiums and calls on the Owners' Insurances are paid by their due date;

- (c) the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover. It is understood that in some cases, such as protection and indemnity, the normal terms for such cover may impose on the Managers and any such third party a liability in respect of premiums or calls arising in connection with the Owners' Insurances.

If obtainable at no additional cost, however, the Owners shall procure such insurances on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances. In any event, on termination of this Agreement in accordance with Clause 21 (Duration of the Agreement) and Clause 22 (Termination), the Owners shall procure that the Managers and any third party designated by the Managers as joint assured shall cease to be joint assured and, if reasonably achievable, that they shall be released from any and all liability for premiums and calls that may arise in relation to the period of this Agreement; and

- (d) written evidence is provided, to the reasonable satisfaction of the Managers, of the Owners' compliance with their obligations under this Clause 10 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

11. Income Collected and Expenses Paid on Behalf of OwnersHJAM

- (a) Except as provided in Sub-clause 11(c) all monies collected by the ~~Managers~~**Technical Contractor** under the terms of this Agreement (other than monies payable by the ~~Owners~~**HJAM** to the ~~Managers~~**Technical Contractor**) and any interest thereon shall be held to the credit of the ~~Owners~~**HJAM** in a separate bank account.

- (b) All expenses incurred by the ~~Managers~~**Technical Contractor** under the terms of this Agreement on behalf of the ~~Owners~~**HJAM** (including expenses as provided in Clause 12(c)) may be debited against the ~~Owners~~**HJAM** in the account referred to under Sub-clause 11(a) but shall in any event remain payable by the ~~Owners~~**HJAM** to the ~~Managers~~**Technical Contractor** on demand.

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

(e) ~~All monies collected by the Managers under Clause 6 (Commercial Management) shall be paid into a bank account in the name of the Owners or as may be otherwise advised by the Owners in writing.~~

12. ~~Management Fee~~ Technical Services Fee and Expenses

(a) ~~The Owners~~HJAM shall pay to the ~~Managers~~Technical Contractor an annual ~~management fee~~Technical Services Fee as stated in Box 14 for their services as ~~Managers~~Technical Contractor under this Agreement, which shall be payable in equal monthly instalments in advance, the first instalment (pro rata if appropriate) being payable on the commencement of this Agreement (see Clause 2 (Commencement and Appointment) and Box 2) and subsequent instalments being payable at the beginning of every calendar month. The ~~management fee~~Technical Services Fee shall be payable to the ~~Managers~~Technical Contractor's nominated account stated in Box 15.

(b) The ~~management fee~~Technical Services Fee shall be subject to an annual review and the proposed fee shall be presented in the annual budget in accordance with Sub-clause 13(a).

(c) The ~~Managers~~Technical Contractor shall, at no extra cost to ~~the Owners~~HJAM, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of this Clause 12 (~~Management Fee~~Technical Services Fee and Expenses) ~~the Owners~~HJAM shall reimburse the ~~Managers~~Technical Contractor for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the ~~Managers~~Technical Contractor in pursuance of the ~~Management~~ Technical Services.

Any days used by the ~~Managers~~Technical Contractor's personnel travelling to or from or attending on the Vessel or otherwise used in connection with the ~~Management Services~~Technical Services in excess of those agreed in the budget shall be charged at the daily rate stated in Box 16.

(d) ~~If the Owners decide to layup the Vessel and such layup lasts for more than the number of months stated in Box 17, an appropriate reduction of the Management Fee for the period exceeding such period until one month before the Vessel is again put into service shall be mutually agreed between the parties. If the Managers are providing crew management services in accordance with Sub-clause 5(a), consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account. If agreement cannot be reached then either party may terminate this Agreement in accordance with Sub-clause 22(e).~~

(e) Save as otherwise provided in this Agreement, all discounts and commissions obtained by the ~~Managers~~Technical Contractor in the course of the performance of the ~~Management Services~~Technical Services shall be credited to ~~the Owners~~HJAM.

13. Budgets and Management of Funds

(a) The ~~Managers~~Technical Contractor' initial budget is set out in Annex "CC" hereto. Subsequent budgets shall be for twelve month periods and shall be prepared by the ~~Managers~~Technical Contractor and presented to the ~~Owners~~HJAM not less than three months before the end of the budget year.

(b) The ~~Owners~~HJAM shall state to the ~~Managers~~Technical Contractor in a timely manner, but in any event within one month of presentation, whether or not they agree to each proposed annual budget. The parties shall negotiate in good faith and if they fail to agree on the annual budget, including the ~~management fee~~Technical Services Fee, either party may terminate this Agreement in accordance with Sub-clause 22(e).

(c) Following the agreement of the budget, the ~~Managers~~Technical Contractor shall prepare and present to ~~the Owners~~HJAM their estimate of the working capital requirement for the Vessel and shall each month request ~~the Owners~~HJAM in writing to pay the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the ~~Managers~~Technical Contractor within ten running days after the receipt by ~~the Owners~~HJAM of the ~~Managers~~Technical Contractor' written request and shall be held to the credit of ~~the Owners~~HJAM in a separate bank account.

(d) The ~~Managers~~Technical Contractor shall at all times maintain and keep true and correct accounts in respect of the ~~Management Services~~Technical Services in accordance with the relevant International Financial Reporting Standards or such other standard as the parties may agree, including records of all costs and expenditure incurred,

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

and produce a comparison between budgeted and actual income and expenditure of the Vessel in such form and at such intervals as shall be mutually agreed.

The ~~Managers~~**Technical Contractor** shall make such accounts available for inspection and auditing by ~~the Owners~~**HJAM** and/or their representatives in the ~~Managers~~**Technical Contractor**' offices or by electronic means, provided reasonable notice is given by ~~the Owners~~**HJAM**.

- (e) Notwithstanding anything contained herein, the ~~Managers~~**Technical Contractor** shall in no circumstances be required to use or commit their own funds to finance the provision of the ~~Management Services~~**Technical Services**.

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PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

SECTION 5 – Legal, General and Duration of Agreement

14. — Trading Restrictions

~~If the Managers are providing crew management services in accordance with Sub clause 5(a) (Crew Management), the Owners and the Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment.~~

15. — Replacement

~~If the Managers are providing crew management services in accordance with Sub clause 5(a) (Crew Management), the Owners may require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew found on reasonable grounds to be unsuitable for service. If the Managers have failed to fulfil their obligations in providing suitable qualified Crew within the meaning of Sub clause 5(a) (Crew Management), then such replacement shall be at the Managers' expenses.~~

16. ~~Managers~~Technical Contractor'- Right to Sub-Contract

The ~~Managers~~**Technical Contractor** shall not subcontract any of their obligations hereunder without the prior written consent of ~~the Owners~~**HJAM** which shall not be unreasonably withheld. In the event of such a sub-contract the ~~Managers~~**Technical Contractor** shall remain fully liable for the due performance of their obligations under this Agreement.

17. Responsibilities

(a) Force Majeure

Neither party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimise or prevent the effect of such events and/or conditions:

- (i) acts of God;
- (ii) any Government requisition, control, intervention, requirement or interference;
- (iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;
- (iv) riots, civil commotion, blockades or embargoes;
- (v) epidemics;
- (vi) earthquakes, landslides, floods or other extraordinary weather conditions;
- (vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the party seeking to invoke force majeure;
- (viii) fire, accident, explosion except where caused by negligence of the party seeking to invoke force majeure; and
- (ix) any other similar cause beyond the reasonable control of either party.

(b) Liability to ~~Owners~~**HJAM**

(i) Without prejudice to Sub-clause 17(a), the ~~Managers~~**Technical Contractor** shall be under no liability whatsoever to ~~the Owners~~**HJAM** for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the ~~Management Services~~**Technical Services**

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the ~~Managers~~**Technical Contractor** or their employees or agents, or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the ~~Managers~~**Technical Contractor**' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the ~~Managers~~**Technical Contractor**' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten (10) times the annual ~~management fee~~**Technical Services Fee** payable hereunder.

(ii) Acts or omissions of the Crew - Notwithstanding anything that may appear to the contrary in this Agreement, the ~~Managers~~**Technical Contractor** shall not be liable for any acts or omissions of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the ~~Managers~~**Technical Contractor** to discharge their obligations under Clause 5(a) (Crew Management), in which case their liability shall be limited in accordance with the terms of this Clause 17 (Responsibilities).

(c) Indemnity

Except to the extent and solely for the amount therein set out that the ~~Managers~~**Technical Contractor** would be liable under Sub-clause 17(b), ~~the Owners~~**HJAM** hereby undertake to keep the ~~Managers~~**Technical Contractor** and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the ~~Managers~~**Technical Contractor** may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

(d) "Himalaya"

It is hereby expressly agreed that no employee or agent of the ~~Managers~~**Technical Contractor** (including every sub-contractor from time to time employed by the ~~Managers~~**Technical Contractor**) shall in any circumstances whatsoever be under any liability whatsoever to ~~the Owners~~**HJAM** for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 17 (Responsibilities), every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the ~~Managers~~**Technical Contractor** or to which the ~~Managers~~**Technical Contractor** are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the ~~Managers~~**Technical Contractor** acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 17 (Responsibilities) the ~~Managers~~**Technical Contractor** are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

18. General Administration

- (a) The ~~Managers~~**Technical Contractor** shall keep ~~the Owners~~**HJAM** and, if appropriate, ~~the Company~~ informed in a timely manner of any incident of which the ~~Managers~~**Technical Contractor** become aware which gives or may give rise to delay to the Vessel or claims or disputes involving third parties.
- (b) The ~~Managers~~**Technical Contractor** shall handle and settle all claims and disputes arising out of the ~~Management Services~~**Technical Services** hereunder, unless ~~the Owners~~**HJAM** instruct the ~~Managers~~**Technical Contractor** otherwise. The ~~Managers~~**Technical Contractor** shall keep ~~the Owners~~**HJAM** appropriately informed in a timely manner throughout the handling of such claims and disputes.
- (c) ~~The Owners~~**HJAM** may request the ~~Managers~~**Technical Contractor** to bring or defend other actions, suits or proceedings related to the ~~Management Services~~**Technical Services**, on terms to be agreed.
- (d) The ~~Managers~~**Technical Contractor** shall have power to obtain appropriate legal or technical or other outside expert advice in relation to the handling and settlement of claims in relation to Sub-clauses 18(a) and 18(b) and

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

disputes and any other matters affecting the interests of ~~the Owners~~**HJAM** in respect of the Vessel, unless ~~the Owners~~**HJAM** instruct the ~~Managers~~**Technical Contractor** otherwise.

- (e) On giving reasonable notice, ~~the Owners~~**HJAM** may request, and the ~~Managers~~**Technical Contractor** shall in a timely manner make available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or regulations or other obligations applying to ~~the Owners~~**HJAM** in respect of the Vessel (including but not limited to STCW 95, the ISM Code and ISPS Code) to the extent permitted by relevant legislation.

On giving reasonable notice, the ~~Managers~~**Technical Contractor** may request, and ~~the Owners~~**HJAM** shall in a timely manner make available, all documentation, information and records reasonably required by the ~~Managers~~**Technical Contractor** to enable them to perform the ~~Management Services~~ **Technical Services**.

- (f) ~~The Owners~~**HJAM** shall arrange for the provision of any necessary guarantee bond or other security.
- (g) Any costs incurred by the ~~Managers~~**Technical Contractor** in carrying out their obligations according to this Clause 18 (General Administration) shall be reimbursed by ~~the Owners~~**HJAM**.

19. Inspection of Vessel

~~The Owners~~**HJAM** may at any time, after giving reasonable notice to the ~~Managers~~**Technical Contractor**, inspect the Vessel for any reason they consider necessary.

20. Compliance with Laws and Regulations

The parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State, or of the places where the Vessel trades.

21. Duration of the Agreement

- (a) This Agreement shall come into effect at the date stated in Box 2 and shall continue until terminated by either party by giving notice to the other; in which event this Agreement shall terminate upon the expiration of the later of the number of months stated in Box 18 or a period of two (2) months from the date on which such notice is received, unless terminated earlier in accordance with Clause 22 (Termination).
- (b) Where the Vessel is not at a mutually convenient port or place on the expiry of such period, this Agreement shall terminate on the subsequent arrival of the Vessel at the next mutually convenient port or place.

22. Termination

- (a) ~~Owners~~**HJAM**' or ~~Managers~~**Technical Contractor**' default

If either party fails to meet their obligations under this Agreement, the other party may give notice to the party in default requiring them to remedy it. In the event that the party in default fails to remedy it within a reasonable time to the reasonable satisfaction of the other party, that party shall be entitled to terminate this Agreement with immediate effect by giving notice to the party in default.

- (b) Notwithstanding Sub-clause 22(a):

(i) The ~~Managers~~**Technical Contractor** shall be entitled to terminate the Agreement with immediate effect by giving notice to ~~the Owners~~**HJAM** if any monies payable by ~~the Owners~~**HJAM** and/or ~~the owners~~**HJAM** of any associated vessel, details of which are listed in Annex "A", shall not have been received in the ~~Managers~~**Technical Contractor**' nominated account within ten (10) days of receipt by ~~the Owners~~**HJAM** of the ~~Managers~~**Technical Contractor**' written request, or if the Vessel is repossessed by the Mortgagee(s).

(ii) If ~~the Owners~~**HJAM** proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the ~~Managers~~**Technical Contractor** is unduly hazardous or improper, the ~~Managers~~**Technical Contractor** may give notice of the default to ~~the Owners~~**HJAM**, requiring them to remedy it as soon as practically possible. In the

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

event that ~~the Owners~~**HJAM** fail to remedy it within a reasonable time to the satisfaction of the ~~Managers~~**Technical Contractor**, the ~~Managers~~**Technical Contractor** shall be entitled to terminate the Agreement with immediate effect by notice.

(iii) If either party fails to meet their respective obligations under Sub-clause 5(b) (Crew Insurances) and Clause 10 (Insurance Policies), the other party may give notice to the party in default requiring them to remedy it within ten (10) days, failing which the other party may terminate this Agreement with immediate effect by giving notice to the party in default.

(c) Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or, if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing or, if bareboat chartered, unless otherwise agreed, when the bareboat charter comes to an end.

(d) For the purpose of Sub-clause 22(c) hereof:

(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which ~~the Vessel's owners~~**HJAM** cease to ~~be the registered owners of the Vessel~~**provide services under the OSA**;

(ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred; and

(iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing vessel shall be deemed lost in accordance with the provisions of Sub-clause 22(d)(ii).

(e) In the event the parties fail to agree the annual budget in accordance with Sub-clause 13(b), or to agree a change of flag in accordance with Sub-clause 9(d)(ii), or to agree to a reduction in the ~~Management Fee~~**Technical Services Fee** in accordance with Sub-clause 12(d), either party may terminate this Agreement by giving the other party not less than one month's notice, the result of which will be the expiry of the Agreement at the end of the current budget period or on expiry of the notice period, whichever is the later.

(f) This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(g) In the event of the termination of this Agreement for any reason other than default by the ~~Managers~~**Technical Contractor** the ~~management fee~~**Technical Services Fee** payable to the ~~Managers~~**Technical Contractor** according to the provisions of Clause 12 (~~Management Fee~~**Technical Services Fee** and Expenses) shall continue to be payable for a further period of the number of months stated in Box 19 as from the effective date of termination. If Box 19 is left blank then ninety (90) days shall apply.

~~(h) In addition, where the Managers provide Crew for the Vessel in accordance with Clause 5(a) (Crew Management):~~

~~(i) the Owners shall continue to pay Crew Support Costs during the said further period of the number of months stated in Box 19; and~~

~~(ii) the Owners shall pay an equitable proportion of any Severance Costs which may be incurred, not exceeding the amount stated in Box 20. The Managers shall use their reasonable endeavours to minimise such Severance Costs.~~

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

- (i) On the termination, for whatever reason, of this Agreement, the ~~Managers~~**Technical Contractor** shall release to the ~~Owners~~**HJAM**, if so requested, the originals where possible, or otherwise certified copies, of all accounts and all documents specifically relating to the Vessel and its operation.
- (j) The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

23. BIMCO Dispute Resolution Clause

- (a)* This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

~~(b)* This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.~~

~~(c)* This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.~~

~~(d) Notwithstanding Sub clauses 23(a), 23(b) or 23(c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Agreement.~~

~~(i) In the case of a dispute in respect of which arbitration has been commenced under Sub clauses 23(a), 23(b) or 23(c) above, the following shall apply:~~

~~(ii) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.~~

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

~~(iii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.~~

~~(iv) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.~~

~~(v) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.~~

~~(vi) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.~~

~~(vii) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.~~

~~(viii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration~~

~~(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)~~

~~(c) — If Box 21 in Part I is not appropriately filled in, Sub clause 23(a) of this Clause shall apply.~~

~~*Note :sub clauses 23(a), 23(b) and 23(c) are alternatives; indicate alternative agreed in Box 21. Sub clause 23(d) shall apply in all cases.~~

24. Notices

(a) All notices given by either party or their agents to the other party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to the address for that other party as set out in Boxes 22 and 23 or as appropriate or to such other address as the other party may designate in writing.

A notice may be sent by registered or recorded mail, facsimile, electronically or delivered by hand in accordance with this Sub-clause 24(a).

(b) Any notice given under this Agreement shall take effect on receipt by the other party and shall be deemed to have been received:

(i) if posted, on the seventh (7th) day after posting;

(ii) if sent by facsimile or electronically, on the day of transmission; and

(iii) if delivered by hand, on the day of delivery.

And in each case proof of posting, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.

25. Entire Agreement

This Agreement constitutes the entire agreement between the parties and no promise, undertaking, representation, warranty or statement by either party prior to the date stated in Box 2 shall affect this Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the parties.

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

26. Third Party Rights

Except to the extent provided in Sub-clauses 17(c) (Indemnity) and 17(d) (Himalaya), no third parties may enforce any term of this Agreement.

27. Partial Validity

If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from this Agreement to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

28. Interpretation

In this Agreement:

(a) Singular/Plural

The singular includes the plural and vice versa as the context admits or requires.

(b) Headings

The index and headings to the clauses and appendices to this Agreement are for convenience only and shall not affect its construction or interpretation.

(c) Day

“Day” means a calendar day unless expressly stated to the contrary.

29. BIMCO MLC Clause for SHIPMAN 2009

PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

For the purposes of this Clause 24:

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

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

- (a) Subject to Clause 3 (Expertise of the Technical Contractor) of Part II, the Technical Contractor shall; to the extent of the Technical Services, assume the Shipowner’s duties and responsibilities imposed by the MLC for the Vessel, on behalf of the Shipowner.**
- (b) HJAM shall ensure compliance with the MLC in respect of any Crew members supplied by them or on their behalf.**
- (c) HJAM shall procure insurance cover or financial security to satisfy the Shipowner’s financial security obligations under the MLC.**

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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS)
TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2009**

Date of Agreement: **23 March 2022**

Name of Vessel(s): **Hoegh Gallant**

Particulars of Vessel(s): **See below**

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PART II
SHIPMAN 2009 STANDARD SHIP MANAGEMENT AGREEMENT

Builder and Yard	Hyundai Heavy Industries, Co
Hull No.	2550
Year Built	2014
Port of Registry and Flag	Oslo Norway
IMO Number	9653678
Call Sign	LAUI7
Length overall	294.07 m
Length Between Perpendiculars	283.809 m
Breadth moulded	46 m
Depth moulded	19.975 m
Draught at summer freeboard (Extreme)	12.621 m
Height overall - keel to highest fixed point	62.77 m
Maximum air draught (with full ballast and half bunkers)(corresponding draughts)	Draft: 9.25m E/K ; Air draft: 53.52 m
Gross Tonnage (International)	109,844 MT
Net Tonnage (International)	36,732 MT
Gross Tonnage (Suez) SCGT	111521.33MT
Net Tonnage (Suez) SCNT	94975.61
Light Ship Displacement	53597 MT
Displacement (maximum)	128251 MT

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

Date of Agreement: **23 March 2022**

Details of Crew: **N/A**

Numbers	Rank	Nationality
N/A	N/A	N/A

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

Date of Agreement: **23 March 2022**

Managers Technical Contractor' initial budget with effect from the commencement date of this Agreement (see Box 2):

	Annual/ Estimate
Maritime personnel expenses	0
Services	413
Spares	1,088
Consumables	441
New installation	0
Damage	0
Insurance	0
Crew Agency fee	0
Vessel's radio and communication	60
Travel expenses, technical manager	30
Technical management fee	711
Financial income and expenses	0
A - Operating Cost	2 743

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

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

Date of Agreement: **23 March 2022**

Details of Associated Vessels: N/A

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

N/A

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COMMERCIAL CONSULTING SERVICES AGREEMENT

between

Höegh LNG Jamaica Ltd.

and

Höegh LNG AS

TABLE OF CONTENTS

1	BACKGROUND	3
2	APPOINTMENT OF THE CONSULTANT	3
3	COMMERCIAL CONSULTANCY SERVICES	3
4	COMMERCIAL ADMINISTRATIVE SERVICES	4
5	PROJECT EXECUTION SERVICES	5
6	COMMERCIAL OPERATIONS SERVICES	6
7	OTHER SERVICES SPECIFICALLY AUTHORISED	6
8	THE CONSULTANTS' SUB-CONTRACTING	7
9	OWNERSHIP	7
10	RESPONSIBILITIES	7
11	ACCOUNTING	8
12	AUDITING	8
13	CONSULTANCY FEE	8
14	SUSPENSION OF CONSULTANTS' PERFORMANCES UNDER THE AGREEMENT	9
15	DURATION AND TERMINATION OF THE AGREEMENT	9
16	LAW AND ARBITRATION	9
17	NOTICES	10

* * *

COMMERCIAL CONSULTING SERVICES AGREEMENT

This agreement (the “**Agreement**”) is entered into with effect from 12 October 2021 between:

- (1) **Höegh LNG Jamaica Ltd.**, company registration no. 110486, 48 Duke Street, Kingston, Jamaica, W.I. (“**LJAM**”), and
- (2) **Höegh LNG AS**, company registration no. 989 837 877, Drammensveien 134, 0277 Oslo, Norway (“**Consultant**”).

IT IS HEREBY AGREED as follows:

1 BACKGROUND

Both LJAM and the Consultant are companies in the Höegh LNG Group, with ultimate owner Höegh LNG Holdings Ltd. and are subject to the prevailing Decision Guides and Manuals of the Höegh LNG Group. The Höegh LNG Group has a fleet consisting of Liquefied Natural Gas (LNG) carriers and Floating Storage and Regasification Units (FSRUs).

LJAM will enter into a Novation Agreement between Höegh LNG Partners Operating LP (“**HMOP**”) and NFE (“**NFE**”) following which the LJAM will provide the FSRU Services under the FSRU Operations and Services Agreement with NFE as customer dated 23 September 2021 (the “**OSA**”), and subsequently novated to LJAM.

LJAM wish to use the consultancy services of the Consultant as described herein and the Consultant is willing to perform the services under this Agreement.

2 APPOINTMENT OF THE CONSULTANT

- (a) With effect from 12 October 2021, the Consultant will act as Consultant for LJAM. LJAM hereby confirms the appointment of the Consultant and the Consultant hereby agrees to act as Consultant for LJAM.
- (b) The Consultant undertakes to use its best endeavors to provide the commercial services specified herein to LJAM in accordance with sound business practice and to protect and promote the interests of LJAM in all matters relating to the provision of services hereunder.
- (c) In the exercise of its duties hereunder, the Consultant, to the extent practicable and subject to sound business practices, shall act in accordance with the policies and instructions that from time to time shall be communicated to it by LJAM, and the Consultant shall at all times serve LJAM faithfully and diligently.

3 COMMERCIAL CONSULTANCY SERVICES

Subject to the terms and conditions herein provided, and to the degree that LJAM has not already established the required capacities locally, during the term of this Agreement, the Consultant shall carry out, as representative for and on behalf of LJAM, those of the following functions (or support in relation to such functions) as LJAM shall instruct the Consultant to provide from time to time:

- a) Commercial Administrative Services (see Clause 4);

- b) Project Execution Services (see Clause 5); and
- c) Commercial Operations Services (See Clause 6).

Jointly referred to as the “**Services**”. The majority of the Services are expected to be provided from outside of Jamaica from the Consultant’s offices.

4 COMMERCIAL ADMINISTRATIVE SERVICES

The Consultant shall provide Commercial Administrative Services to LJAM, which includes, but is not limited to, the following functions:

- (a) The provision of the requirements and qualifications that should be met by the individual that is to be appointed as general manager (and/or managing director or similar position) and other positions of LJAM.
- (b) Assistance in the recruitment of the officers mentioned above.
- (c) Support and advise to LJAM’s general manager and/or LJAM employees or subcontractors in connection with the day-to-day running of the business of LJAM, and to represent LJAM in such matters where the Consultant is authorized to act on behalf of LJAM.
- (d) Support and advise to LJAM’s general manager and/or LJAM employees or subcontractors in connection with financial matters of LJAM, including but not limited to assistance in the opening and closing of bank accounts outside of Jamaica and to provide cash management and fund management services.

The cash management and fund management shall also include the arrangement of the entry into currency exchange agreements, interest hedging agreements, financial swap agreements, and other agreements in respect of futures and derivative instruments, always subject to the authorization of the Board of Directors of LJAM in any case or in accordance with the applicable Decision Guides and Manuals of the Höegh LNG Group.

All moneys collected by the Consultant under the terms of this Agreement and any interest thereon shall be held to the credit of LJAM in a separate bank account. All expenses incurred by the Consultant under the terms of this Agreement on behalf of LJAM, shall be payable by LJAM to the Consultant on demand.

- (e) As part of the services described in Clause d) above, the Consultant shall negotiate Loan Agreements on behalf of LJAM and LJAM shall with the prior approval of the Board of Directors of LJAM, be authorized to enter into Loan Agreements for and on behalf of LJAM.

Guarantees and other financial commitments can only be given and entered into with the prior approval of the Board of Directors of LJAM.

- (f) Assistance with the preparation of such budgets and financial statements as LJAM may instruct, including long- and short-term budgets, long term financial forecasts, status reports and projections, statutory annual reports and quarterly reports including a statement of income and balance sheet for the relevant period, all as instructed by the Board of Directors of LJAM from time to time.

- (g) The provision of the controller functions in respect of the financial matters of LJAM.
- (h) The Consultant shall handle and settle minor claims by third parties arising out of the Services provided under this Agreement and keep LJAM informed regarding any incident of which the Consultant becomes aware, and which gives or may give rise to claims or disputes involving third parties. The Consultant shall, as instructed by LJAM, bring or defend actions, suits and proceedings in connection with matters entrusted to the Consultant according to this Agreement.
- (i) Provide short-term funding and payment services on behalf of LJAM until the necessary bank accounts and procedures are in place.
- (j) Coordination of secretarial and corporate administrative services, including assisting the Company Secretary in performing these services.
- (k) All such commercial administrative matters on which LJAM may from time to time require a specific advice.

5 PROJECT EXECUTION SERVICES

Upon request from LJAM, the Consultant shall provide Project Execution Services related to the NFE Project to LJAM as LJAM may direct. Project Execution Services will include but is not limited to monthly meetings with NFE (the “**Customer**”) and developing/agreeing various contractual documents and procedures prior to start-up (the “**Project**”) under the OSA. The Consultant shall have the following powers and duties with respect to the NFE Project:

- (a) to use its reasonable endeavors to ensure that the Customer and LJAM observe and perform all its obligations under the OSA;
- (b) to advise LJAM with respect to the performance of its obligations under the OSA and if LJAM instructs, to perform obligations on LJAM’s behalf in accordance with LJAM’s instructions;
- (c) to notify LJAM promptly of any events or circumstances which may materially affect the rights or obligations of the parties to the OSA, including any change in the amounts payable under the OSA, delays, variations in the work performed under the OSA, changes in any applicable law, events of force majeure, any breach of the OSA, any dispute or potential dispute arising under the OSA, and any actual or threatened claim arising under the NFE Project;
- (d) to review and approve drawings, to the extent required by the OSA;
- (e) to inspect the works performed under the OSA, and the site where works are being performed, in accordance with the OSA;
- (f) to advise LJAM promptly of any defect (whether of quality, soundness, materials, workmanship, construction or design or otherwise) in the Customer’s performance that comes to the notice of the Consultant;
- (g) to advise LJAM in relation to any variations to the scope of the OSA, or change in the schedule for the performance by LJAM, under the OSA, it considers necessary or appropriate, or which are required in accordance with the OSA, including advise on the affect of such variation or change schedule;

- (h) to advise LJAM with respect to any dispute (or potential dispute) in respect of the OSA, including advice on the merits of any claims made in connection with the dispute and the recommended course of action;
- (i) to advise LJAM with respect to any claim by the Customer for force majeure, including advise on the merits of such a claim and recommended course of action;
- (j) to advise LJAM on the exercise of its rights under the OSA, and the availability to LJAM of any claims against the Customer or other parties in respect of the OSA; and
- (k) to provide LJAM with all such information and supporting documentation as may reasonably be required by LJAM.
- (l) to provide short-term funding and payment services on behalf of LJAM until the necessary bank accounts and procedures are in place.

6 COMMERCIAL OPERATIONS SERVICES

The Consultant shall provide commercial operations services which include, but are not limited to:

- (a) Arrangement of the provision of bunker fuel of the quality as required for the trade of Höegh Gallant, IMO No. 9653678 (the “**Vessel**”);
- (b) Operational support for the Vessel as required by LJAM, which includes but is not limited to; ship to ship operations support, the provision of compatibility/interface studies, Vessel approvals and vetting processes, voyage/performance estimates, accounts and calculations;
- (c) Monitoring and reporting of operational KPIs as instructed by LJAM;
- (d) Provide LJAM with all such operational information and supporting documentation as may reasonably be required by LJAM;
- (e) Provide the owner with the required access to the IT Platform Systems of the Höegh LNG Group; and
- (f) All such other commercial services reasonably requested or required by LJAM.

7 OTHER SERVICES SPECIFICALLY AUTHORISED

- (a) The Consultant, or the person whom it may appoint, shall be authorized for and on behalf of LJAM to negotiate, approve, enter into, execute (under hand or under the Common Seal of LJAM and to affirm the use of such Common Seal) and deliver all such agreements, documents, certificates or instruments which may be required pursuant to or in connection with the performance of its Services hereunder;
- (b) The Consultant may take such other action for and on behalf of LJAM, in addition to the powers conferred upon it by this Agreement, as shall be authorized from time to time by a resolution of the Board of Directors of LJAM.

8 THE CONSULTANTS' SUB-CONTRACTING

The Consultant shall not have the right to sub-contract any of the obligations or rights hereunder to a third party without the prior written consent of LJAM, except to the Consultant's associated companies.

9 OWNERSHIP

The ownership to assets, including but not limited to documents of any nature, know-how, intellectual property and any other tangible or intangible assets, rights or privileges (the "IPR"), which are acquired or developed by the Consultant related to the Consultant's Services provided to LJAM shall solely lie with LJAM. The Consultant shall not acquire any ownership or title to such IPR.

10 RESPONSIBILITIES

- (a) Neither LJAM nor the Consultant shall be liable for any failure to perform any of their obligations hereunder by reason of any cause whatsoever by any nature and kind beyond their reasonable control.
- (b) Without prejudice to Clause 10 (a), the Consultant shall not be liable whatsoever to LJAM for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect and howsoever arising in the course of performance of the Services under this Agreement, unless such liability is proven to result solely from the negligence, gross negligence or willful default of the Consultant or their employees or agents or sub-contractors employed by them in connection with the Services under this Agreement in which case the Consultant's liability for each incident or series of incident that gives rise to a claim or claims, shall never exceed a total amount of NOK 500,000.
- (c) Except to the extent and solely for the amount that the Consultant will be liable as set out in Clause 10 (b), LJAM hereby undertakes to keep the Consultant and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands and liabilities whatsoever or howsoever arising, which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Services under this Agreement, and against and in respect of all costs, losses, damages and expenses, including legal costs and expenses on a full indemnity basis, which the Consultant may suffer or incur (either directly or indirectly) in the course of the performance of the Services under this Agreement.
- (d) It is hereby expressly agreed that no employee or agent of the Consultant (including every sub-contractor from time to time employed by the Consultant) shall in any circumstances whatsoever be under any liability whatsoever to LJAM for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 10, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defense and immunity of whatsoever nature applicable to the Consultant or to which the Consultant are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Consultant acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 10, the Consultant are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be his servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

11 ACCOUNTING

The Consultant shall:

- (a) Establish an accounting system, which meets the requirements of LJAM and provide regular accounting services, supply regular reports and records in accordance therewith;
- (b) Maintain the records of all costs and expenditures incurred hereunder as well as any data necessary or proper for the settlement of accounts between the parties.

Consultant shall ensure that the accounts of LJAM are prepared and maintained in accordance with applicable legislation and regulations.

The Consultant shall also prepare and deliver to LJAM's registered office quarterly Management accounts in respect of LJAM to be supplied within 30 days of the end of each financial quarter.

12 AUDITING

The Consultant shall at all times maintain and keep true and correct accounts of LJAM and shall make the same available for inspection and auditing by LJAM or its appointed auditor at such time as LJAM may determine.

13 CONSULTANCY FEE

- (a) LJAM shall pay to the Consultant for its services as Consultant under this Agreement a monthly fee (the "**Consultancy Fee**") in USD. Such fee shall be calculated by the time spent on each of the Services rendered, computed at pre-established hourly rates for the individuals effectively performing the services. Such hourly rates shall include an overhead to cover costs such as office accommodation, IT solutions, stationery etc.
- (b) LJAM shall reimburse the Consultant for its postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Consultant in pursuance of the Services.
- (c) The Consultant shall add a 3% service fee on all invoiced amounts excluding Clause 13 (d).
- (d) Services rendered under Clause 5 (l) and Clause 4 (i) shall be reimbursed at cost, excluding mark-up.
- (e) The Consultant shall not be liable for exchange rate risk where services rendered are in a different currency than USD. Thus, any material exchange rate differences shall be settled between the parties on a semi-annual basis.
- (f) In the event of the appointment of the Consultant being terminated by LJAM or the Consultant in accordance with the provisions of Clause 15 (Duration and Termination of the Agreement) other than by reason of default by the Consultant, the Consultancy Fee payable to the Consultant according to the provisions of Clause 13 (a), shall continue to be payable for a further period of 6 – six – calendar months.

All discounts and commissions obtained by the Consultant in the course of the performance of the Services shall be credited to LJAM.

14 SUSPENSION OF CONSULTANTS' PERFORMANCES UNDER THE AGREEMENT

The Consultant shall be entitled to suspend performances under this Agreement by notice in writing if any moneys payable by LJAM under the Agreement, shall not have been received in the Consultant's nominated account within 7 days of payment having been requested in writing by the Consultant.

15 DURATION AND TERMINATION OF THE AGREEMENT

- (a) This Agreement shall come into effect on the date stated in Clause 2 (a) (Appointment of the Consultant) and shall continue for the duration of the OSA. Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which case the Agreement shall terminate upon the expiration of a period of six months from the date upon which such notice was given.
- (b) The Consultant shall be entitled to terminate the Agreement by notice in writing if any moneys payable by LJAM under this Management Agreement, shall not have been received in the Consultant's nominated account within ten days of payment having been requested in writing by the Consultant.
- (c) The Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.
- (d) The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.
- (e) Upon termination of this Agreement the Consultant shall transfer and deliver to LJAM all assets, including but not limited to documents of any nature, know-how, intellectual property and any other tangible or intangible assets, rights or privileges that is the property of the LJAM, ref. Clause 9 (Ownership) above.

16 LAW AND ARBITRATION

This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause 16.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced. On the receipt by one party of the nomination in writing of the other parties' arbitrator, that party shall appoint their arbitrator within 14 days, failing which the decision of the single arbitrator appointed shall apply. Two arbitrators properly appointed shall appoint a third arbitrator who shall be the chairman of the Arbitration Panel. The parties agree that no Party shall appeal to the court on a question of law arising out of an award made in the proceedings.

The arbitration hearings, any submissions to the court and the award or ruling passed by the court shall be treated as confidential.

17 NOTICES

All notices, requests, demands and other communications given or made in accordance with the provisions of the Agreement, shall be in writing and shall be given either by registered or recorded mail or by fax and shall be deemed to have been given when actually received.

* * *

Signature Page to Follow

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed the day and year first above written.

Høegh LNG AS

Høegh LNG Jamaica Ltd.

/s/ Thor Jorden Guttormsen
Name: Thor Jorgen Guttormsen
Title: General Manager
Date: 14 March 2022

/s/ Eduardo Polo
Name: Eduardo Polo
Title: Director
Date: March 14th, 2022

**CREW RECRUITMENT
CONSULTING SERVICES AGREEMENT**

between

Hoegh LNG Maritime Management Pte. Ltd.

and

Höegh LNG Jamaica Ltd.

TABLE OF CONTENTS

1	DEFINITIONS	3
2	CONSIDERATIONS	4
3	PURPOSE	4
4	THE SCOPE OF THE AGREEMENT	4
5	DELIVERABLES	5
6	THE WORKING ARRANGEMENT	5
7	OBLIGATIONS OF HLMM	5
8	OBLIGATIONS OF HJAM	6
9	HLMM'S FEE	7
10	TAXES	7
11	HJAM'S PAYMENTS	8
12	LIABILITY	8
13	CONFIDENTIALITY	8
14	TERM AND TERMINATION	9
15	ASSIGNMENT	9
16	MISCELLANEOUS	9
17	EVENTS OF DEFAULT	9
18	FORCE MAJEURE	10
19	GOVERNING LAW AND DISPUTE RESOLUTION	10

CREW RECRUITMENT CONSULTING AGREEMENT

This agreement (the “**Agreement**”) is entered into with effect from 1st March 2022 (the “**Effective Date**”), for the provision of professional consulting services for the recruitment process of specialized crew by and between:

- 1) **Hoegh LNG Maritime Management Pte. Ltd.**, a company incorporated and organised under the laws of Singapore with registration no. 201400632E, having its registered office at 4 Robinson Road #05-01 The House of Eden, Singapore 048543 (“**HLMM**”); and
- 2) **Hoegh LNG Jamaica Ltd.**, a company incorporated and organized under the laws of Jamaica with registration no. 110486, having its registered office at 48 Duke Street, Kingston, Jamaica (“**HJAM**”).

HLMM and HJAM are hereinafter collectively referred to as the “**Parties**” and each individually as a “**Party**”.

IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS

“ ISM Company ”	means the legal entity managing the Vessel in compliance with the International Safety Management (ISM) and International Ship and Port Facility (ISPS) Codes.
“ Crew Insurances ”	means insurances of liabilities in respect of Crew/Employee risks, which shall include but not be limited to death, permanent disability, sickness, injury repatriation, shipwreck unemployment indemnity and loss of personal effects.
“ Crew/Employee(s) ”	means trained and specialized officers hired by HJAM under the advice of HLMM.
“ The Effective Date ”	means the date of this Agreement.
“ Fee ”	means the fees set out in Clause 9 of this Agreement.
“ Requirement Specifications ”	means the requirements set and described by HLMM, as per the Qualification Specifications from HJAM pursuant to this Agreement regarding the qualifications of the Crew/ Employee(s) that is to be hired by HJAM for the operation of the Vessel.
“ Qualification Specifications ”	means the qualification standards set by HJAM for the provision of professional consulting services by HLMM for the recruitment process of specialized Crew substantially in the form attached as Appendix 1 hereto.
“ Deliverable ”	means any written advice, including but not limited to reports, e-mails, spreadsheets, presentations or any other document provided by HLMM in response to any Qualification Specifications placed by HJAM or otherwise under this Agreement.

“Vessel” means the FSRU Høegh Gallant”, IMO No. No. 9653678, which, at the date of this Agreement, is flagged under the Norwegian flag.

2 CONSIDERATIONS

- A. HLMM and HJAM are both companies in the Høegh LNG Group, with ultimate owner Høegh LNG Holdings Ltd., a leading owner and operator of floating storage and regasification units (FSRUs). The Høegh LNG Group has operations in different jurisdictions such as, but not limited to, Jamaica, Lithuania, India, Singapore and Norway.
- B. HLMM is an international recruitment, training and employment company for specialized LNG seafarers, which holds a Certificate of Authorisation to Operate A Seafarer Recruitment and Placement Service issued by the Maritime and Port Authority of Singapore (Certificate number 16S8361) and which has access to Crew/Employee(s) duly trained as such seafarers.
- C. HJAM is or will be the contractor under the Operation and Services Agreement (“OSA”) executed with New Fortress Energy South Holdings Ltd. (“NFE”),

3 PURPOSE

Due to the special need of HJAM to engage specialized and qualified personnel in order to properly operate the Vessel, HLMM, a company with the required expertise, agrees to provide its professional consulting services to HJAM.

The consulting services will be rendered as provided for under this Agreement in an autonomous, independent and self-managed way.

The Crew/Employee(s) will enter into employment agreements with HJAM.

4 THE SCOPE OF THE AGREEMENT

Subject to the terms of this Agreement, HLMM agrees, under its sole responsibility, technical, administrative and financial autonomy, to provide professional consulting services to HJAM in connection with the recruitment of Crew/Employee(s) by HJAM for work on board the Vessel, including but not limited to the following:

- (i) Follow the Qualification Specifications set by HJAM, that are to be met by the individuals intending to be hired as Crew/Employee(s) of HJAM, including but not limited to the type of competence and experience that such Crew/Employee(s) should possess in order to participate in the recruitment process;
- (ii) Evaluate and recommend to HJAM the individuals that meet the Qualification Specifications;
- (iii) Ensure that the individuals selected meet all the requirements, are duly trained and capable to properly operate the Vessel in Jamaica;
- (iv) Ensure that the individuals selected have in place all the required insurances in order to render their services on-board the Vessel;
- (v) Keep a back-up or contingency pool of potential individuals for hire by HJAM, for those extraordinary events in which HJAM is in the need to rotate/replace its Crew/Employee(s), for any reason whatsoever on a short notice;
- (vi) Make the relevant and necessary arrangements, even with third parties, in order to identify the potential Crew/Employee(s) of HJAM; and,

- (vii) Handle any other matters in furtherance to HJAM's recruitment process, including but not limited to suggestions and advice pertaining to the specific individuals that should be considered in the processes that are to be carried out in order to fill the open positions for the Vessel Crew/Employee(s), in order to ensure that each and all of the Crew/Employee(s) are trained as specialized and technical seafarers.
- (viii) After HJAM has accepted each individual for employment, HLMM and its sub contractors have both the obligation and right to issue and sign the Employment Agreement ("EA"), on behalf of HJAM. HJAM shall pre-approve the EA format and conditions.
- (ix) HLMM shall arrange travel and other travel formalities for Crew/Employee(s) and inform HJAM accordingly.
- (x) HJAM shall arrange visa and working permits for the Crew/Employee(s) when applicable.
- (xi) HLMM will provide all its services from its office in Singapore.

5 DELIVERABLES

In response to the Qualification Specifications set by HJAM, HLMM shall identify and suggest individuals to be employed by HJAM in order to fill the required positions on-board the Vessel.

HLMM will include the CV and any other relevant information in connection with the suggested individuals.

As the Crew/Employee(s) will be employed by HJAM on a definite basis, HLMM shall provide information and suggest individuals on an ongoing basis, ensuring that all required positions on-board the Vessel are filled at any point in time.

Deliverables as well as any other information to be sent among the Parties may be sent via e-mail.

6 THE WORKING ARRANGEMENT

Once the recruitment processes have been concluded, the selected individuals will be hired by HJAM under EAs. During the term of these EAs, the Crew/Employee(s) shall be under the continued subordination, instruction and supervision of HJAM following orders, related but not limited to, safety and navigation, avoidance of pollution and protection of the environment.

When the Crew/Employee(s) are working on-board the Vessel, they shall be bound by the rules and guidelines laid down by HJAM and the ISM Company.

7 OBLIGATIONS OF HLMM

Due to the need of specialized personnel to operate the Vessel properly, according to the specialized competence required in the relevant industry, HLMM shall be responsible for providing adequate and accurate advice in connection with the recruitment process, according to the scope described in Clause 4 (The Scope of the Agreement) above.

Before suggesting any individual as eligible for any vacant position, HLMM shall ensure that each of the suggested individuals complies with the formal qualifications and other specific criteria required as per the Qualification Specifications. HLMM's responsibility in relation to the Crew/Employee(s) formal

qualification and other specific criteria is limited to the exercise of due diligence in the selection process, which can be documented.

HLMM shall select and recommend to HJAM such individuals that could qualify as Crew/Employee(s) of HJAM in accordance with the applicable Qualification Specifications. If the suggested individuals do not meet the applicable Qualification Specifications and/or are not employed by HJAM, HLMM shall as soon as possible provide HJAM with additional suggestions of qualified individual(s) fulfilling such Qualification Specifications. HLMM shall have a quality system verifying that HLMM's services satisfy HJAM's needs and requirements. HLMM is not responsible towards HJAM if a matter for which HJAM is responsible prevents the Crew/Employee(s) from conducting the work in a satisfying manner. The same applies for matters for which a third party is responsible.

HLMM shall ensure a back-up of individuals that meet the Qualification Specifications and therefore could immediately be hired as Crew/Employee(s) of HJAM for those extraordinary events in which HJAM must fill a position more quickly than normal.

The cost for such contingency pool service is to be agreed between the Parties on an annual basis and paid by HJAM at cost. The budget for such costs for 2022 is included in Appendix 2.

HLMM shall arrange for competence development services, which include the training required to assure that there are available candidates that have the skills and qualifications required for the proper operation of the Vessel.

The cost for such competence development/training is to be agreed between the Parties on an annual basis and paid by HJAM at cost. The budget for such costs for 2022 is included in Appendix 2.

HLMM shall ensure that the Crew/Employee(s) are covered by satisfactory insurances. However, HJAM will arrange the Protection and Indemnity (P&I) Insurance. The cost for such insurances is to be agreed between the Parties on an annual basis and paid by HJAM at cost.

The budget for such costs for 2022 is included in Appendix 2.

HLMM shall obtain from the potential Crew/Employee(s) the relevant authorization in order to collect, treat and transfer their personal data to HJAM for the purposes agreed to in this Agreement.

HLMM shall avoid any intervention in the main activities of HJAM that are not related to the purpose of this Agreement.

HLMM agrees to observe and comply with all laws and any other regulation relating to its business, and to meet any and all legal requirements arising from the implementation of the services. HLMM will exclusively be responsible for the imposition of all fines or penalties and any injury suffered by HJAM due to the lack of compliance of HLMM's obligations foreseen in this Clause 7.

8 OBLIGATIONS OF HJAM

HJAM shall provide HLMM with the Qualification Specifications.

HJAM shall exercise subordination as the unique employer of the Crew/Employee(s) when such Crew/Employee(s) are working on-board the Vessel. Thus, HJAM shall ultimately be responsible for the daily management and guidance of the Crew/Employee(s) and the work to be conducted.

During the term of the EAs and when Crew/Employee(s) are working on-board the Vessel, HJAM, as employer party, is responsible for the working conditions on the work place being in compliance with applicable rules and regulations and that the work conditions are arranged in order for the Crew/Employee(s) to be able to conduct their work.

HJAM shall ensure that the requirements of the laws of the Vessel's flag state are satisfied (including compliance with all applicable Maritime Labour Convention provisions).

HJAM shall ensure that the Crew/Employee(s), before entering the Vessel, are properly familiarised with their duties in accordance with the ISM Code and the Vessel's Ship Management Systems (SMS) and that instructions essential to the SMS are identified, documented and given to the Crew/Employee(s) prior to sailing.

HJAM shall ensure that the Employee(s) shall be bound by HJAM's safety instructions and work regulations and other regulations relevant for the workplace and the work to be performed. HJAM shall be responsible for providing the Employee(s) with relevant training and information on necessary HSSEQ rules applicable for the workplace and the work to be performed.

HJAM shall be solely responsible for damage/loss/lack of work performance caused by any act or omission of the Crew/Employee(s) during the performance of the work, causing damage or loss to HJAM or a third party.

HJAM is responsible for compliance with applicable rules and regulations relevant for the Crew/Employee(s) and the work to be conducted.

HJAM shall provide HLMM with information and documentation necessary in order for HLMM to fulfil its obligations according to this Agreement. HJAM shall as soon as possible provide HLMM with such information and documentation as requested by HLMM. This includes approval of suggested Crew/Employee(s) from HLMM to be employed by HJAM.

HJAM will arrange the Protection and Indemnity (P&I) Insurance.

9 HLMM'S FEE

In consideration of the services provided pursuant to this Agreement, HLMM shall have the right to receive from HJAM the following fees :

- (i) An amount corresponding to an agreed proportion of HLMM's direct and indirect administrative costs (including for the avoidance of doubt, both HLMM man hours and any relevant work/service of any HLMM sub-contractor);
- (ii) The amount paid by HLMM to any manning agent or third party used for obtaining candidates suitable for each recruitment process;
- (iii) HLMM shall add a 5% mark-up on the invoiced amounts under para 9 (i) – (ii).
- (iv) All other expenses related to the services by HLMM to HJAM shall be regarded as "Cost pass through" and not valid as the basis for any mark-up.

10 TAXES

HJAM shall be liable for and shall pay any applicable withholding taxes, customs, duties, levies, excise taxes (including without limitation value added tax, goods and services tax, use tax and sales tax), deductions or other similar charges imposed by Jamaican tax authorities or other Jamaican governmental bodies on HLMM or on the Services.

For the avoidance of doubt, HJAM shall in no event be responsible for the payment of any taxes relating to or arising from (i) HLMM's net income (except if imposed in Jamaica), (ii) HLMM's employees or (iii) HLMM's breach of this Agreement.

In circumstances where (i) HJAM has paid and/or compensated HLMM in respect of taxes imposed in Jamaica upon HLMM and HLMM obtains a corresponding deduction from net income taxes in respect of such taxes in their applicable country of domicile; HLMM shall reimburse HJAM for the net amount of such deduction.

11 HJAM'S PAYMENTS

HLMM shall on a monthly basis submit specified invoices for services rendered in the preceding calendar month. Fees that are calculated on a yearly basis will also be invoiced on a monthly basis in proportionate monthly payments. All undisputed invoices shall be paid within fifteen (15) days of receipt of such invoice by transfer to HLMM's bank account specified by HLMM on the invoice. All payments to HLMM shall be made in USD.

If HJAM fails to pay at the agreed time, HLMM shall be entitled to claim interest in the amount of three months LIBOR plus 3 % per annum on any overdue amount.

12 LIABILITY

HLMM will take reasonable care in performing the services, and HLMM has no reason to believe any information presented by HJAM to be untrue. The Parties agree that HJAM's own knowledge of its requirements is greater, and that it is therefore HJAM's sole responsibility to satisfy itself as to the skills and suitability of the Crew/Employee(s). By allowing the commencement of services, HJAM acknowledges that it has satisfied itself as to such skills and suitability.

HJAM acknowledges and agrees that the Crew/Employee(s) is under the control of HJAM, and therefore HLMM is not liable for any wrongful negligent or unlawful acts defaults or omissions of the Crew/Employee(s) whilst performing his employment.

Neither Party enters this Agreement on the basis of or relying on any representation, warranty or other provision except as expressly provided in writing, and all other terms implied by statute or common law are excluded so far as legally permitted. Liability or remedy for innocent or negligent (but not fraudulent) misrepresentation is excluded.

Liability is neither excluded nor limited for death, personal injury, fraud, repudiatory breach, or otherwise where it is not lawful to do so.

Subject thereto,

- (a) liability for consequential loss or damage of any kind or for loss of profit, business, revenue, goodwill or anticipated savings is expressly excluded;
- (b) the total liability of HLMM and any person providing services on its behalf is limited to the 5% service fee in Clause 9 (iii) for one (1) year; and
- (c) these provisions on limitation and exclusion shall operate for the benefit of all potentially liable persons.

13 CONFIDENTIALITY

The Parties acknowledge that during the performance of the services hereunder, each of the Parties may receive from the other Party personal information subject to legal protection. Each Party shall process, use and collect the information provided by the other Party in accordance with applicable laws.

Information that comes into the possession of the Parties in connection with the Agreement and the implementation of the Agreement shall be kept confidential and shall not be disclosed to any third party without the consent of the other Party.

The confidentiality obligation shall apply to the Parties' employees, subcontractors and other third parties who act on behalf of the Parties in connection with the implementation of the Agreement. The Parties may only transmit confidential information to such subcontractors and third parties to the extent necessary for the implementation of the Agreement and provided that they are subjected to confidentiality obligation corresponding to that stipulated in this Clause 13.

The confidentiality obligation shall continue to apply after the expiry of the Agreement.

14 TERM AND TERMINATION

This Agreement shall come into effect from the date stated at the beginning of the Agreement and shall continue until terminated by either Party in accordance with this Clause 14.

This Agreement shall be terminated by either Party upon giving three (3) months prior written notice to the other Party.

The Parties are entitled to terminate this Agreement with immediate effect if the other Party is in material breach of this Agreement, and the Party in breach has not rectified the situation within thirty (30) days after receiving a written notice from the Party claiming the breach.

Termination of this Agreement shall not affect any accrued rights of either Party nor shall it affect the coming into force or the continuance in force of any provision of this Agreement, which is expressly or by implication intended to come into or continue in force on or after such termination.

15 ASSIGNMENT

The Parties shall have the right to assign this Agreement and the rights and obligations hereunder without the prior written consent of the other Party to an affiliate of the relevant Party.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

Nothing contained in this Agreement is intended to confer upon any person other than the Parties hereto and their respective successors and assigns any rights and remedies under or by reason of this Agreement.

16 MISCELLANEOUS

If any provision of this Agreement should be found to be illegal or invalid, such provision shall form no part of this Agreement, and the other provisions shall remain unaffected by such circumstances. The Parties shall in such case in good faith use all reasonable efforts to agree a different term that is not illegal or invalid and which as nearly as possible reflects the intentions of the Parties.

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and shall not be altered, modified or amended except in writing executed by both Parties.

17 EVENTS OF DEFAULT

There is an event of default if either Party fails to perform its duties under the Agreement. Events of default shall be notified to the Party in default by a written complaint without undue delay after the event of default has been discovered or ought to have been discovered.

Each Party may claim damages in respect of any direct loss arising from events of default in accordance with this Clause 17.

18 FORCE MAJEURE

Neither Party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the Party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimise or prevent the effect of such events and/or conditions:

- acts of God;
- any Government requisition, control, intervention, requirement or interference;
- any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;
- riots, civil commotion, blockades or embargoes;
- epidemics;
- earthquakes, landslides, floods or other extraordinary weather conditions;
- strikes, lockouts or other industrial action, unless limited to the Employees (which shall not include the Crew) of the Party seeking to invoke force majeure;
- fire, accident explosion except where caused by negligence of the Party seeking to invoke force majeure; and
- any other similar cause beyond the reasonable control of either Party.

19 GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement is governed by and shall be construed in accordance with English Law.

The Parties hereto irrevocably submit to the jurisdiction of the courts in London, England.

This Agreement has been prepared in two (2) originals, of which each Party has received one.

Hoegh LNG Maritime Management Pte. Ltd.

By: /s/ Parthsarathi Jindal _____

Name: Parthsarathi Jindal

Title: Director

Date:

Höegh LNG Jamaica Ltd.

By: /s/ Eduardo Polo _____

Name: Eduardo Polo

Title: Director

Date: 16/03/2022

Enclosures:

Appendix 1 Qualification Specifications

Appendix 2 Budget 2022

QUALIFICATION SPECIFICATIONS

As a minimum, HJAM would require Crew/Employee(s) that will allow HJAM to comply with the following requirements set out in the FSRU Operation and Services Agreement (“**OSA**”) between HJAM and NFE:

- The Vessel shall have a full and efficient complement of master, officers and crew for a vessel of her tonnage, which shall in any event be not less than the number and nationality required by the laws of the flag registry and under Jamaican Laws and who shall be trained to operate the Vessel and her equipment competently and safely.
- All shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the laws of the flag registry and any requirements of Jamaican Laws necessary for the Vessel to trade therein.
- All shipboard personnel shall be trained and certified to a standard customary for a Reasonable and Prudent Operator (as defined in the OSA) and in accordance with the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995 or any additions, modifications or subsequent versions thereof.

In addition, the following requirements will apply:

- Training matrix for each position on board with future revisions and modifications.
- Other training and competence requirements that may be communicated between the Parties.

BUDGET 2022

Crew contingency pool:	USD	6,700
Competence development services:	USD	130,000
Insurance costs:	USD	65,000

AGREEMENT FOR THE PROVISION OF PROFESSIONAL PAYMENT SERVICES

between

Hoegh LNG Maritime Management Pte. Ltd.

and

Høegh LNG Jamaica Ltd.

TABLE OF CONTENTS

1.	DEFINITIONS:	3
2.	WHEREAS:	3
3.	THE SCOPE OF THE AGREEMENT	4
4.	OBLIGATIONS OF HLMM	4
5.	OBLIGATIONS OF HJAM	4
6.	HLMM'S FEE	5
7.	LIABILITY AND INDEMNITY	5
8.	TAXATION	6
9.	CONFIDENTIALITY	6
10.	TERM AND TERMINATION	6
11.	MISCELLANEOUS	7
12.	EVENTS OF DEFAULT	7
13.	FORCE MAJEURE	7
14.	ASSIGNMENT	7
15.	GOVERNING LAW AND DISPUTE RESOLUTION	8

AGREEMENT FOR THE PROVISION OF PROFESSIONAL PAYMENT SERVICES

This agreement for the provision of professional payment services (the “**Agreement**”) is entered into on 1st March 2022, by and between:

Hoegh LNG Maritime Management Pte. Ltd., a company incorporated and organised under the laws of Singapore with registration no. 201400632E, having its registered office at 163 Tras Street #03-01 Lian Huat Building, Singapore 079024 (“**HLMM**”); and

Høegh LNG Jamaica Ltd., a company incorporated and organized under the laws of Jamaica with registration no. 110486, having its registered office at 48 Duke Street, Kingston, Jamaica, W.I. (“**HJAM**”).

HLMM and HJAM are hereinafter collectively referred to as the “**Parties**” and each individually as a “**Party**”.

1. DEFINITIONS:

- “**Crew/Employee**” means trained, specialized and technical seafarers employed by HJAM comprised by the Agreement, which payment will be handled by HLMM, as collecting agent, on behalf of HJAM.
- “**Deposit Date**” means seven (7) business days before the date on which HLMM is required to deposit monthly payment to the Crew/Employees.
- “**Fee**” means HLMM’s documented costs in relation to the provision of its services (i.e. not including HJAM’s net emoluments paid to any Crew/Employee which is disbursed on HJAM’s behalf by HLMM) plus a five percent (5.00%) mark-up.
- “**The Effective Date**” means the date of this Agreement.
- “**Vessel**” means the FSRU Høegh Gallant, IMO No. 9653678 which, at the date of this Agreement, is flagged under Norwegian flag.

2. WHEREAS:

- A. HLMM and HJAM are both companies in the Høegh LNG Group, with ultimate owner Høegh LNG Holdings Ltd., a leading owner and operator of floating storage and regasification units (FSRUs). The Høegh LNG Group has operations in different jurisdictions such as, but not limited to, Jamaica, Lithuania, India, Singapore and Norway.
- B. HJAM is or will be the contractor under the Operation and Services Agreement (“**OSA**”) executed with New Fortress Energy South Holdings Ltd. (“**NFE**”).
- C. To properly operate the Vessel, HJAM has engaged, by means of employment agreements, qualified non-Jamaican Crew/Employees. Such foreign Crew/Employees

do not wish to receive their monthly salary in Jamaican currency or within the Jamaican territory.

- D. Given that the foreign Crew/Employees are residents of multiple jurisdictions and maybe used on multiple vessels in management of HLNG Group, HJAM has agreed to pay them abroad and has chosen HLMM to conduct such payment on its behalf.
- E. HLMM has agreed to receive the funds corresponding to the Crew/Employees' net monthly salaries from HJAM and arrange for the payment to the respective accounts of the Crew/Employees on behalf of HJAM.
- F. HLMM has the experience, ability and is willing to provide such professional payment services to HJAM.

NOW, THEREFORE, HLMM will provide the professional payment services to HJAM in accordance with the terms and conditions hereinafter set forth:

3. THE SCOPE OF THE AGREEMENT

Subject to the terms of this Agreement, HLMM agrees, under its sole responsibility, technical and administrative autonomy, to provide professional payment services to HJAM in connection with the payment of the net monthly salaries of the Crew/Employees that will work for HJAM on the Vessel in Jamaica.

HLMM shall make the payments to the Crew/Employees on behalf of HJAM, in the amounts indicated by HJAM and taking into account the payment instructions received by HJAM, as employer of the Crew/Employees.

HLMM agrees to assume all risks involved in the execution of the services included in this Agreement and will use its own equipment, tools and goods for the execution of this Agreement. HLMM will perform its services from their offices in Singapore.

4. OBLIGATIONS OF HLMM

HLMM will make the monthly payment of the net salaries of the Crew/Employees on behalf of HJAM within such date that HJAM requests.

HLMM shall make the monthly payment of the net salary to each Crew/Employees of HJAM, in accordance with the amounts indicated by HJAM.

HLMM shall submit to HJAM a monthly report containing the amount paid to each Crew/Employees in the immediately preceding month, as well as the date on which payment was made.

HLMM shall establish and implement a process ensuring that the services will be rendered with high quality standards.

5. OBLIGATIONS OF HJAM

HJAM shall act as the employer of the Crew/Employees while the Crew/Employees are in Jamaica or working on board the Vessel. The Parties acknowledge and agree that the payment services that are being rendered to HJAM by HLMM do not, in any way, imply that HLMM is

acting as an employer of the Crew/Employees, as the payments are to be made in the name and on behalf of HJAM and as instructed by HJAM.

HJAM undertakes to make a timely funding to HLMM's designated account(s), in advance of the payment of the monthly net salaries, and to reimburse HLMM for all other expenses incurred in connection with the services contracted for.

HJAM shall arrange for the transfer of the funds for the net salaries to HLMM no later than the Deposit Date, or in accordance with such pre-funding procedures as mutually agreed by HJAM and HLMM. HLMM will have no requirement to make the payroll disbursement to the Crew/Employees unless funding has been received.

HJAM shall provide HLMM with information and documentation necessary for HLMM to fulfil its obligations under this Agreement, including, but not limited to, a complete list of the Crew/Employees that will be paid by HLMM on behalf of HJAM, with their net monthly salary and the bank accounts to which the funds shall be deposited.

HJAM shall upon execution of the employment agreements obtain the relevant authorization from each Crew/Employee required to collect, treat, and transfer their personal data to HLMM, for the purposes of this Agreement.

6. HLMM'S FEE

HJAM shall pay to HLMM the service Fee for HLMM's services under this Agreement. The cost base does not include payroll disbursed to the Crew/Employees on behalf of HJAM.

Invoices for HLMM's Fee shall be submitted monthly. All undisputed invoices shall be paid within fifteen (15) days of receipt of such invoice by transfer to HLMM's bank account specified by HLMM on the invoice. All payments to HLMM shall be made in USD.

If HJAM fails to pay the Fee at the agreed time, HLMM shall be entitled to claim interest in the amount of three months LIBOR plus 3.00% per annum on any overdue amount.

7. LIABILITY AND INDEMNITY

HLMM shall not be liable for any discrepancy in payments arising out of erroneous/ duplicate instructions by HJAM. HLMM shall be entitled to rely on the information provided by HJAM relating to the individual salary amount, Crew/Employee name and account number without independently verifying the information.

With the exception of gross negligence and/ or wilful misconduct committed by HLMM, HLMM shall not be liable for any damage or loss incurred by HJAM under this Agreement.

HJAM irrevocably and unconditionally agrees to indemnify HLMM, its officers, directors, employees and agents from and against any and all reasonable and direct losses, damages, claims, demands, proceedings, costs (including without limitation reasonable legal costs), expenses and/or actions of whatever nature, sustained or incurred directly brought or made by any third party against HLMM in connection with HLMM's provision of services under this Agreement.

8. TAXATION

HJAM shall be liable for and shall pay any applicable withholding taxes, customs, duties, levies, excise taxes (including without limitation value added tax, goods and services tax, use tax and sales tax), deductions or other similar charges imposed by Jamaican tax authorities or other Jamaican governmental bodies on HJAM or on the Services.

For the avoidance of doubt, HJAM shall in no event be responsible for the payment of any taxes relating to or arising from (i) HLMM's net income (except if imposed in Jamaica), (ii) HLMM's employees or (iii) HLMM's breach of this Agreement.

In circumstances where (i) HJAM has paid and/or compensated HLMM in respect of taxes imposed in Jamaica on HLMM and HLMM obtains a corresponding deduction from net income taxes in respect of such taxes in their applicable country of domicile; HLMM shall reimburse HJAM for the net amount of such deduction.

As employer of each Crew/Employee, HJAM shall be solely responsible for accounting for, withholding and remitting any Jamaican payroll related taxes and contributions chargeable on emoluments paid by HJAM to each Crew/Employee.

9. CONFIDENTIALITY

Information that comes into the possession of the Parties in connection with this Agreement and the implementation of the Agreement shall be kept confidential and shall not be disclosed to any third party without the consent of the other Party.

The confidentiality obligation shall apply to the Parties' employees, subcontractors and other third parties who act on behalf of the Parties in connection with the implementation of the Agreement. The Parties may only transmit confidential information to such subcontractors and third parties to the extent necessary for the implementation of the Agreement, and provided that they are subjected to confidentiality obligation corresponding to that stipulated in this Clause 9.

The confidentiality obligation shall continue to apply after the expiry of the Agreement.

10. TERM AND TERMINATION

This Agreement shall come into effect from the date of signing of the Agreement by both Parties (the "**Effective Date**") and shall continue until terminated by either Party in accordance with this Clause 10.

This Agreement shall be terminated by either Party upon giving three (3) months prior written notice to the other Party.

The Parties are entitled to terminate this Agreement with immediate effect if the other Party is in material breach of this Agreement, and the Party in breach has not rectified the situation within 10 days after receiving a written notice from the Party claiming the breach.

Termination of this Agreement shall not affect any accrued rights of either Party nor shall it affect the coming into force or the continuance in force of any provision of this Agreement, which is expressly or by implication intended to come into or continue in force on or after such termination.

11. MISCELLANEOUS

If any provision of this Agreement should be found to be illegal or invalid, such provision shall form no part of this Agreement, and the other provisions shall remain unaffected by such circumstances. The Parties shall in such case in good faith use all reasonable efforts to agree a different term, which is not illegal or invalid and which as nearly as possible reflects the intentions of the Parties.

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and shall not be altered, modified or amended except in writing executed by both Parties.

12. EVENTS OF DEFAULT

There is an event of default if either Party fails to perform its duties under the Agreement. Events of default shall be notified to the Party in default by a written complaint without undue delay after the event of default has been discovered or ought to have been discovered.

Each Party may claim damages in respect of any direct loss arising from events of default.

13. FORCE MAJEURE

Neither Party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the Party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimise or prevent the effect of such events and/or conditions:

- acts of God;
- any Government requisition, control, intervention, requirement or interference;
- any circumstances arising out of war, threatened act of war of warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;
- riots, civil commotion, blockades or embargoes;
- epidemics;
- earthquakes, landslides, floods or other extraordinary weather conditions;
- strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the Party seeking to invoke force majeure;
- fire, accident explosion except where caused by negligence of the Party seeking to invoke force majeure; and
- any other similar cause beyond the reasonable control of either Party.

14. ASSIGNMENT

The Parties shall have the right to assign this Agreement and the rights and obligations hereunder without the prior written consent of the other Party to an affiliate of the relevant Party.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

Nothing contained in this Agreement is intended to confer upon any person other than the Parties hereto and their respective successors and assigns any rights and remedies under or by reason of this Agreement.

15. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement is governed by and shall be construed in accordance with English Law.

The Parties hereto irrevocably submit to the jurisdiction of the courts in London, England.

This Agreement has been prepared in two (2) originals, of which each Party has received one.

Hoegh LNG Maritime Management Pte. Ltd.

By: /s/ Parthsarathi Jindal

Name: Parthsarathi Jindal

Title: Director

Date:

Höegh LNG Jamaica Ltd.

By: /s/ Eduardo Polo

Name: Eduardo Polo

Title: Director

Date: 16/03/2022

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

AMENDMENT NO. 7

To

SRV LNG CARRIER

TIME CHARTERPARTY

DATED 20 March 2007

Between

SRV JOINT GAS TWO LTD

And

TOTALENERGIES GAS & POWER LIMITED, London, Meyrin – Geneva Branch

DATED 18th October 2021

AMENDMENT NO. 7 TO SRV LNG CARRIER TIME CHARTERPARTY

This amendment no. 7 (“**Amendment No. 7**”) to the Charter (as defined in the Recitals below) is made on this 18th October 2021, and forms an integral part of the Charter as set out in Clause 2 of this Amendment No. 7.

BY AND BETWEEN:

- (i) SRV Joint Gas Two Ltd, a corporation organized and existing under the laws of the Cayman Islands (“**Owner**”); and
- (ii) TOTALENERGIES GAS & POWER LIMITED (formerly TOTAL GAS & POWER LIMITED), a company incorporated under the laws of England, whose registered office is at Bridge Gate 55 - 57 High Street, Redhill Surrey RH1 1RX, England (company number 02172239), trading through its branch office TOTALENERGIES GAS & POWER LIMITED, London, Meyrin – Geneva Branch (formerly, TOTAL GAS & POWER LIMITED, London, Meyrin – Geneva Branch), registered under number CHE-309.541.427 and located at Route de l’Aéroport 10, 1215 Geneva, Switzerland (“**Charterer**”);

(each a “**Party**” and together the “**Parties**”).

RECITALS

WHEREAS, Owner and Charterer have entered into an SRV LNG Carrier Time Charterparty dated 20 March 2007, and as has been novated by novation agreements dated 20 December 2007, 25 March 2010 and 20 December 2019 and as amended by Amendment No. 1 dated 20 June 2012 (“**Amendment No. 1**”), Amendment No. 2 dated 20 June 2012 (“**Amendment No. 2**”), Amendment No.3 dated 23 April 2014 (“**Amendment No. 3**”), Amendment No. 4 dated 23 October 2017 (“**Amendment No. 4**”), Amendment No. 5 dated 18th February 2020 (“**Amendment No. 5**”); Amendment No. 6 dated 1st April 2020 (“**Amendment No. 6**”); and the side letter agreement dated 4th June 2021 (“**Side Letter**”) and as may be further novated, assigned and/or amended from time to time, (the “**Charter**”), whereby Owner has agreed to let and Charterer has agreed to hire the use and service of a Shuttle and Regasification Vessel built by Samsung Heavy Industries Co. Ltd. with reference Hull no. 1689 and now named Cape Ann (the “**Vessel**”);

WHEREAS, Charterer wishes to use the Vessel in FSRU Mode at the FSRU Terminal or as otherwise agreed by Owner pursuant to this Amendment No. 7 or alternatively in LNG Carrier Mode, under a Project Agreement with Project Sub-Charterer for the Project; and

WHEREAS, Owner is willing to accommodate Charterer’s wish to use the Vessel as an FSRU and accept that Charterer uses her under the Project Agreement with Project Sub-Charterer for the Project, on the terms and subject to the conditions of this Amendment No.7;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, Owner and Charterer agree as follows:

1. Definitions

For purposes of this Amendment No. 7 (including the Recitals), capitalized terms used but not defined in this Amendment No. 7 shall have the meaning ascribed to them in the Charter.

“**Amendment Agreements**” means each of Amendment No. 1, Amendment No. 2, Amendment No.3, Amendment No. 4, Amendment No. 5, Amendment No. 6 and the Side Letter and “**Amendment Agreement**” means any one of them.

“**Approvals**” means national and local authorizations, licenses, permits, approvals, exemptions or similar instruments that will need to be obtained from and/or granted by any governmental authorities in China from time to time required for the performance of this Amendment No. 7.

“**Chinese Taxes**” means all tax liabilities in China specifically suffered or incurred directly or indirectly by law or contractually by Owner or any other member of Owner Covered Group whatsoever and howsoever arising due to the presence of the Vessel as an FSRU in China when the Vessel acts in FSRU Mode, including but not limited to business tax, corporate tax, corporate income tax, local surcharges, wealth tax, income tax and individual income tax, personal tax or social security contributions of employees or crew members, social security premiums, customs taxes or duties, VAT or other indirect taxes, withholding tax (including on hire, loan repayments, interest and dividends), any municipal, provincial or state taxes, any tax relating to the importation, stay or exportation into and from China (as the case may be) of the Vessel (including related materials and/or equipment) and any penalty or interest payable in connection with any failure to pay or any delay in paying or reporting any of the same, together with all compliance and filing costs relating to such taxes.

“**FSRU**” means floating storage and regasification unit.

“**FSRU Mode**” means the use of the Vessel at all times during the Project Period, except when a Voyage is occurring.

“**FSRU Terminal**” means the Tianjin FSRU terminal located in the People’s Republic of China or any other FSRU terminal in the People’s Republic of China approved in writing by Owner, such approval not to be unreasonably withheld.

“**LNG Carrier Mode**” has the meaning given to it in Clause 7 of this Amendment No. 7 (“**Voyage**”).

“**Maintenance Allowance**” has the meaning given to it in Clause 25 (as amended by this Amendment No. 7).

“**Modification Specification**” means the document to be mutually agreed between Parties and defining the scope of the Modification Work as may be requested by Charterer.

“**Modification Work**” means any and all work; design, engineering, procurement, fabrication, installation, commissioning and testing required for the modification of the Vessel to FSRU in accordance with the Modification Specification.

“**Modification Yard**” means such yard as mutually agreed between the Parties for the performance of the Modification Work.

“**Mortgagee**” means DnB Bank ASA as agent on behalf of Owner’s lenders.

“**Owner Covered Group**” means Owner or its successor in application of the provisions of Clause 21(b) of the Charter, Höegh LNG Holdings Ltd., Höegh LNG Ltd., Höegh LNG AS, Höegh LNG Fleet Management AS, Höegh LNG Maritime Management Pte. Ltd., Mitsui O.S.K Lines, Ltd., Tokyo LNG Tanker Co. Ltd., Höegh LNG Partners L.P and Höegh LNG Partners Operating LLC

and such other directly or indirectly wholly owned subsidiary of Høegh LNG Holdings Ltd. that is providing management services to the Owner in relation to the Vessel, and for the purposes of Clause 8.2 of this Amendment No. 7 only, such term includes any employees or other officers of the companies listed above or any master, officers or crew employed upon the Vessel.

“**Owner’s Permits Matrix**” means a document listing the Approvals that the Owner is obliged to obtain pursuant to the terms of this Amendment No. 7, as attached as Schedule 4.

“**Project**” means Charterer’s project with Project Sub-Charterer, consisting of using the Vessel in FSRU Mode at the FSRU Terminal or in LNG Carrier Mode.

“**Project Agreement**” means the agreement signed between Charterer and Project Sub-Charterer for the provision of FSRU services at the FSRU Terminal by Charterer to Project Sub-Charterer, or otherwise to allow the use of the Vessel by Project Sub-Charterer in LNG Carrier Mode.

“**Project Period**” means a period of time, (i) beginning on the 7th June 2021 and (ii) ending on 31st December 2022 (or, by election of Project Sub-Charterer not later than 1st October 2022, ending on 31st March 2023), unless the Project Agreement is earlier terminated in accordance with its terms.

“**Project Sub-Charterer**” means PipeChina Tianjin LNG Limited, a company incorporated in China with its registered office at No. 777 NanHang East Road, NanJinag Gang District, Tianjin Harbour, BinHai New district, Tiajin, PRC.

“**Reinstatement Specification**” means the scope of work mutually agreed between the Parties so that the Vessel is fitted in every way as an SRV for service under the Charter.

“**Reinstatement Work**” means (i) any and all work; design, engineering, procurement, fabrication, installation, commissioning and testing required to reinstate the Vessel in accordance with the Reinstatement Specification and (ii) dry-docking, cleaning and painting of the Vessel’s bottom and effecting scheduled maintenance, so that the Vessel is fitted in every way for service under the Charter.

“**Reinstatement Yard**” means such yard as mutually agreed between the Parties for the performance of the Reinstatement Work.

“**Project Agreement**” means the agreement signed between Charterer and Project Sub-Charterer for sub-chartering of the Vessel by Charterer to Project Sub-Charterer.

“**Voyage**” means a legitimate voyage under the Charter ordered pursuant to and in accordance with Clause 6 of this Amendment No. 7, the duration of which shall always be deemed to be from when the Vessel is unmoored and disconnected from the FSRU Terminal for the purpose of commencing the Voyage until the Vessel is all fast again at the FSRU Terminal.

2. Purpose, Intention and Interpretations

- 2.1 The purpose of this Amendment No. 7 is to set forth the terms and conditions under which Charterer may utilize the Vessel as an FSRU for the Project and to permit the Charterer to perform its obligations under the Project Agreement in respect of the Vessel and to set out (i) the specific conditions applicable between the Parties when the Vessel is used in FSRU Mode and (ii) specific amendments in Clause 6 of this Amendment No. 7 relating to the Vessel’s use in LNG Carrier Mode.
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SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

- 2.2 It is Owner's and Charterer's clear intention, which is hereby declared, that (i) none of Charterer's entry into the Project Agreement, Owner's entry into this Amendment No. 7, or the Parties' entry into any other document pursuant to or in connection with the Project, the Project Agreement or this Amendment No. 7 shall imply or impose greater or more onerous obligations, exposures and/or liabilities on Owner or any member of Owner Covered Group (except for any other provisions of this Amendment No. 7 directly or indirectly providing to the contrary) than it would otherwise have under the Charter; and (ii) none of Charterer's entry into the Project Agreement, this Amendment No. 7, the Parties' entry into any other document pursuant to or in connection with the Project, the Project Agreement or this Amendment No. 7 shall imply or impose greater or more onerous obligations, exposures and/or liabilities on Charterer (except for any other provisions of this Amendment No. 7 directly or indirectly providing to the contrary) than it would otherwise have under the Charter.
- 2.3 In case of conflict between the provisions of the Charter and this Amendment No. 7, the provisions of this Amendment No. 7 shall prevail for the purposes of the Project.

3. Modification of the Vessel to FSRU

- 3.1 If Modification Work is requested by Charterer, Owner shall arrange for such Modification Work to be carried out at the Modification Yard at a time mutually agreed with Charterer for Charterer's time, risk and expense.
- 3.2 Without prejudice to the aforesaid, if Modification Work is requested by Charterer, Owner shall obtain a quote for the Modification Work from the Modification Yard, and include such quote in a budget which is to be approved as soon as reasonably practicable by Charterer. Any comment to or rejection of any parts of the budget or Modification Work, including its scope and costs shall be discussed in good faith and resolved by the Parties. After the budget has been approved, Owner shall promptly inform Charterer of any cost overrun and/or any matter which affects the budget and take reasonable steps to seek to reduce an adverse cost effect.
- 3.3 Charterer shall reimburse Owner for the reasonable and documented cost of the Modification Work and compensate Owner for Owner's own reasonable and documented cost related to the Modification Work to the extent not covered by paragraph 1.2 of Schedule III (as amended by Amendment No.1 and Amendment No. 3), including but not limited to the cost of supervision, administration and follow up of the Modification Work (not covered by paragraph 1.2 (c) (i) of Schedule III) (as amended by Amendment No. 1 and Amendment No. 3) within ***** days of receipt by Charterer of Owner's invoice together with supporting documentation.
- 3.4 Notwithstanding anything to the contrary in the Charter, the Vessel shall be on hire, and the performance warranties set out in Clause 27 of the Charter shall not apply, for the duration of the Modification Work, the time of which shall be deemed to include the Vessel's deviation time, time spent at, and time spent returning from the Modification Yard until the Vessel has regained a position equivalent to that when the Vessel deviated for the Modification Work, and, for the avoidance of doubt, such time shall not count against the Dry-docking Allowances, the Unscheduled Maintenance Allowances set forth in the
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original Clause 25(d) of the Charter or the Maintenance Allowance set forth in Clause 25(d) of the Charter as amended by this Amendment No. 7.

4. Importation, Stay and Exportation

- 4.1 Any importation, stay and exportation into and from the People's Republic of China (as the case may be) of the Vessel and all materials and/or equipment necessary for Owner's performance of the Charter and/or any Voyage during or related to the Project Period, shall be arranged by Charterer, in accordance with all applicable laws and regulations, for its own time, risk and expense, but with all reasonable practical assistance from Owner. Notwithstanding the foregoing, where Charterer and Owner mutually agree in advance, Owner may arrange such materials and/or equipment necessary for its performance of the Charter, but even in such case, all time, risk and expense shall be for Charterer's account.
- 4.2 Subject always to the provisions of Clause 8 of this Amendment No. 7, Owner shall, at Charterer's expense and with all reasonable practical assistance from Charterer, apply for and obtain the Approvals listed in the Owner's Permits Matrix.
- 4.3 Furthermore, if requested to do so by the Charterer, the Owner shall apply for and obtain all necessary Approvals which can only be applied for and obtained by Owner, or an applicable member of the Owner Group, in its name. However, Owner shall have no liability towards Charterer if it fails to obtain any such Approval unless the failure to obtain is caused by the action or inaction of Owner or the applicable member of Owner Group, including the failure to apply for or follow the necessary procedures to obtain such Approvals.
- 4.4 Other than the Approvals that the Owner is to obtain in compliance with the Owner's Permits Matrix, or as required above, the Charterer shall for its own, time, risk and expense (but with all reasonable practical assistance from Owner) obtain and maintain throughout the Project Period all other Approvals that are (i) required to comply with all relevant laws and regulations applicable to it and to the Vessel's operation in China in FSRU Mode, including any exemption from any requirement to obtain work permits for any employees or other officers of any applicable member of the Owner Covered Group or any master, officers or crew employed upon the Vessel, (ii) required to enable Owner and any member of the Owner Covered Group to operate the Vessel in accordance with the provisions of this Amendment No. 7; or (iii) otherwise required under this Amendment.
- 4.5 Each Party shall provide assistance and information as is reasonably requested and required by the other Party to obtain and maintain an Approval for which that Party is responsible. The Party responsible for obtaining the relevant Approval shall ensure that any information received from the other Party is correctly applied.
- 4.6 For the avoidance of doubt, Owner shall not be required to change the Vessel's flag or registry other than pursuant to and in accordance with the terms and conditions of the Charter.

5. FSRU Mode specific modifications

- 5.1 At all times during the Project Period, except when a Voyage is occurring, the Charter shall be modified by the following amendments, additions and other modifications:
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- (a) Modifications to Clause 1 (“Definitions”) of the Charter:
- (i) The definition of “**Actual Discharge Rate**” in Clause 1 of the Charter shall be amended to read in its entirety: “ *“Actual Discharge Rate” has the meaning set out in Clause 27(b)(iv).”*
 - (ii) The definition of “**Adverse Weather Periods**” in Clause 1 of the Charter shall be deleted and amended to read in its entirety “*“Adverse Weather Periods” means the period of time during which Adverse Weather Conditions are experienced.”*“.
 - (iii) A new definition shall be included in Clause 1 of the Charter which reads: “*“Adverse Weather Conditions” means weather and/or sea conditions forecast or experienced which exceed the weather and/or sea limits set out in any port operations manual (including the Operations Manual) applicable at the FSRU Terminal during which the master (a) moves or removes or disconnects from berth the Vessel ; and/or (b) orders a full or partial cessation of operations on the Vessel, in each case for reasons of safety of the Vessel and/or the safety of those on board the Vessel or LNG Carrier”*
 - (iv) A new definition shall be included in Clause 1 of the Charter, which reads: “*“Amendment No. 7” means Amendment No. 7 to this Charter dated ____ September 2021 and made between Owner and Charterer.*
 - (v) The definition of “**Allowance Period**” in Clause 1 of the Charter shall be deleted.
 - (vi) The definition of “**BOE**” in Clause 1 of the Charter shall be deleted.
 - (vii) A new definition shall be included in Clause 1 of the Charter, which reads: “*“Charterer’s Group” has the meaning set out in Clause 68(a)”*.
 - (viii) The definition of “**Discharge Period**” in Clause 1 of the Charter shall be deleted. Any other use of the term “Discharge Period” in the Charter shall be replaced with the term “*FSRU Discharge Period*”.
 - (ix) The definition of “**Discharge Point**” in Clause 1 of the Charter shall be deleted.
 - (x) The definition of “**Downstream Systems**” in Clause 1 of the Charter shall be amended to read in its entirety: “*“Downstream Systems” means all infrastructure and systems downstream of the Vessel’s high-pressure export manifold.”*
 - (xi) A new definition shall be included in Clause 1 of the Charter, which reads: “*“FSRU” means floating storage and regasification unit.”*
 - (xii) A new definition shall be included in Clause 1 of the Charter, which reads: “*“FSRU Discharge Period” has the meaning set out in Clause 27(b)(v)”*
 - (xiii) A new definition shall be included in Clause 1 of the Charter, which reads:
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“FSRU Gas Day” has the meaning set out in Clause 27(b)(iv).”

- (xiv) A new definition shall be included in Clause 1 of the Charter, which reads: *““FSRU Gas Nomination Procedures” means the procedures for requesting and establishing Send Out Profile and Intraday Nominations, which the Parties shall use reasonable endeavours to negotiate and agree prior to the start of the Project Period, and once agreed shall be set forth in a new Schedule X”*
 - (xv) A new definition shall be included in Clause 1 of the Charter, which reads: *““FSRU Terminal” means the Tianjin FSRU terminal located in the People’s Republic of China or any other FSRU terminal in the People’s Republic of China approved in writing by Owner; such approval not to be unreasonably withheld.”*
 - (xvi) The definition of **“Gas Day”** in Clause 1 of the Charter shall be deleted. Any other use of the term **“Gas Day”** in the Charter shall be replaced with the term **“FSRU Gas Day”**.
 - (xvii) The definition of **“Gas Nomination Procedures”** in Clause 1 of the Charter shall be deleted. Any other use of the term **“Gas Nomination Procedures”** in the Charter shall be replaced with the term **“FSRU Gas Nomination Procedures”**.
 - (xviii) A new definition shall be included in Clause 1 of the Charter, which reads **“Intraday Nomination”** has the meaning set out in Clause 27(b)(iii).
 - (xix) A new definition shall be included in Clause 1 of the Charter, which reads: *““Maintenance Allowance” has the meaning set out in Clause 25(d).”*
 - (xx) The definition of **“Nominated Discharge Rate”** in Clause 1 of the Charter shall be amended to read in its entirety: *““Nominated Discharge Rate” has the meaning set out in Clause 27(b)(iv).”*
 - (xxi) The definition of **“Normal Performance”** in Clause 1 of the Charter shall be amended to read in its entirety: *“Normal Performance” has the meaning set out in Clause 27(b)(i).”*
 - (xxii) The definition of **“Off-hire Allowance”** in Clause 1 of the Charter shall be deleted.
 - (xxiii) A new definition shall be included in Clause 1 of the Charter, which reads: *“Owner’s Group” has the meaning set out in Clause 68(a).”*
 - (xxiv) The definition of **“Performance Period”** in Clause 1 of the Charter shall be deleted.
 - (xxv) The definitions of **“Primary Terminals”** and **“Primary Terminal”** in Clause 1 of the Charter shall be deleted.
 - (xxvi) The definition of **“Project Sub-Charterer”** in Clause 1 of the Charter shall be amended to read in its entirety: *“Project Sub-Charterer” means*
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PipeChina Tianjin LNG Limited, a company incorporated in China with its registered office at room 1-1-1822, Financial & Trade Center South Zone, No.6975 Asia Road, Tianjin Pilot Free Trade Zone through its official address at No. 777 NanHang East Road, NanJinag Gang District, Tianjin Harbour, BinHai New district, Tiajnjin, PRC."

- (xxvii) The definition of **"Reduced Performance"** in Clause 1 of the Charter shall be amended to read in its entirety: ***"Reduced Performance"*** has the meaning set out in Clause 27(b)(iv)."
 - (xxviii) A new definition shall be included in Clause 1 of the Charter, which reads: ***"Reduced Rate"*** has the meaning set out in Clause 27(b)(iv)".
 - (xxix) A new definition shall be included in Clause 1 of the Charter, which reads: ***"Maintenance"*** has the meaning set out in Clause 25 (d)".
 - (xxx) A new definition shall be included in Clause I of the Charter, which reads: ***"Send Out Profile"*** has the meaning set out in Clause 27(b)(iii)".
 - (xxxi) A new definition shall be included in Clause 1 of the Charter, which reads: ***"Start Up Period"*** has the meaning set out in Clause 27(b)(i)".
 - (xxxii) A new definition shall be included in Clause 1 of the Charter, which reads: ***"Project Agreement"*** means the agreement signed between Charterer and Project Sub-Charterer for sub-chartering of the Vessel by Charterer to Project Sub-Charterer. "
 - (xxxiii) A new definition shall be included in Clause 1 of the Charter, which reads: ***"Project Period"*** means a period of time, (i) beginning on 7th June 2021 and (ii) ending on 31st December 2022 (or, by election of Project Sub-Charterer not later than 1st October 2022, ending on 31st March 2023), unless the Project Agreement is earlier terminated in accordance with its terms."
 - (xxxiv) The definition of **"Unscheduled Maintenance"** in Clause 1 of the Charter shall be deleted.
 - (xxxv) The definition of **"Unscheduled Maintenance Allowance"** in Clause 1 of the Charter shall be deleted.
- (b) In Clause 3 (a)(i) of the Charter, the reference to "SRV" shall be amended to read: "FSRU".
- (c) Clause 3 a) of the Charter shall be completed with the following new sub-clauses:
- "(vi) the master and chief officer shall combined in total have not less than twelve (12) months' sailing and cargo operations experience in the past five (5) years exercising responsibilities of a senior rank (master and/or chief officer) on board an LNG tanker/FSRU. The chief engineer, cargo engineer and second engineer shall combined in total have not less than eighteen (18) months' sailing and cargo operations experience in the past five (5) years exercising responsibilities of a senior rank (chief engineer, cargo engineer and/or second engineer) on board an*
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LNG tanker/FSRU.

(vii) prior to the commencement of the Project Period, the Owner shall, using Owner's standard format and subject always to Project Sub-Charterer first having duly executed a "no poaching declaration" in a wording acceptable to Owner, provide the Project Sub-Charterer with professional LNG tanker/FSRU histories in rank of the master, chief officer, chief engineer and cargo engineer (if applicable) serving on board the Vessel at the time of delivery. Prior to their assignment, similar histories shall be furnished for any new master chief officer, chief engineer or cargo engineer assigned to the Vessel during the Sub Charter Period."

- (d) Clause 3 c) shall be amended by the addition of the following new paragraph:

"If during the Project Period, Owner changes or replaces the manager of the Vessel, it shall give reasonable consideration to any input from Project Sub-Charterer in this respect. Owner confirms that under the present circumstances it has no intention of changing or replacing the manager of the Vessel."

- (e) Clause 5 of the Charter ("*Period and Trading Limits*") shall be amended by the addition of the following new sub-clauses (d) and (e):

(d) Notwithstanding anything to the contrary in Clauses 5(a), (b), and (c), Charterer shall, at no expense to Owner, provide or cause to be provided, at the FSRU Terminal, port and marine facilities capable of receiving the Vessel and berths and places which the Vessel can safely reach and return from without exposure to danger, and at which the Vessel can safely lie, load or discharge (as the case may be) always afloat. Furthermore, Charterer shall provide to Owner all relevant information required to meet the interface requirements of the FSRU Terminal as soon as reasonably possible. All reasonable costs incurred in implementing such modifications to the Vessel (and their later removal, if required to comply with the terms of this Charter), including the time taken to implement such modifications and to comply with such regulations necessary to allow the Vessel to load or discharge at the FSRU Terminal, shall be for Charterer's account and shall be reimbursed to Owner in accordance with Schedule III. Charterer shall also be responsible, and shall reimburse Owner in accordance with Schedule III, for all such reasonable costs incurred, including the necessary time taken, should the interface requirements of or the regulations applicable to the FSRU Terminal be altered.

(e) Notwithstanding anything to the contrary in this Charter, Owner shall not under any circumstances whatsoever be obliged to go to and/or stay at an FSRU Terminal which has not entered into a liability agreement, acceptable to Owner's P&I Club, with Owner."

For the purposes of this Amendment No. 7, the Conditions of Use (CoU) for LNG carrier and FSRU Mode appended as Schedule 5 to this Amendment No. 7 is the liability agreement approved by Owner's P&I Club.

- (f) Clause 8 ("*Owner to Provide*") of the Charter shall be amended to read in its entirety:
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“Owner undertakes to provide and, subject to the provisions of Schedule III, to pay for all provisions, wages (including but not limited to all overtime payments, statutory or otherwise), and shipping and discharging fees and all other expenses of the master, officers and crew, except for any Chinese master; officers and/or crew required to be on board, also, except as provided in Clauses 5 and 37, for all insurance on the Vessel described in Schedule IV, for all deck, cabin and engine-room stores and necessary spare parts, and for water; for all dry-docking (and gas-freeing of the Vessel associated therewith), overhaul, maintenance and repairs to the Vessel, including maintaining and operating the Vessel in good working order in accordance with prudent industry practices and Builder’s maintenance recommendations; and for all fumigation expenses and de-rat certificates. Owner’s obligations under this Clause 8 extend to all liabilities for customs or import duties arising at any time during the performance of this Charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owner is to provide and pay for and Owner shall refund to Charterer any sums Charterer or its agents may have paid or been compelled to pay in respect of any such liability on presentation of reasonable supporting documentation. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterer insofar as such amounts are in respect of a period when the Vessel is on-hire.”

- (g) Clause 23 (“Loss of Vessel”) of the Charter shall be amended by deleting the words “GMT” and replacing them with the words “the time in the People’s Republic of China”.
 - (h) Clause 24 (“Off-hire”) of the Charter shall be amended to read: “Not Used”. Any use of the term “off-hire” elsewhere in the Charter and any references in the Charter
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to Clause 24 thereof shall be deemed deleted in their entirety when the Vessel is being used in FSRU Mode.

(i) Clause 25 (d) of the Charter shall be amended to read in its entirety:

- “(i) Owner shall be permitted up to (a) ***** days in any three hundred and sixty five day period, if the Vessel actually operates in FSRU Mode for a cumulative period of ***** days (or fewer) within such three hundred and sixty five day period; and (b) an additional period of ***** hours for each cumulative thirty day period during which the Vessel actually operates in FSRU Mode in excess of a cumulative period of ***** days in any three hundred and sixty five day period, commencing from the first day of the Project Period (the “**Maintenance Allowance**”) to take the FSRU out of service for maintenance, repair, and overhaul, for the performance of surveys, and for unscheduled drydocking, including all related pre-docking and post-docking procedures and time spent proceeding to or from any port or place of dry-dock and the FSRU Terminal (or such other location as may be mutually agreed by the Parties) (collectively, the “**Permitted Maintenance Events**”), during which there shall be no reduction in Hire solely for the FSRU’s failure to meet the Performance Guarantees or to deliver any part of the Nominated Daily Rate. Scheduled maintenance shall be identified in an annual maintenance plan to be provided by Owner to Charterer on a reasonable endeavours basis, based on Charterer’s operational requirements. Owner shall use reasonable efforts not to carry out maintenance between 1st November and 31st March (inclusive) of the next calendar year and shall not, in any event, use more than ***** hours of Maintenance Allowance in every such period. The annual maintenance plan will be provided by Owner to Charterer within ***** weeks after the date of the Amendment No. 7 and prior to the first day of the start of regasification services, and from then on annually no later than ***** months prior to each year end.
- (ii) There will be no scheduled dry docking during the Project Period unless mutually agreed by Owner and Charterer.
- (iii) The Maintenance Allowance shall not be reduced in whole or in part if an event described in Clause 27(b)(v) (a) to (m) (but not including Clause 27(b)(v)(g)) occurs during the performance of a Permitted Maintenance Event.
- (iv) The Maintenance Allowance shall be prorated on a straight line basis during the first and last years of the Project Period to the extent that the date of Delivery and the date of Redelivery do not start or end at the end of a calendar year. To the extent that any Maintenance Allowance remains unutilized by Owner by the end of a year, such remaining Maintenance Allowance shall be forfeited and shall not be carried over into the next year.
- (v) Owner shall not use more time for maintenance than is necessary and shall
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notify Charterer if any Maintenance Allowance is taken or will be taken. Owner shall consult with Charterer as far in advance as possible with regard to the timing, the duration and the requirement for any maintenance work.

- (vi) *The FSRU shall be On-Hire during any period of the Maintenance Allowance, and all items to be provided and paid for by Charterer pursuant to Clause 9(a) shall be for Charterer's account, and Owner's use of the Maintenance Allowance shall not in any way or to any extent whatsoever be regarded as a default, non-performance or breach by Owner of any obligation under or any provision of the Charter.*
- (vii) *The Parties acknowledge that during a Permitted Maintenance Event the FSRU may not be available, in whole or in part, to provide Regasification or other services. If due to the nature of the Permitted Maintenance Event, the FSRU can continue to provide FSRU services, Owner shall inform Charterer and, upon Charterer's request, shall provide such FSRU services, on a non-guaranteed basis.*
- (viii) *Notwithstanding anything to the contrary in this Clause 25, no scheduled dry-docking (with bottom survey in drydock) shall take place in the Project Period, provided that the Project Period does not extend beyond the date falling ***** days prior to the Vessels next scheduled dry-dock (with bottom survey in drydock) in accordance with the Vessel's Classification Society requirements.*
- (ix) *For the avoidance of doubt, nothing in this Clause 25(d) shall prevent Owner from carrying out general maintenance on the Vessel which does not result in any deficiency in the Vessel's service."*
- (j) Clause 25 (e) shall be amended to read: *"Not Used"*.
- (k) Clause 26 (Ship Inspection) shall be amended by the addition of the words *"and Project Sub-Charterer, as applicable"* after the word *"Charterer"* wherever it occurs.
- (l) Clause 27 ("Performance") of the Charter shall be deleted in its entirety and replaced with the following:
 - "(a)*
 - (i) *Owner undertakes and guarantees that at all times during the Project Period the Vessel shall be capable of maintaining a maximum average daily boil-off of no more than *****% of the Vessel's total cargo capacity. For purposes of establishing whether the Vessel has achieved performance as required under this Clause 27(a), the Parties shall discount periods when: (i) the Vessel is discharging regasified LNG and/or loading or discharging LNG;*

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(ii) when due to loading of LNG the saturated vapour pressure is above 170 mbarg; and (iii) if pre-approved or requested by Charterer, the Vessel is transferring cargo between cargo tanks.

(ii) *Boil-off calculation: Boil-off shall be measured by subtracting the volume of LNG contained in the Vessel's tanks at gauging at the end of an FSRU Gas Day of no discharging regasified LNG and/or loading or discharging LNG and/or by Charterer approved transfer of LNG between cargo tanks, but where the Vessel is still connected within Tianjin Port, from the volume of LNG contained in the Vessel's tanks at gauging at the start of an FSRU Gas Day of no discharging regasified LNG and/or loading or discharging LNG, and/or by Charterer approved transfer of LNG between cargo tanks. but where the Vessel is still connected within Tianjin Port. Actual boil-off shall be calculated using the mean value from 5 (five) distinct but consecutive measurements and averaged over a performance period of *****.*

(b)

(i) *Owner further undertakes, subject to the provisions of this Clause 27(b) and subject to a seven (7) day start-up period ("**Start Up Period**"), that the Regasification Components will, throughout the Term, enable the Vessel's cargo to be regasified and discharged at not less than a regasified LNG discharge rate ***** MMScf/day ("**Normal Performance**"). Charterer will provide not less than ***** days prior notice to Owner if Charterer requires the Vessel to operate in FSRU Mode (such notice period not to commence any earlier than the date of delivery of the Vessel under the Project Agreement) in order that the Vessel may commence operating in FSRU Mode at the end of such ***** day period. The Parties will use reasonable endeavours to develop and agree a commissioning procedure in respect of the Start Up Period no later than ***** days prior to the Vessel being required to operate in FSRU Mode, including final testing and commissioning of the Modification Work. Furthermore, if during the Start Up Period, the Owner is prevented from adhering to the commissioning procedure for reasons not directly attributable either to the acts or omissions of the Owner or to the Vessel, the Start Up Period shall be automatically extended for the period of time that the Owner is prevented from adhering to the commissioning procedure. For the avoidance of doubt, any delays in Owner adhering to the commissioning procedure which arise due to COVID 19 travel restrictions to or within China shall not be considered reasons attributable to Owner or the Vessel, provided that Owner shall use all reasonable endeavours to mitigate any adverse effects of any such travel restrictions.*

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*In every case where the Actual Discharge Rate is higher than the then-current Normal Performance during regasification of LNG and has been in operation for three (3) periods of at least eight (8) hours without any unplanned shut down so that total operating time accumulates to twenty four (24) hours, the value of such Actual Discharge Rate shall immediately replace the then-current Normal Performance until subsequently re-adjusted up to a maximum Normal Performance of ***** MMScf/day. Each such increase in the Normal Performance shall be formalized by signature by both Parties of the Discharge Performance Certificate attached as Schedule 3 to Amendment No. 7.*

- (ii) *Subject always to the provisions of Clause 27(b)(iii) below, Owner shall, subject to applicable terms of the FSRU Gas Nomination Procedures, deliver the Nominated Discharge Rate in accordance with the daily curve agreed with Charterer in accordance with the FSRU Gas Nomination Procedures (“**Send Out Profile**”), subject to such Send-Out Profile for that FSRU Gas Day being agreed no later than twelve (12) hours before the commencement of the relevant FSRU Gas Day. In case the Owner fails to deliver gas in accordance with the Send Out Profile as required pursuant to the applicable terms of the FSRU Gas Nomination Procedures, then the applicable terms of the FSRU Gas Nomination Procedures will apply to such failure (provided always that such terms are fair, reasonable and proportionate to the failure). Owner shall use reasonable endeavors to accommodate any change to the Send Out Profile requested by Charterer, during the relevant FSRU Gas Day (“**Intraday Nomination**”), but Owner shall not be liable for any failure in this respect.*
- (iii) *Whenever Charterer requests a Nominated Discharge Rate above Normal Performance, Owner shall use reasonable endeavors to make such higher rate available, subject always to the maximum capacity of the Regasification Components when all three units of the Regasification Components are operating. Notwithstanding the provisions of the immediately following paragraph, if the Vessel is incapable of discharging its cargo at such higher rate, such performance shall not be considered Reduced Performance and Charterer shall not be entitled to pay hire at a rate equal to the Reduced Rate or claim a reduction in hire.*

*If, on any day, commencing from 10.00 A.M. (China local time) on that day and ending at 09.59 A.M. (China local time) on the immediately following day (an “**FSRU Gas Day**”), the Vessel’s actual discharge rate calculated over that FSRU Gas Day as measured in accordance with Clause 27(b)(iv)-(v) (the “**Actual Discharge Rate**”), is less than the daily nominated discharge rate*

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*requested by Charterer in accordance with the FSRU Gas Nomination Procedures for that FSRU Gas Day (the “**Nominated Discharge Rate**”), and such Actual Discharge Rate is lower than Normal Performance (such deficient performance hereinafter being referred to as “**Reduced Performance**”), then a Hire Rate equal to a reduced rate determined by multiplying the Fixed Element of the Hire Rate by a factor calculated by dividing the Actual Discharge Rate by ***** (the “**Reduced Rate**”) shall be payable for each of such FSRU Gas Day in respect of which an Actual Discharge Rate lower than the Nominated Discharge Rate and the Normal Performance has been determined during the FSRU Discharge Period in question. This Reduced Rate in case of Reduced Performance shall replace in its entirety Paragraph 4 of Schedule III. For the avoidance of doubt, any reduction of hire to which Charterer is entitled under this Clause 27(b)(iii) shall be credited against hire payments in accordance with Clause 12(a) as promptly as possible.*

- (iv) *If no discharge of regasified LNG is ongoing from the Vessel, measurement of the Actual Discharge Rate shall commence when the vaporizers, piping and pressurizing risers are cooled down and the last high pressure pump required to achieve the ordered discharge rate is placed on line and the Vessel starts the discharge of Regasified LNG, and shall terminate when the first high pressure pump is secured near the end of the discharge (“**FSRU Discharge Period**”).*

*Prior to the commencement of an FSRU Discharge Period a notification of FSRU Readiness to Discharge Gas (as defined in the FSRU Gas Nomination Procedures) shall be delivered by Charterer to Owner in accordance with the FSRU Gas Nomination Procedures and an FSRU Discharge Period shall start no later than ***** hours after Owner’s receipt of the above notification, unless such time is extended by reasons attributable to Charterer, Project Sub-Charterer, the FSRU Terminal, governmental or regulatory authorities or Force Majeure (as defined in the FSRU Gas Nomination Procedures).*

*The Actual Discharge Rate shall be the rate of regasified LNG discharged as measured by the Vessel’s metering station. When measuring the Actual Discharge Rate against Normal Performance a variation of ***** percent (*****%) shall be allowed.*

Normal Performance shall be based upon LNG with a chemical composition (Mass%) as follows:

%	Lean LNG	Rich LNG
C1	99.8	85
C2	0.2	9.5
C3	0	3
iC4	0	1
nC4	0	1
iC5	0	0.13
nC5	0	0.12
C6+	0	0
N2	0	0.25

(v) *The performance of the Vessel in relation to the warranty contained in this Clause 27(b) shall be reviewed on the 25th of each calendar month, and the results accumulated and compensation, if any, shall be assessed and paid at the next hire payment due at the beginning of the following calendar month. For purposes of establishing whether the Vessel has achieved performance as required under Clause 27(b) and calculating the Hire Rate, the Parties shall discount any FSRU Gas Day (or in case of (g) and (j) below, only the relevant part of the FSRU Gas Day, provided that the volumes required in such part of the FSRU Gas Day in accordance with the Send Out Profile shall be disregarded and the Nominated Discharge Rate for that FSRU Gas Day shall be adjusted accordingly):*

- (a) *where the FSRU Terminal is not ready or able to receive the Nominated Discharge Rate specified by Charterer in accordance with the FSRU Gas Nomination Procedures and at the corresponding pressures and temperatures;*
 - (b) *where Charterer has requested Intraday Nominations as per Clause 27(b)(ii);*
 - (c) *where Charterer has instructed the Vessel to proceed from the FSRU Terminal;*
 - (d) *where the Vessel is prevented from approaching or remaining and/or operating at the FSRU Terminal or the Owner is prohibited from operating in accordance with this*
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Charter by any applicable law, relevant regulatory or governmental authority for a reason not attributable to a breach by Owner of this Charter or a failure on the part of the Vessel;

- (e) where the Vessel is required to disconnect and/or to depart from the FSRU Terminal or is prevented from discharging her cargo as regasified LNG by reason of compliance with the applicable requirements and guidelines of the Classification Society, the Vessel's Flag State or any other relevant regulatory authority and/or with such requirements as set out in the FSRU operating manual in relation to the Vessel's safe operation, cargo management and/or filling level restrictions;*
 - (f) where there is not a required amount of LNG onboard the Vessel to obtain the Nominated Discharge Rate in accordance with the FSRU Gas Nomination Procedures;*
 - (g) where the Owner is using the Maintenance Allowance;*
 - (h) where the Downstream Systems are not ready or able to provide or receive the Nominated Discharge Rate specified by Charterer in accordance with the FSRU Gas Nomination Procedures and at the corresponding pressures and temperatures;*
 - (i) where the Vessel is prevented from discharging by other events within the port or where there is a wider risk to safety or the environment;*
 - (j) where the Vessel's failure to achieve the required performance under Clause 27(b) of this Charter arises from any Adverse Weather Conditions; and*
 - (k) where the FSRU Gas Nomination Procedures have not been agreed and attached as a new Schedule X.*
- (vi) In the event that the Parties have been unable to agree the FSRU Gas Nomination Procedures (and such procedures are not set forth in a new Schedule X), then notwithstanding any other provisions of this Clause 27(b) to the contrary, Owner shall use reasonable endeavours to comply with any daily nominated discharge rate that may be requested by Charterer, but otherwise Owner shall not be liable for any failure to deliver gas in accordance with this Clause 27.*
- (vii) Notwithstanding the provisions of this Clause 27(b), if at any stage the Actual Discharge Rate achieved by the Vessel is less than Normal Performance due to a defect in the Regasification Components (and such lower discharge rate has not been requested*
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by Charterer in accordance with the FSRU Gas Nomination Procedures), Owner shall be entitled to repair such defect in the Regasification Components and/or the Vessel by the Vessel proceeding to dry-docking in accordance with the provisions of Clause 25(h). Before committing to a dry dock, Owner shall always consult with the Charterer to assess alternative solutions.

(viii) *The Vessel shall be capable of regasifying LNG in a closed-loop heating mode using steam from the Vessel's regas boilers as the primary heating medium at a daily Nominated Discharge Rate with a pressure of ***** to ***** bar and a temperature of ***** to *****°C at the outlet of the Regas skid."*

(m) Clause 52(c)(iv) and (v) of the Charter shall be amended to read in its entirety: "Not Used".

(n) The second sentence of Clause 53 of the Charter shall be amended to read in its entirety:

"The foregoing notwithstanding, no term of this Charter, other than Clauses 68(a) and (b) (as amended by Amendment No. 7), and Clause 68(c) is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person or entity who is not a party to it, except that the Mortgagee shall have the benefit of and may enforce the provisions of Clause 10 of Amendment No. 7."

(o) Clause 68(a) of the Charter shall be amended to read in its entirety:

*"No member of Owner's Group shall be under any liability whatsoever to Charterer, Charterer's Representatives, Project Sub-Charterer, or their estates ("**Charterer's Group**") for their death or personal injury during the time when they are engaged in the activities contemplated under this Charter unless death or personal injury is caused, in whole or in part, by the gross negligence or willful misconduct of Owner, its employees or its agents ("**Owner's Group**"). Likewise, no member of Owner's Group shall be under any liability to any member of Charterer's Group in respect of damage to, or loss or destruction of their personal property unless such damage to, or loss or destruction of personal property is caused by the gross negligence or willful misconduct of any member of Owner's Group."*

(p) Clause 68(b) of the Charter shall be amended to read in its entirety:

"No member of Charterer's Group shall be under any liability whatsoever to any member of Owner's Group for their death or personal injury during the time when they are engaged in the activities contemplated under this Charter unless death or personal injury is caused, in whole or in part, by the gross negligence or willful misconduct of a member of Charterer's Group. Likewise, no member of Charterer's Group shall be under any liability to any member of Owner's Group in respect of damage to, or loss or destruction of their personal property unless such damage to,

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or loss or destruction of personal property is caused by the gross negligence or willful misconduct of any member of Charterer's Group."

- (q) Appendix I to Schedule I of the Charter shall be amended to read in its entirety: "*Not Used*". Any references in the Charter to Appendix I to Schedule I thereof, and any uses of the term "Primary Terminal" in the Charter shall be deemed deleted in their entirety.
- (r) Schedule X of the Charter (Gas Nomination Procedures) shall be deleted in its entirety and shall be replaced with a new Schedule X as attached in Schedule 2 to this Amendment No. 7 (FSRU Gas Nomination Procedure).

5.2 All terms and conditions of the Charter, except to the extent modified or changed by this Amendment No. 7 shall remain in full force and effect. However, such terms and conditions shall be interpreted in light of and in such way to give effect to the intention of the Parties set out in Clause 2 above, provided however that, any further amendment or modification to the Charter that may be required during the Project Period shall always be agreed in writing between the Parties.

5.3 For the avoidance of doubt and with reference to paragraph 1.2(c)(ii) to Schedule III of the Charter, Owner shall not in any circumstances whatsoever be forced or obliged to lay off any of the Vessel's master, officers or crew, provided that if the Vessel is required and the Owner agrees to employ a Chinese master, officer and/or crew, Owner shall use reasonable endeavours to deploy the Vessel's master, officers and/or crew elsewhere and shall in any event use reasonable endeavours to mitigate the cost and expenses associated with the Vessel's original master, officers and crew in circumstances where the Vessel is required to employ a Chinese master, officer and/or crew. However, Owner shall use reasonable endeavours to mitigate the Variable Element cost (i.e. manning and crew travel expenses).

5.4 For the avoidance of doubt and without prejudice to Clauses 1 to 4, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, and 6 to 13 of this Amendment No. 7, for any Voyage the Charter shall apply without the amendments and/or additions set out in Clause 5.1 of this Amendment No. 7.

5.5 For the avoidance of doubt and without prejudice to Clauses 1 to 4, 5.2, 5.3, 5.4, 5.5, 5.6 and 7 to 14 of this Amendment No. 7, upon expiry of the Project Period, the Charter shall apply without the amendments and/or additions set out in Clause 5.1, 5.6, 5.7, 6, 8 and 14 of this Amendment No. 7, but without prejudice to any rights, obligations or liabilities that may have accrued prior to the expiry of the Project Agreement.

5.6 At any time during the Project Period when a Voyage is occurring, each of the Unscheduled Maintenance Allowance specified in Clause 25(d) of the Charter and each of the Off hire Allowance specified in Clause 24(h) of the Charter shall be reduced to an allowance equal to the original Unscheduled Maintenance and Off-hire Allowances, multiplied by *****.

5.7 Training of Chinese Operator

If, during the Project Period, there is a requirement of the Project Sub-Charterer to train a Chinese operator to operate the Vessel as an FSRU, Owner will in good faith enter into

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discussion with Project Sub-Charterer with the aim to arrange, in cooperation with Project Sub-Charterer, for such training (including but not limited to training procedures, necessary facilities, and location). All documented costs arising from such activity shall be fully borne by Project Sub-Charterer. Invoices will be sent to Project Sub-Charterer together with appropriate documentation, provided, however, that the scope of activities and cost estimates have been approved in advance and in writing by Project Sub-Charterer.

6. Voyage

- 6.1 At any time and from time to time during the Project Period, the Charterer is entitled to use the Vessel in LNG carrier mode (“**LNG Carrier Mode**”) and order the Vessel on a Voyage, provided that Charterer has given Owner not less than ***** days prior notice.
- 6.2 If Owner is requested by Charterer to prepare the Vessel for a Voyage including but not limited to removal of any fouling, then to the extent not covered by paragraph 1.2 of Schedule III, Charterer shall (where such costs are agreed in advance by the Parties) reimburse Owner for the documented related costs within ***** days of receipt of Owner’s invoice, and the Vessel shall remain on hire and any such time taken shall not count towards the Maintenance Allowance.
- 6.3 Notwithstanding anything to the contrary in the Charter, during a Voyage Owner shall not be deemed to be in breach of any provisions of the Charter to the extent such breach is caused by or otherwise directly attributable to the use of the Vessel in FSRU Mode.
- 6.4 Unless Owner has been allowed to perform Voyage preparations in order for the Vessel to meet its original performance guarantees of the Charter, Clauses 27(a)(i)-(ii), the part of Clauses 27(c)(i) pertaining to speed and the part of Clause 27(c)(ii) pertaining to fuel oil consumption (not related to excess boil off) shall not apply to any Voyage.

7. Reinstatement Work to the Vessel

- 7.1 At the expiry of the Project Agreement the Vessel may at Charterer’s option proceed to the Reinstatement Yard or any other suitable location agreed between Owner and Charterer where Owner shall arrange for the Reinstatement Work being carried out for Charterer’s time, risk and expense. However, unless Owner has been instructed by Charterer to arrange for such Reinstatement Work to be carried out, Owner shall not be deemed in breach of any provisions of the Charter to the extent such breach is caused by or otherwise attributable to the Reinstatement Work having not been carried out.
 - 7.2 Owner shall provide to Charterer a proposed Reinstatement Specifications, which scope time and related costs shall be mutually agreed to by the Parties. Charterer shall reimburse Owner for the documented cost of the Reinstatement Work and compensate Owner for Owner’s own reasonable and documented costs related to the Reinstatement Work to the extent not covered by paragraph 1.2 of Schedule III, including but not limited to the cost of supervision, administration and follow up of the Reinstatement Work (to the extent not covered by paragraph 1.2 (c) (i) of Schedule III), within ***** days of receipt of Owner’s invoice.
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7.3 Notwithstanding anything to the contrary in the Charter, the Vessel shall be on hire, and the performance warranties set out in Clause 27 of the Charter shall not apply, for the duration of the Reinstatement Work, the time of which shall be deemed to include the Vessel's deviation time from the FSRU Terminal, time spent at, and time spent returning from the Reinstatement Yard until the Vessel has regained a position equivalent to that when the Vessel deviated for the Reinstatement Work, and such time shall not for the avoidance of doubt count against the Drydocking Allowances or the Unscheduled Maintenance Allowances set forth in the original Clause 25(d) of the Charter, or the Maintenance Allowance set forth in Clause 25(d) as amended by this Amendment No. 7.

8. Indemnities

8.1

- (a) Charterer shall indemnify and hold Owner Covered Group harmless from any charges, costs, expenses, claims, liabilities and losses whatsoever (except for any charges, costs, expenses, claims, liabilities and losses relating to the tax implications addressed in Clause 8.2 below) which Owner determines it or any member of Owner Covered Group has incurred or may incur as a consequence of the Charterer's entry into the Project Agreement, Owner's entry into this Amendment No. 7, or the Parties entering into any other document pursuant to or in connection with the Project, the Project Agreement or this Amendment No. 7, and that, for the avoidance of doubt, exceed any charges, costs, expenses, claims, liabilities and losses that Owner or any member of Owner Covered Group would have otherwise been liable for under the Charter. Furthermore, the Parties acknowledge and agree that the indemnity contained within this Clause 8 applies from the commencement of the Project Period.
 - (b) It is confirmed, clarified and agreed as follows:
 - (i) that sub-clause 8.1(a) above shall not apply to any liability specifically addressed by Clause 68 of the Charter as amended ("**Specified Liabilities**"), which shall subsist and be construed in accordance with their terms regardless of where any Specified Liabilities may be suffered or incurred (including during any use or operation of the Vessel as an FSRU in China or in LNG Carrier Mode) and regardless of the nationality of the Party or Parties to whom any Specified Liabilities are incurred (and Specified Liabilities are hereby confirmed to be liabilities which do not fall within the scope of sub-clause 8.1(a) above);
 - (ii) that Owner's liability for any tortious act (which includes negligence) by Owner or any member of the Owner Covered Group to any third party shall be treated in the same manner as such tortious act would be treated under the Charter, and the fact that any such tortious act may be committed during operation of the Vessel as an FSRU in China or in LNG Carrier Mode shall not change the allocation of liability which would otherwise apply as a consequence of such tort occurring under the Charter; nor shall the geographical location of any tortious act or the nationality of the party or parties injured by such tortious act(s) affect in any way the allocation of liability therefor. The fact that a tortious act to any third party is committed by Owner or any other member of the Owner Covered Group while
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operations are conducted under the Project Agreement does not affect in any way the culpability and liability of Owner or any member of the Owner Covered Group for such tortious act(s) (and liability for such acts shall be treated as if they had occurred under the Charter); and any resulting loss suffered by Owner or any member of Owner Covered Group shall not be covered by the indemnity in sub-clause 8.1(a) above save and except that any indemnities or limitations or exclusions of liability available to Owner under the Charter (excluding sub-clause 8.1(a) above) shall apply and shall be available to Owner in respect of any liability arising from use of the Vessel as an FSRU in China or in LNG Carrier Mode;

- (iii) that the indemnities in sub-clause 8.1(a) above and in Clause 8.2 below shall extend to and for the benefit of each member of Owner Covered Group and that each member of Owner Covered Group shall have the benefit of and may enforce those provisions notwithstanding Clause 11 of this Amendment No.7, provided that no such indemnities shall apply to any liability resulting from Owner's material failure to comply with a term or condition of the Charter, this Amendment No. 7 or any other addenda or amendments to the Charter, where such material failure is found to result directly in the liability in respect of which Owner is invoking the foregoing indemnity.
 - (c) Irrespective of whether or not the Owner or any applicable member of the Owner Covered Group is in compliance with all relevant laws and regulations in China applicable to the Vessel's operation in China in FSRU Mode, Charterer shall always be liable for and shall within ***** Business Days of a demand by the Owner indemnify and hold harmless Owner and each other member of Owner Covered Group against all losses, liabilities and costs which the Owner determines will be or has been suffered by Owner or a member of the Owner Covered Group for or on account of Chinese Taxes. Notwithstanding anything to the contrary in this Charter (including this Amendment No. 7), the Charterer shall not indemnify or hold harmless Owner or any member of the Owner Covered Group against, and shall not be liable for, any loss, liability or costs which have been or will be suffered by Owner or any member of the Owner Covered Group for or on account of Chinese Taxes which have been or will be incurred as a result (i) any activity of the Owner or any member of the Owner Covered Group that does not relate to the performance of its obligations under this Amendment No 7; or (ii) the Owner or any member of the Owner Covered Group being incorporated in or a tax resident of China or having a permanent or fixed establishment in China for any purpose other than directly in relation to this Amendment No. 7.
 - (d) Any tax credit that Owner or any member of Owner Covered Group obtains in relation to such Chinese Taxes shall be deducted from Charterer's future indemnification amounts when Owner determines that the creditable amount has been confirmed and received by Owner or the applicable member of Owner Covered Group. If Charterer is entitled to a deduction in future indemnification amounts according to the above, but the Owner determines that such deduction
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cannot be made, Owner shall reimburse Charterer accordingly. For the avoidance of doubt, the provisions of Clause 52 (“Taxes”) shall apply to taxes other than Chinese Taxes.

- (e) Charterer’s indemnity in Clause 8.2(a) above shall extend to Owner’s and any applicable member of Owner Covered Group’s costs of tax and accounting compliance which have been notified to Charterer and agreed in advance, including, without limitation: (i) the reasonable and documented costs of agents, tax advisers and internal and external tax controllers and (ii) reasonable and documented costs of registering a permanent establishment or branch in China with the Chinese tax authorities and deregistering such permanent establishment or branch at the end of the period of use of the vessel in FSRU mode in China. Charterer shall indemnify Owner and any applicable member of Owner Covered Group irrespective of whether Charterer is indemnified by Project Sub-Charterer under the Project Agreement.
 - (f) All payments by Charterer to Owner under the Charter (as amended by this Amendment No. 7) shall be paid without any deduction or withholding for Chinese Taxes. In the event that Charterer is required by law to make any such deduction or withholding of Taxes, the amount payable by Charterer to Owner shall be increased by an amount so that the amount after such a deduction or withholding shall be the amount that would have been received by Owner but for such deduction of withholding, and the Charterer shall be also liable for payment of an equivalent amount so deducted or withheld to the applicable governmental authority.
 - (g) This Clause 8.2 applies irrespective of whether any tax obligations under the Charter (as amended by this Amendment No. 7) arise from a tax assessment or reassessment by a governmental authority, or other competent tax authority, during the Project Period or after the termination or expiration of the Charter for a period of ***** years.
 - (h) A reference in this Clause 8 to “determines” means a determination made by the person making the determination acting reasonably.
 - (i) Where the Owner becomes aware of a matter which may give rise to a claim under this Clause 8.2 (a “**Chinese Tax Claim**”), the Owner shall as soon as reasonably practicable notify the Charterer in writing providing reasonable detail of the nature of the liability and the reasons for that liability arising.
 - (j) Subject to being indemnified and secured on a continuing basis to the Owner’s reasonable satisfaction against any costs and expenses which may be incurred by or on behalf of the Owner or a member of the Owner Covered Group, the Owner shall take (or shall procure that a member of the Owner Covered Group shall take) such action as the Charterer may by written notice given to the Owner reasonably request to dispute, resist, appeal against, mitigate or defend the Chinese Tax Claim (the “**Action**”).
 - (k) If it becomes clear that the Chinese Tax Claim cannot be satisfactorily resolved
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with the relevant tax or governmental authority, and if the Charterer so requests, and provides an opinion from its tax consultant that, on the balance of probabilities, the Owner would be likely to succeed in appealing against the tax or governmental authorities' arguments, the Owner (subject to it continuing to be satisfied by the level of indemnity provided by the Charterer) may appeal any decision of the relevant tax or governmental authority before the relevant court of first instance (or shall procure that such an appeal is taken).

- (l) Any further appeal to a higher court (whether to defend or appeal the first instance decision or any decision of a higher court or tribunal) shall be at the absolute discretion of the Owner.
 - (m) The Charterer may, to the extent permitted by relevant law, elect to have conduct of any Action, in which event:
 - (i) the Owner shall, or shall procure that a member of the Owner Covered Group shall, delegate the conduct of such Action to the Charterer (and/or their professional advisers) and give such authority to them as is required to allow them to conduct the Action and shall notify any relevant third party (including, without limitation, any Taxation Authority) of such authority; and
 - (ii) the provisions of paragraph (l) below shall apply.
 - (n) The Charterer hereby undertakes to the Owner to:
 - (i) keep the Owner promptly on demand informed of all matters relating to the Action and deliver to the Owner copies of all material correspondence relating to the Action;
 - (ii) deliver to the Owner in draft form all material written communications in respect of the Action which the Charterer or its advisers propose to send to a Taxation Authority and take into account all reasonable comments provided by the Owner within ***** Business Days of such delivery; and
 - (iii) obtain the prior written approval of the Owner to:
 - (A) the settlement or compromise of the Chinese Tax Claim which is the subject of the Action; and
 - (B) the agreement of any matter in the conduct of the Action which is likely to affect the amount of the Chinese Tax Claim.
 - (o) The Charterer's right to have conduct of the Action pursuant to clause 8.2(k) shall not extend to any decision to appeal any decision of a tax or governmental authority before a court or tribunal.
 - (p) For the avoidance of doubt, the Charterer shall not incur any liability in respect of
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any Chinese Tax which may become payable by the Owner or any member of Owner Covered Group in respect of (i) any activity of the Owner or any member of Owner Covered Group that does not relate to the performance of its obligations under the Charter as amended by this Amendment No 7; or (ii) the Owner or any member of Owner Covered Group being incorporated in or a tax resident of China or having a permanent or fixed establishment in China for any purpose other than in direct relation to the Charter as amended by this Amendment No. 7.

9. Costs and Expenses

Charterer shall compensate Owner for all time spent and all reasonable and documented costs and expenses incurred by Owner in connection with or related to (i) Project Sub-Charterer, the Project and/or the Project Agreement, and/or (ii) the negotiation, preparation and completion of this Amendment No. 7 and any other documents related to the Project Agreement, including but not limited to reasonable travel expenses and legal costs, provided however that such costs have been approved in advance and in writing by Charterer.

The following costs are deemed to be approved in advance and in writing by Charterer as per the date of this Amendment No. 7:

- (a) any reasonable and documented legal costs incurred or which may incur, for the Owner's account under the Facility Agreement between the Owner and Owner's Financiers in connection with or related to the negotiation, preparation and completion of this Amendment No. 7 and any other documents related to the Project Agreement, documented by copies of the relevant invoices; and
- (b) Owner's reasonable and documented external legal costs in connection with or related to the negotiation, preparation and completion of this Amendment No. 7 and any other documents related to the Project Agreement, documented by copies of the relevant invoices.

10. Confirmation

10.1 The Charterer hereby represents, warrants and confirms that the Project Agreement includes provisions:

- (a) expressly acknowledging the existence of the mortgage over the Vessel executed by the Owner in favour of the Mortgagee as security trustee for a syndicate of lenders and registered at the Norwegian International Ship Register;
 - (b) expressly acknowledging that Project Sub-Charterer's rights under the Project Agreement are subject and subordinate to the Owners' rights under the Charter (with effect that, without limitation, Project Sub-Charterer shall not assert any claim against the Owner or the Vessel by reason of any breach by the Charterer of the Project Agreement); and
 - (c) agreeing that Project Sub-Charterer shall not assert any claim against the Owner for wrongful interference with Project Sub-Charterer's rights (or any similar or equivalent claim) in respect of any actions taken by the Owner in compliance with the Charter.
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- 10.2 The Charterer confirms, for the avoidance of doubt, that clause 29(b) of the Charter covers any lien on the Vessel or claim against the Owner asserted by Project Sub-Charterer arising out of or in connection with the Project Agreement or in breach of the provisions of the Project Agreement referred to in Clause 10.1 and the Charterer shall indemnify the Owner against the consequences of (i) any such lien or claim and (ii) any breach by the Charterer of Clause 10.1.

11. Third Party Rights

- 11.1 No one who is not a Party to this Amendment No. 7 shall have any rights under it by reason of the Contracts (Rights of Third Parties) Act 1999, except that the Mortgagee shall have benefit of and may enforce the provisions of Clause 10 above.

12. Law and arbitration

- 12.1 This Amendment No. 7 shall be governed by and construed in accordance with English law.
- 12.2 The provisions of Clause 53 of the Charter ("*Law and Arbitration*") shall apply to this Amendment No. 7, as if set out in full in this Amendment No. 7.

13. Effective date

- 13.1 This Amendment No. 7 shall be fully effective on the later of the date it is executed by both Parties and the date the Mortgagee's consent is given, as required by the terms of the Owner's financing documents (and the Owner shall promptly confirm to the Charterer on such consent being given by the Mortgagee). However, Clause 8 and 9 of this Amendment No. 7 shall be fully effective on the date this Amendment No. 7 is executed by both parties.

14. Exclusion of Consequential Loss

- 14.1 Notwithstanding anything to the contrary contained in, or implied by, this Amendment No. 7 or any conditions of use, each Party shall each bear its own Consequential Loss and shall be responsible for, and shall protect, defend, indemnify and hold harmless the other Party in respect of any Consequential Loss suffered or sustained by the indemnified party and/or the indemnified party's Group, irrespective of the negligence, breach of duty (statutory or otherwise), breach of contract, breach of warranty, or strict liability of the person to be indemnified. The term "Consequential Loss" as used in this Clause 14 shall mean (a) any consequential or indirect loss under English law; and/or (b) loss and/or deferral of production, loss of product, loss of use, loss of revenue, profit or anticipated profit (if any), losses or damages under other contracts or loss of opportunity, in each case whether direct or indirect to the extent that these are not included in paragraph (a) above, and whether or not foreseeable and in each case howsoever arising out of or related to the use or operation of the FSRU Terminal or otherwise in connection with the FSRU Terminal and not just limited (by implication or otherwise) to the subject-matter of this Amendment No. 7. The term "Group" as used in this Clause 14 shall mean the parent companies, subsidiaries, affiliates, employees, agents and sub-contractors (of any tier) of a Party.

15. Compliance with Sanctions when in FSRU Mode

- 15.1 Owner shall not be obliged to operate the Vessel as an FSRU (including taking on board
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LNG, regasifying LNG or discharging regasified LNG) under the Project in a manner which, in the reasonable judgement of Owner, would be contrary to sanctions laws imposed by the UN Security Council, Norway, the United Kingdom, the European Union, the United States or the government of the Flag State (“Sanctions Laws”).

- 15.2 If the Vessel is already operating as an FSRU (including taking on board LNG, regasifying LNG or discharging regasified LNG) in a manner to which new Sanctions Laws are applied, Owner shall have the right to refuse to proceed with the operation and to make arrangements for any LNG on board the Vessel to be discharged and redelivered to the Charterer or the third party who owns it (as notified by Charterer to Owner). The Vessel to remain on hire during such discharge and Charterer to remain responsible for all additional costs and expenses incurred in connection with such discharge.
- 15.3 Charterer shall indemnify Owner against any and all claims whatsoever brought by parties to whom regasified LNG is to be sold by Charterer and/or by Project Sub-Charterer against Owner by reason of Owner’s compliance with this Clause 15.
- 15.4 In the circumstances where Clause 10.1 or 10.2 applies, either Party shall be entitled to require the Vessel to cease to be operated as an FSRU in accordance with this Amendment No. 7 with immediate effect by giving written notice to the other Party, without liability of either Party. In such event the Vessel shall cease to be operated as an FSRU unless and until such operation resumes in accordance with Clause 15.5 or the Vessel can operate in such a manner that is not contrary to Sanctions Laws. The circumstances giving rise to any cessation of Vessel being operated as an FSRU shall be deemed to be an event falling within Clause 30(a) of the Charter.
- 15.5 Owner and Charterer shall use all reasonable endeavours to apply for and obtain any applicable license or authorisation which will enable the Vessel to operate as an FSRU in accordance with this Amendment No. 7, notwithstanding the circumstances giving rise to the operation of this Clause 15 and upon the obtaining of such license or authorisation either Party shall be entitled to require the Vessel to resume operation as an FSRU in accordance with this Amendment No. 7.
- 15.6 Notwithstanding anything in this Clause 15 to the contrary, Owner and Charterer shall not be required to do anything which constitutes a violation of Sanctions Laws or of any other laws and regulations of any country to which either of them is subject.
- 15.7 Charterer shall procure that a clause materially similar to this Clause 15 is incorporated into the Project Agreement.

16. Business Principles

- 16.1 Owner and Charterer (either directly or through any of their affiliates, directors, officers, employees, masters, crewmembers, agents, representatives or parties acting for or on behalf of them or their affiliates (which, in the case of Owner, shall include members of Owner Covered Group; and in the case of the Charterer, Project Sub-Charterer and its affiliates)) shall under or in connection with the entry into this Amendment No. 7:
 - (a) comply with the applicable laws, rules, regulations, decrees and official government orders, including but not limited to the United Kingdom Bribery Act of 2010 as amended and the United States of America Foreign Corrupt Practices
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- (b) Act of 1977 as amended, or any other applicable jurisdiction, relating to anti-bribery and anti-money laundering, and they shall each respectively take no action which would subject themselves or the other to fines or penalties under such laws, regulations, rules, decrees or orders (“Relevant Requirements”);
 - (c) not make, offer or authorise, any payment, gift, promise, other advantage or anything of value whether directly or through any other person or entity, to or for the use and benefit of any government official or any person where such payment, gift, promise or other advantage would comprise or amount to a facilitation payment or violate the Relevant Requirements;
 - (d) comply with all applicable laws protecting fundamental human rights, including the prohibition of the practice, prevention and eradication of forced, bonded, indentured, involuntary convict or compulsory labour, as well as illegal child labour in its facilities and on any project or in connection with services or work provided in accordance with this Amendment No. 7. Each Party agrees to adopt or abide by sound human rights practices designed to treat workers fairly, with dignity and respect, and provide a safe and healthy environment and conduct business in compliance with applicable environmental laws and labour laws.
 - (e) have and shall maintain in place throughout the Project Period, their own policies and procedures to ensure compliance with this Clause 16, and will enforce them where appropriate;
 - (f) promptly report to the other Party any request or demand for any payment, gift, promise, other advantage, or anything of value received by the first Party in connection with the performance of the provisions of this Amendment No. 7; and
 - (g) subject to Clause 16.4, have the right to audit, via an independent third party auditor who has entered into a confidentiality agreement reasonably satisfactory to the Party being audited, the other Party’s records and reports in relation to this Amendment No. 7 at any time (on reasonable prior notice) during and within ***** years after termination of the Project Period, only in order to verify compliance or otherwise with this Clause 16 and for no other reason. Such records and information shall include at a minimum all invoices for payment submitted by the other Party along with complete supporting documentation. Subject to its obligations of confidentiality, the auditing Party shall have the right to reproduce and retain copies of any of the aforesaid records or information only for the purposes of establishing the other Party’s compliance with this Clause 16 and for no other reason.
- 16.2 Either Owner or Charterer may terminate the Charter at any time upon written notice to the other, if in their reasonable judgment, supported by credible evidence that the other is in breach of Clauses 16.1(a), 16.1(b) and 16.1(c). This right shall be without prejudice to any other rights the non-breaching Party may have in respect of such breach.
- 16.3 In the event of non-compliance with Clauses 16.1(a), 16.1(b) and 16.1(c) based on reasonable judgment supported by credible evidence, under and in connection with the entry into this Amendment No. 7, Owner or Charterer, as applicable, shall indemnify and
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hold harmless the non-breaching Party against any losses, claims, liabilities, damages, costs or expenses, including legal expenses and fines, incurred by the non-breaching Party. This obligation shall survive the expiration or termination of this Amendment No. 7.

- 16.4 In order to comply with Clause 16.1(f) above, each Party shall retain all relevant records and reports for a period of ***** years after the end of the Project Period, provided however that a Party shall not be in violation of this Clause 16 if it determines in good faith that it cannot comply with the provision of relevant documentary support in response to a request from the other Party, if the relevant documentation is subject to attorney-client privilege and/or relevant governmental authorities prevent or prohibit the disclosure of any such documentation or information.
- 16.5 Each Party represents and warrants to the other, as of the Effective Date, that it has not taken any actions that would, if such actions were undertaken after the Effective Date, conflict with such Party's obligations under this Clause 16.
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IN WITNESS WHEREOF the Parties have executed this Amendment No. 7 as of the date above first written.

For and on behalf of Charterer:

/s/ Jerome Cousin

Name: Jerome Cousin

Title: VP LNG Shipping

For and on behalf of Owner:

/s/ Vegard Hellekleiv

Name: Vegard Hellekleiv

Title: Director

SCHEDULE 1

MAIN PARTICULARS OF VESSEL // GAS FORM C



Gas FORM C

Vessel Name: Cape Ann

Date: 30/09/2021

*select form status below***Final**

General

(a)	Name of Vessel	Cape Ann
(b)	Builder and Yard	Samsung Heavy Industries Co., LTD
(c)	Hull No.	1689
(d)	Year Built	2010
(e)	Date Delivered	01/06/2010
(f)	Vessel type	LNG / FSRU
(g)	Port of Registry and Flag	Oslo NIS
(h)	IMO Number	9390680
(i)	MMSI	257352000
(j)	Call Sign	LADW7
(k)	Classification Society	DNV-GL
(l)	Class notation	+ A1 Tanker for liquefied gas, BIS Clean, CSA(2), E0, F(A, M, C) NUT(AW), NAUTICUS(Newbuilding), Plus(2), STL, TMON Ship type 2G(-163°C, 500kg/m ³ , 0.25bar)
(m)	Protection and Indemnity Club	Gard
(n)	Is vessel approved	USCG Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> IMO Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1. Principal Particulars

(a)	Length overall (LOA)	283.061 m
(b)	Length Between Perpendiculars (LBP)	270.000 m
(c)	Breadth moulded	43.40 m
(d)	Depth moulded	26.00 m
(e)	Height overall — keel to highest fixed point	49.937 m (55.866 m erected mast)
(f)	Maximum air draught (with full ballast and half bunkers) (corresponding draughts)	$\frac{40.337}{9.600} \frac{m}{m}$
(g)	Deadweight on summer load line	80780.9 tonnes
(h)	Draught on summer load line (ext.)	12.422 m
(i)	Displacement summer Load Line	112457.0 tonnes
(j)	Design Deadweight	70656.5 tonnes
(k)	Design Draught	11.422 m
	TPC at design draught	99.4 tonnes
(l)	Design Displacement	102332.6 tonnes
(m)	Gross Tonnage (International)	96153
(n)	Net Tonnage (International)	30358
(o)	Gross Tonnage (Suez)	98727.21 tons
(p)	Net Tonnage (Suez)	85037.90 tons

(q)	Light Ship Displacement	31676.1 tonnes
(r)	Displacement (maximum)	115100.7 tonnes @ tropical 12.680 m
(s)	Windage: Lateral	Loaded: 1273 Ballast: 1396
	Longitudinal transverse	Loaded: 6064 Ballast: 6810
(t)	Conditions of Carriage (as defined on Certificate of Fitness):	All Cargo tanks Minimum temperature: -163°C Maximum density of cargo: 500kg/m ³ Maximum filling: 98.5% of tank volume at reference temperature Filling restrictions for cargo tanks: 1. When the vessel is in operating in open seas: Cargo tanks shall not be illed to a liquid level between 2.17m and 70% of the tank height. 2. When the vessel is turreted moored at Neptune deepwater port in Massachusetts Bay: All filling levels are acceptable provided the vessel is operated within following wave heading-height limitations: Wave heading Significant wave height 20 degrees off bow 5m 20-45 degrees off bow 3m 45-90 degrees off bow 1.5m

2. Operating Draught and Deadweight

(a)	Length overall (LOA) Draught filling to 98.5% (@ cargo density 0.47 kg/m ³)	11.28 m
(b)	Deadweight filling to 98.5%(@ cargo density 0.47 kg/m ³)	70656.4 mt

3. Ballast System

(a)	Total capacity of ballast water tanks	52349.80m ³
(b)	Number, capacity and head of pumps for handling ballast	3 x 2500m ³ /hr @ 30m
(c)	Is Vessel able to ballast / de-ballast within the cargo loading/discharging period?	Yes
(d)	Can the Vessel undertake ballast exchange at sea within 24 hours	Yes - (Sequential)
(e)	Vessel equipped with Ballast Water Treatment system	No

4. Main Certificates:

(a)	Load line Certificate	Issued: 2021-05-21
(b)	Safety Equipment Certificate	Issued: 2021-05-21

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Gas Form

HÖEGH LNG

(c)	Certificate of Fitness (IGC)	Issued: 2021-05-21
(d)	Certificate of Tonnage	Issued: 23/09/2018
(e)	IOPP	Issued: 2021-05-21
(f)	Document of Compliance	Issued: 06/11/2020
(g)	USCG Certificate of Compliance	Issued: 16/06/2021
(i)	SIRE Inspection	19/02/2021
(j)	Port state control	16/06/2021

4.1 Is certification held indicating compliance with the following?

(k)	ISPS Code	Yes
(l)	Rules and Regulations of Suez Canal Authorities	Yes
(m)	ISM	Yes

5. Propulsion

(a)	Type and make of propulsion plant	Diesel Electric ABB
(b)	Maximum rated power and RPM	26400 Kw @ 85 rpm
(c)	Proposed service power and RPM	
(d)	Grade of Fuel	HFO / MGO / GAS
(e)	Dual Fuel Burning	Yes
(f)	Propeller	1 Fixed propeller – 8.6 m diameter
(g)	Thrusters	2 x Bow thrusters each 2000 Kw 2 x Stern Thrusters each 1200 Kw

6. Speed / Consumption

(a)		Maximum fuel consumption (Tonnes of Fuel Oil Equivalent / day)	
	Speed (Knots)	Laden	Ballast
	19.5		***** mt HFO/day
<i>PROVIDED FOR INFORMATION ONLY — NOT GUARANTEED</i>			

(b)	Trial Speed at Maximum Power (with 21% sea margin at ballast draught)	20.7 kn
(c)	Service Speed (MPP with 21% sea margin at design draught)	19.5 kn
(d)	Consumption in Port (cargo operations)	***** mt/day
(e)	Consumption in Port (idle)	***** mt/day
(f)	Consumption for inert gas generation	***** kg/hr

7. Boilers and Steam Capacity

(a)	Number and type of boilers	Regas Boilers - 2 x Mitsubishi HI Aux Boilers - 2 x Mitsubishi HI
(b)	Maximum steam output available	Regas Boilers: 100 Metric Tonnes/Hour at 2.75 Mpa Aux Boilers: 5Ton/H at 1.0 Mpa
(c)	Normal service output corresponding to 5(b)	NA

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8. Cargo Tanks

(a)	Number of tanks	
(b)	Capacity of LNG tanks at normal filling level	
	No 1 Tank	19113,1 m ³
	No 2 Tank	41284,4 m ³
	No 3 Tank	41284,0 m ³
	No 4 Tank	41287,1 m ³
	Total	142968,6 m ³
(c)	Gross Capacity of LNG tanks at 100%	
	No 1 Tank	19404,2 m ³
	No 2 Tank	41913,1 m ³
	No 3 Tank	41912,7 m ³
	No 4 Tank	419115,8 m ³
	Total	145145,8 m ³
(d)	Partial loading/filling restrictions	Yes – see above 1. (u)
(e)	The Vessel's cargo tanks can be cooled down from ambient in:	10 hrs
(f)	Maximum filling rate	98,5%
(g)	Relief valve settings (MARVS) LNG IC Mode	25 kpa / -1 kpa
	Relief valve settings (MARVS) FSRU Mode	410 kPa
(h)	Laden Condition Boil-Off rate	*****%/24 hrs
(i)	Ballast Condition Boil-Off rate	0.10%/24 hrs

9. Regasification Plant

(a)	LNG Inlet Pressure	5 bar (a)
	Inlet Temperature	-160 ° C
	Liquid Volume Flow	479.8 m ³ / h
(b)	Suction Drum Capacity	19.9 m ³ (Not to exceed 20.0 m ³)
	Suction Drum	-162 ° C
	Suction Drum Pressure	0.5 MPa
	Suction Drum Volume	478.2 m ³ / h
(c)	Number and Make of HP Booster	Pumps 6 / Nikkiso Cryo Inc.
	Booster Pump Suction Pressure	5 bar
	Booster Pump Discharge Pressure	120 bar
	Booster Pump Rated Flow	240 m ³ / h
	Booster Pump Rated Head	2700 m
	Temperature	-160° C
(d)	LNG / WG Vaporizer Type	U-tube, 1 pass, vertical
	Capacity	210000 kg/h (skid)
	Minimum Capacity	42000 kg/h

	Temperature Increase	-163 to 10 ° C
(e)	Water / Glycol Circulation Pump Capacity	720 m ³ /h
	Sendout Pressure	105 bar (a)
	Sendout Temperature	10 ° C
	Sendout Volume:	250 mmscuf / day per skid
(f)	HIPPS Pressure Limit	13.6 MPa
(g)	Steam Pressure from Regas Boilers	2.5 MPa

9a. Gas Metering System

(a)	Ultrasonic Gas Metering System	
	Ultrasonic Gas Flow Meters	2 units
	Pressure Transmitters	2 units
	Temperature Transmitters	2 units
(b)	Gas Analyzer System	
	Sample Probe	1 unit
	Gas Chromatograph	2 units
	Pressure Reduction Cabinet	1 unit
	Analyzer Cabinet	1 unit
(c)	Metering Control System	
	Metering Cabinet	1 unit
	Flow Computers	2 units

10. Cryogenic Systems

(a)	Type of LNG containment system	GTT Membrane
(b)	Design temperature	-163°C
(c)	Make and type of vapour return compressors	CRYOSTAR CM400/55 Cent. Single stage fixed rpm adjustable vanes.
(d)	Number and rated capacity of vapour return compressors and corresponding discharge head	2 HD 32000m ³ /hr
(e)	Is a steam dump system provided? If so, is the capacity sufficient to deal with all excess steam generated by the boilers at max designed Boil-Off rate with engines stopped according to Class & USCG Rules?	N/A
(f)	Total capacity of liquid nitrogen storage tanks (if nitrogen generator not fitted)	N/A
(g)	Gas Heaters	Cryostar 65-UT 38/34-3.2 BEU
(h)	Vaporisers	FV - Cryostar 34UT-25/21-3.6 BEU 5800kg/h MV - Cryostar 65-UT-38/34-5.6 BEU 18500 kg/h

11. LNG Measurement and Tank Calibration

(a)	Are all tanks calibrated and certified by a qualified agency? (Specify agency)	NKKK
(b)	Make and type of primary system for measuring cargo level, temperature and pressure	Kongsberg Maritime AS , Radar Antenna
	Level measuring system accuracy and range	2.4mm
	Temperature measuring system accuracy and range	Temp: 0.15C(-165), 0.19C(-145),0.18C(-100),0.24C(0
	Pressure measuring system accuracy and range	0.33% or 0.20kPa
(c)	Is secondary system for measuring LNG liquid level fitted and, if so, state type and measuring accuracy	Same as primary, Kongsberg Maritme AS

12. Cargo Manifolds

(a)	Do manifolds follow requirements of Vol Category “B” of O C I M F “ <i>Recommendations for Manifolds for Refrigerated Liquefied Natural Gas Carriers (LNG)</i> ” 2nd Edition — 1994? (If “No”, state variations)	Yes
(b)	State layout of liquid and vapour connections	L-L-V-L-L
(c)	Distance of the centre of manifolds from amidships	+ 2000 Millimeters
(d)	Distance of presentation flange from ship’s side	3110 Millimeters
(e)	Distance of presentation flange from ship’s rail	3050 Millimeters
(f)	Height of manifold centre above keel	30,950 Metres
(g)	Size and location of liquid nitrogen loading connection	N/A

13. Cargo Discharge

(a)	Number of cargo pumps per tank	2
(b)	Make and type of cargo pumps	Shinko / Submerged
(c)	Design rated capacity of each cargo pump and corresponding discharge head	1700 m3/hr/155m
(d)	Number of spray (stripping) pumps per tank	1
(e)	Make and type of spray (stripping) pumps	Shinko SM65 / Submerged
(f)	Design rated capacity of each spray pump and corresponding discharge head	50m3/hr/145mtr
(g)	Number, Make and Capacity of Auxiliary Pumps (i.e. fuel gas for X-DF)	2 Shinko fuel gas pumps 40m3/hr/215m 1 Shinko fuel gas pump 10m3/hr/155m 3 Nikkiso Emcy/ LNG feed pump 650m3/hr/155m
(h)	Bulk discharge time (not including start up and stripping periods) — assume head at ship’s rail = 80 mlc and no restrictions on vapour return from shore.	12 hrs

14. Emergency Shutdown System and Ship/Shore Compatibility

(a)	At what cargo level (%) is overflow protection activated? (State if applicable both, LNGC Mode and FSRU Mode)	98.5% Filling Vlv close , 99% ESD
(b)	Does overflow protection activate the following: Trip ESD system? Close manifold valves? Trip cargo pumps? Trip ship/shore link system?	Yes Yes Yes Yes
(c)	What ship/shore link systems are installed: Optical Fibre Link Electric Links — Pyle-National / Miyake connector Pneumatic ESD Link	Yes Yes Yes

15. Bunkers

(a)	Capacity of heavy fuel oil bunker tanks @ 98% (SG 0.99)	4313.4 mt
(b)	Capacity of gas oil bunker tanks @ 98% (SG 0.90)	1259.1 mt
(c)	Maximum bunker loading rate	500mt/hr
(d)	Segregated low sulphur fuel oil storage capacity	No

16. Fresh Water Capacity

(a)	Capacity of fresh water generators	2 x 30 m ³ /day
(b)	Distilled capacity	295 m ³
(c)	Domestic capacity	295 m ³
(d)	Distilled consumption	5 m ³ /day
(e)	Domestic consumption	10 m ³ /day

17. Inert Gas Generation

(a)	Type and make of equipment	Smit Gas Gin 14000_O.25BUFD Aalborg
(b)	Capacity	14000 m ³ /hr, DP-45C
(c)	Quality of gas O ₂ Max	1% by volume
(d)	Quality of gas CO Max	100 ppm
(e)	Quality of gas SO ₂ Max	2 ppm
(f)	Quality of gas NO _x Max	65 ppm
(g)	Dew point	-45°C at atm.

18. Nitrogen

(a)	Type and capacity of nitrogen generation system	Air Products
(b)	Consumption	N/A
(c)	Liquid nitrogen storage	N/A
(d)	Nitrogen generator capacity	120 m ³ x 2 units DP -70°C
(e)	Pressure tank	50 m ³

19. Gas Compressors

(a)	Low duty (fuel gas compressor): No. and capacity	2 x 6153 kg/h / 4,350 m ³ /hr
(b)	Low duty (fuel gas compressor): maker	Cryostar
(c)	High Duty Compressor: No. and Capacity	2 x Single Stage Centrifugal - 32,000 m ³ /hr / 48818 kg/h
(d)	High duty (fuel gas compressor): maker	Cryostar

20. Gas Compressors

(a)	Number of electric generators	4 + 1
(b)	Type of electric generators	Wartsila DFDE 3 X 11400Kw , 1x 5700Kw + Emergency gen 500Kw
(c)	Output of electric generators	3 X 11400Kw , 1x 5700Kw + Emergency gen 500Kw
(d)	Fuel type and quantity at full load of electric generators	MGO/HFO/GAS 135mt HFO/Day
(e)	Power required for discharge / de-ballasting at full rate	7000Kw

21. Deck Machinery

(a)	Winches	Forecastle: 90 T/ 1 triple, 3 double Aft main: 90 T/ 2 double Poop: 90 T/ 2 double + 1triple
(b)	Wires	Yes
(c)	No. Wires Forward	9
(d)	No. Wires Aft	9
(e)	Wires Fitted with Synthetic Tails	Yes
(f)	Derricks, Cranes —Type and SWL	STL Crane 1 x Electro-Hydraulic (Jib Type)SWL 10T x 30 m / SWL 2T x 30 m Hosehandling Crane 1 x Electro-Hydraulic (Jib Type) SWL 12T X 17.4 m (port side) Hosehandling Crane 1 x Electro-Hydraulic (Jib Type) SWL 11.4T X 17.4 m, 9T X 17.4 m (Extra jib on), 2T X 25.4 m (stb side) Provision/store handling cranes 2 x Electro-Hydraulic (Jib Type) SWL 5T X 16.3 m/15T X 17.5 m
(g)	Anchors	2 x 12.675 Kg Stockless - Port 14 Shk / Stb 13 Shk
(h)	Emergency towing device	Yes
(i)	Quick Release Hooks (QRH)	150T Double QRH unit with capstan (8 pieces)

22. Navigation and Communications

(a)	Type and number of radar sets fitted	Furuno radar/arpa FCR-2827W / 3
(b)	Is an approved GMDSS installed? (Type?)	Yes - Furuno
(c)	Is an additional Sat Com system installed? (Type?)	Yes - Furuno Inmarsat Fleet Broadband - Felcom 500
(d)	Is Suez Canal Projector fitted?	Yes

23. Crew

(a)	The Officers May be of the following Nationalities	NOR, SWE, HR, RUS, LAT, FIL, U.S., UK
(b)	Number of Officers (Minimum)	11 (Minimum Operational)
(c)	Number of Crew (Minimum)	15 (Minimum Operational)

24. List of compatible LNG Terminals:

Although the vessel or sister vessels has previously been found compatible with the below list of terminals, continued compatibility cannot be guaranteed and re-confirmation with the terminal may be required.

Load Ports		Discharge Ports	
Country	Terminal	Country	Terminal
Abu Dhabi	Das Island	Belgium	Zeebrugge
Alger	Bethioua	China	Guangdong
Australia	Whitnell Bay	China	Fujian
Australia	Gorgon	China	Tianjin
Australia	Darwin		
Belgium	Zeebrugge	China	Jiangshan Rudong
Brazil	Guanabara Bay	China	Dalian
Brazil	Pecem	China	Tangshan
Colombia	Cartagena	China	Dapeng
Egypt	Idku	China	Hainan
Egypt	Damietta	China	Zhuhai
Indonesia	Bontang	China	Rudong Jiangsu
Indonesia	Arun	Chile	Mejillones
Nigeria	Bonny	France	Fos Cavaou
Norway	Hammerfest	India	Dahej
Oman	Qalhad	India	Hazira UK
Qatar	Ras Laffan	India	Dabhol
Malaysia	Bintulu	Japan	Ohgishima
Malaysia	Malacca	Japan	Futtsu
USA	Elba island	Japan	Semboku
USA	Sabine Pass	Japan	Sodegaura
USA	Corpus Christi	Japan	Kawagoe
USA	Freeport LNG	Japan	Negishi
USA	Cove Point	Japan	Chita
Trinidad & Tobago	Point Fortin	Japan	Himeji
		Portugal	Sines
		Puerto Rico	Penuelas
		Singapore	Singapore
		South Korea	Incheon
		South Korea	Pyeong Taek
		South Korea	Tong Yeong
		South Korea	Boryeong
		South Korea	Gwangyang
		Spain	Algeciras
		Spain	Barcelona
		Spain	Cartagena
		Spain	Bilbao
		Spain	Huelva
		Spain	Cadiz
		Turkey	Izmir
		UK	Isle of Grain
		USA	Everett
		Taiwan	Yung An
		Mexico	Altamira
		Kuwait	Mina Al Ahmadi

Note: Vessel cannot call USA due to BWTS not installed.

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SCHEDULE 2

GAS NOMINATION PROCEDURES

Introduction: This Schedule 2 outlines the principles governing Charterer's and Owner's notifications and nominations of gas dispatch volumes from the Vessel to the Downstream Systems, as may be amended from time to time to be consistent with industry practice (hereinafter the "**Gas Nomination Procedures**").

"**Commercial Operations**" shall mean representative(s) of Project Sub-Charterer responsible for the overall management and scheduling of the nominated dispatch volumes on the Downstream Systems and related procedures as outlined in, but not limited to, this Schedule 2.

1. **Rolling 1-month and 1-week nomination protocols:**

A rolling 1-month nomination protocol and 1-week nomination protocol shall be established and updated weekly as a tool to plan FSRU and LNG storage operations and maintenance planning. These nomination protocols will be suspended in the event that the Vessel leaves berth due to the order of the master of the Vessel to ensure that the safety of the ship or the environment is not compromised or due to the orders of the Charterer. For the avoidance of doubt, the 1-month nomination protocol and 1-week nomination protocol shall be for Owner's reference only.

2. **Actions on arrival:**

For the Vessel's first arrival at Delivery, or the Vessel's return to the FSRU Terminal berth either while operating in LNG Carrier Mode or as a result of an interruption to FSRU operations the following actions shall be undertaken:

- (a) Within ***** hours' of the master and the Charterer's designated representative(s) ("**Charterer's Representative(s)**") receiving notice from the Project Sub-Charterer to transit to the FSRU Terminal, the master of the Vessel will consult and send to Commercial Operations (copying in Charterer's Representative(s)) in writing either (i) Notice of Arrival ("**NOA**") or (ii) an indication of the ***** hour Expected Time of Arrival ("**ETA**") at the FSRU Terminal and in each case, the expected time of notification of "Readiness to Receive LNG" and/or "Readiness to Discharge Gas" and/or "Readiness to Discharge LNG".
 - (b) Commercial Operations will, within ***** hours of receiving the NOA from the arriving Vessel, respond in writing to the master of the Vessel copying in the Charterer's Representative(s) providing the expected discharge profile for the following 1-month and 1-week nomination protocols.
 - (c) The master of the Vessel will, within ***** hours of receiving Commercial Operations' notification under paragraph 2(b) of this Schedule 2 notify in writing Commercial Operations and Charterer's Representative(s) of the Vessel's readiness to make available LNG for discharge or to load a cargo or vaporization capacity to meet the expected unloading or loading quantity or discharge profile, taking into account any time needed to connect the Vessel to the
-

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FSRU Terminal, conduct all necessary ESD connections and tests, pressure and leak tests, cooling down of regasification plant if applicable, gas up the line to required pressure, ramp up to send out level required if applicable unless such time is extended by reasons attributable to Project Sub-Charterer, the FSRU Terminal, tugs, governmental or regulatory authorities, or Force Majeure..

3. **Updated notifications:**

- (a) Concurrent with any ***** hour ETA notice or NOA pursuant to paragraph 2(a) above, the master of the Vessel shall notify in writing Commercial Operations, copying in the Charterer's Representative(s), in hard copy and electronic form, of the expected time of "Readiness to Discharge Gas", "Readiness to Receive LNG", or "Readiness to Discharge LNG" ("***** Hour Notice") and of the Vessel's vaporization capability for the impending offloading (with such confirmation not affecting performance requirements under the Charter).
- (b) Commercial Operations shall, within ***** hours of receiving the ***** Hour Notice, provide in hard copy and electronic form to the master and the Charterer's Representative(s) the expected discharge profile for the impending 1-month and 1-week nomination protocols.
- (c) The master of the Vessel shall provide written notice to the port authority of its arrival at the FSRU Terminal, where "arrival" shall mean the time when the Vessel is at the FSRU Terminal's anchorage or waiting zone and waiting to be cleared by the port authority (having submitted a request for clearance) to approach the FSRU Terminal to moor to the berth, connect to the Upstream facilities and Downstream Systems and prepare to discharge gas.

4. **Readiness to Receive LNG:**

Subsequent to receiving port clearance notification, a hard and electronic format notice of "Readiness to Discharge Gas", "Readiness to Receive LNG", or "Readiness to Discharge LNG" shall be given (or if not given, then deemed given) by the master of the Vessel to the Charterer's Representative(s) and Commercial Operations upon the earliest occurrence of the following conditions:

- (a) The Vessel is moored, connected to LNG/HP arms at the FSRU Terminal and is ready in all respects to receive LNG or discharge gas or LNG; or
- (b) The Vessel has received clearance to enter port and ***** hours have passed since such notice was given, unless such time is extended by reasons attributable to Commercial Operations, the port authorities, governmental or regulatory authorities, or Force Majeure.

For purposes of this Schedule 2, "Force Majeure" means any act or event that prevents or delays a Party's performance of its contractual obligations if and to the extent: (a) such act or event, whether foreseeable or unforeseeable, is beyond the affected Party's reasonable control and is not the result of the affected Party's fault or negligence; and (b) the affected Party has been unable to overcome the consequences of such act or event by the exercise

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of all commercially reasonable endeavours. Subject to the satisfaction of the conditions set forth in the foregoing sentence, Force Majeure shall include the following acts or events, or any similar and equally serious acts or events: (i) acts of God; (ii) acts of princes, rulers and governmental authorities, war (whether declared or undeclared), blockade, act of terrorism, revolution, insurrection or acts of public enemies, assailing thieves or pirates, mobilization, civil commotion, riots or sabotage; (iii) plague or other epidemics or quarantines; (iv) freight embargoes; (v) fire, explosion, earthquakes, tidal waves, floods, typhoons, hurricanes or other named storms and perils of the sea; (vi) strikes, lockouts or industrial disturbances including those aboard the FSRU or at a port or other facility at which the FSRU calls or to which or from which the FSRU transits; and (vii) seizure of the FSRU or her cargo under legal process.

5. **Daily nominations protocol:**

- (a) Commercial Operations shall provide the Charterer's Representative(s) and the Vessel's master with a nomination in writing as follows:
- (i) Nominated Discharge Rate(s) for Gas Day X (which is a period of twenty-four (24) hours commencing at 10:00 AM Chinese local time); and
 - (ii) in the case of a discharge for a partial Gas Day, the hours for which such discharge will take place,

in either case by 8:00 PM Chinese local time one (1) day earlier, i.e., Gas Day X-1;

- (b) The master of the Vessel shall by 11:59 PM Chinese local time on Gas Day X-1, notify in writing Commercial Operations and the Charterer's Representative(s) if the Vessel cannot meet such Nominated Discharge Rate for any reason. The Parties will then meet to discuss the reason for the failure and the steps to be taken to remedy it.
- (c) The daily Nominated Discharge Rate(s) shall:
- (i) be expressed in mmscf/d;
 - (ii) subject to sub-paragraph (c)(iii) below, not be more than the "Nameplate Regasification Capacity" (which shall mean ***** mmscf/d and pro-rata for part of a Gas day) and shall be between ***** and ***** mmscf/d and pro-rata for part of a day;
 - (iii) at the option of Commercial Operations, be between ***** mmscf/d and ***** mmscf/d (and pro-rata for part of a day) for a maximum of ***** consecutive days in any ***** day period and no more than ***** days in a period of ***** consecutive months ("**Exceptional Daily Gas Nominations**"); and
 - (iv) subject to paragraph 8(e) and 8(f) of this Schedule 2, comply with a daily discharge curve ("**Daily Discharge Curve**") agreed between Charterer's FSRU Representatives
-

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and Owner's FSRU Representative each day in advance;

- (v) include the principle that the start of ramp up or ramp down to achieve the Nominated Discharge Rate for a Gas Day X shall start at the beginning of Gas Day X in the event the Nominated Discharge Rate for Gas Day X-1 is different from the Nominated Discharge Rate for Gas Day X regardless of the metering tolerance.
- (d) Owner shall have the right to adjust the intra-day send-out rate by plus or minus *****percent (*****%) or ***** mmscfd (whichever is the greater) for operational reasons (the "**Operational Tolerance**"). Provided that the Nominated Discharge Rate is within the agreed parameters, and subject to any adjustment under this paragraph 5(d) or under paragraph 5(e) of this Schedule 2 to the intraday send-out rate, Owner will dispatch gas volumes on each Gas Day in accordance with the agreed Nominated Discharge Rate (after the application of any Operational Tolerance) ;
- (e) After the occurrence of an event that reduces gas send out, Owner shall have the right to adjust the gas send out by no more than *****percent (*****%) over the balance of the Gas Day to meet the Nominated Discharge Rate. Charterer shall not unreasonably refuse to adjust the actual gas send out requested by the Owner.
- (f) Charterer shall have the right to request an "**Intraday Nomination**" being any change to the agreed daily Nominated Discharge Rate(s) and corresponding Daily Discharge Curve, and requested later than ***** hours before the start of the Gas Day and including changes requested during a Gas Day. For the avoidance of doubt, the maximum number of ***** different send out rates per Gas Day shall also include Intraday Nominations if any. Intraday Nominations shall also comply with Vessel technical limitations below. Owner shall use all reasonable endeavours to accommodate any Intraday Nomination but shall not be liable for any failure to achieve the Intraday Nomination, aside from as a result of Owner's failure to use all reasonable endeavours pursuant to this sub-paragraph (f).

6. **Vessel technical limitations:**

The Nominated Discharge Rate(s) shall include and be limited by the following:

- (a) Ramp up/down period:
- a relative change of *****_***** MMscf/day (being a change up or down between ***** and ***** MMscf/day, regardless of starting point, e.g. from ***** to ***** MMscf/day): ***** **hours**.
 - a relative change of *****_***** MMscf/day (being a change up or down between ***** and ***** MMscf/day, regardless of starting point, e.g. from ***** to ***** or from ***** to ***** MMscf/day): ***** **hours**.
- (b) Time required to cool down a spare skid, including preparation time is ***** plus *****
-

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(*****+*****) hours. The Vessel will perform preventive maintenance in order to ensure maximum availability and redundancy, a consequence of this is that following a nomination, the Vessel may take out spare capacity for maintenance. Nevertheless any preventive maintenance is subject to Charterer's approval, which shall use reasonable endeavors to accommodate such request, being understood such approval not to be unreasonable withheld or delayed, but being understood that such maintenance shall not occur between 25th October of any calendar year and 31st March of the following calendar year.

- (c) Always excluding ramp up/down period, it is understood and agreed between Charterer and Owner that the characteristics of the regasification plant onboard the Vessel will at all times have ongoing self-adjustments causing the actual send-out rate to fluctuate above and below the set value for the send-out with the aim of delivering as close to required send-out as possible. Notwithstanding anything to the contrary, the actual send-out being within ***** per cent (*****%) above/or below the agreed send-out profile shall at no time be considered underperformance by the Charterer.

7. Interruption of accepted Nominated Discharge Rate:

In the event that the discharge operations are interrupted or reduced for a material period for any reason attributable to the actions of the Owner, the master of the Vessel, or Commercial Operations, if any Party becomes aware of such interruption or reduction shall notify the other Party in writing of all relevant information including:

- (i) the aggregate impact on the discharge of gas for the relevant Gas Day;
- (ii) the nature of the interruption or reduction detailing, if available, the cause of the interruption; and
- (iii) the anticipated duration of the interruption or reduction if such information is available at the time of the initial notification.

8. Coordination with the pipeline operator:

Commercial Operations shall be responsible for all downstream pipeline nominations and transportation as required, and will have direct interaction with the pipeline operator regarding such matters. All required communications to and from the pipeline operator to the Vessel shall be communicated via Commercial Operations to the Charterer's Representative(s) and the master of the Vessel.

9. Discussion with master; emergencies:

Commercial Operations shall engage in three-way conversations with master of the Vessel and Charterer's Representative(s) when providing notices and discussing nominations or any other subject matter of this Schedule 2. All notices shall be sent by email and by fax to addresses and numbers that will be agreed by . If Charterer's Representative(s) is or are not available, then Commercial Operations may engage in direct two-way conversations with the master of the

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Vessel, provided that Commercial Operations continues to copy Charterer's Representative(s) on all notices. Additionally, in the case of emergency when the time to communicate with the Charterer's Representative(s) may increase the risk to safety or the environment, the master of the Vessel may directly communicate with, or receive communications directly from the pipeline operator and/or Commercial Operations.

SCHEDULE 3

DISCHARGE PERFORMANCE CERTIFICATE

[date]

Discharge Performance Certificate

Reference is made to Clause 27 (*Performance*)(b) (ii) of the Time Charterparty dated 20 March 2007 (as amended) (the “**Charter**”) and made between SRV Joint Gas Two Ltd. as owner (the “**Owner**”) and Total Energies Gas & Power Limited, London, Meyrin — Geneva Branch as charterer (the “**Charterer**”).

Terms defined in the Charter shall have the same meaning when used in this certificate unless given a different meaning herein.

On [date] the Actual Discharge Rate was [reduced] [increased] from [] MMScf/day to [] MMScf/day during regasification of LNG and has been in operation for three (3) periods of at least eight (8) hours. As of [date] such [reduced] [increased] Actual Discharge Rate, being [] MMScf/day, shall be the [Lowest Performance] [Normal Performance].

For and on behalf of Owner

For and on behalf of Charterer

Name:

Title:

Name:

Title:

SCHEDULE 4
OWNER'S PERMITS

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SCHEDULE 5
FORMS OF LNGC AND FSRU CONDITIONS OF USE

PART I

LNGC

Conditions of Use applicable at Designated Port

Confidential Draft

CONDITIONS OF USE

PORT OF TIANJIN

1. Dusko Nikolic, The Master (“**Master**”)

of the ship “Cape Ann” (“**LNG Tanker**”),

owned by SRV Joint Gas Two Ltd (“**Owner**”),

whose address is at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands,

hereby acknowledge receipt of these conditions of use (“**Conditions of Use**”) of the PipeChina Tianjin LNG Terminal (“**Tianjin LNG Terminal**”) and a copy of the Tianjin Port Regulations (“**Port Regulations**”) on 06-June-2021, and in consideration for permission to use the Port, hereby agree on behalf of Owner, as Master of the LNG Tanker and duly authorized representative of Owner, to be bound by the terms and conditions of these Conditions of Use, the Port Regulations and such other laws, rules and regulations applicable in the Port as may be issued by the Port Management or agency of the Government of the Peoples Republic of China.

1. The definitions appearing in the Port Regulations are incorporated herein by reference and the following additional definitions are applicable:

“**FSRU**” means [•] a floating LNG storage and regasification unit;

“**Port Facilities**” mean all infrastructure, equipment and installations at the Port which are owned, controlled or operated by the Terminal Interests, whether fixed or movable, including the FSRU, channel, channel markings, buoys, jetties, berths, lines, gangways, water craft, bunkering and unloading facilities;

“**Port Management**” means any governmental authority or its agents responsible for the navigation or berthing in, to or from the Port;

“**Port Services**” means any right of approach or access granted in respect of the FSRU or any other service tendered or provided by the Port Management to the LNG Tanker, including pilotage, towage, tug assistance, mooring or other navigational services, whether for consideration or free of charge;

“**Terminal Interests**” means PipeChina Tianjin LNG Limited Company, [•] and [•] and their affiliated companies operating at the Port, including their respective directors, officers, agents, employees, servants and sub-contractors of any tier; and

“**Vessel Interests**” means the LNG Tanker, the Master and Owner of the LNG Tanker, and the Owner’s affiliated companies operating at the Port, including its respective directors, officers, agents, employees, servants and subcontractors of any tier.

2. The Master shall be responsible, at all times and under all circumstances, for the safe and proper operation and navigation of the LNG Tanker and management of its cargo. The Terminal Interests make no warranty with respect to the rendering of Port Services and any use thereof shall be at the sole risk of the Vessel Interests. The Terminal Interests shall not be responsible for any loss or damage to the LNG Tanker, actual or consequential, which is related to Port Services provided to the LNG Tanker regardless of any act, omission, fault or neglect of the Terminal Interests, including pilot’s neglect, error or mistake. In determining fault hereunder where a casualty or loss involves the provision of Port Services, the Vessel Interests are deemed solely responsible for the acts or omissions of tug owners, tug operators, tug masters and harbour/berthing pilots occurring in connection with towage or pilotage services (regardless of any agreement to the contrary between the Vessel Interests and any such party).
 3. Whilst the Terminal Interests have taken reasonable care to ensure that the Port Facilities are safe and suitable, the Terminal Interests make no warranty with respect thereto and any use thereof shall be at the sole risk of the Vessel Interests. The Terminal Interests shall not be responsible for any loss or damage to the LNG Tanker, actual or consequential, which is related to the use of the Port Facilities by the LNG Tanker regardless of any act, omission, fault or neglect on the part of the Terminal Interests.
 4. The Terminal Interests shall not be responsible for the acts or omissions of its servants or agents relating to any loss or damage to the LNG Tanker, or any loss or injury suffered by the Master, officers or crew.
 5. The Terminal Interests shall not be responsible to the Vessel Interests for any loss related to strikes or other labour disturbances, whether the Terminal Interests or its servants or agents are parties thereto or not.
 6. The Vessel Interests shall, in all circumstances, defend, hold harmless and indemnify the Terminal Interests against any claim, cost or expense arising from:
 - 6.1 any loss suffered by the Terminal Interests with respect to damage to the Port Facilities or injury to its personnel which is related to the use of the Port by the LNG Tanker and which involves the fault, wholly or partially, of the Master, officers or crew, including negligent navigation;
 - 6.2 any loss suffered by third parties with respect to damage to their property or injury to their personnel which is related to the use of the Port by the LNG Tanker and which involves the fault, wholly or partially, of the Master, officers or crew, including negligent navigation;
 - 6.3 Save where caused by the sole negligence of the Terminal Interests, any loss suffered by the Terminal Interests with respect to a hazard under condition 7 hereof or with respect to any liability or costs incurred or arising in relation to any pollution from the LNG Tanker;
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- 6.4 any loss or damage to the LNG Tanker , including consequential losses and all claims, damages and costs arising therefrom, regardless of any act, omission, fault or neglect on the part of the Terminal Interests; and
- 6.5 Save where caused by the sole negligence of the Terminal Interests, any injury to or death of personnel or any property loss, in any case suffered by the Master, officers or crew of the LNG Tanker, or any personnel of the Vessel Interests including consequential losses and all claims, damages and costs arising therefrom, regardless of any act, omission, breach of duty (statutory or otherwise), fault or neglect on the part of the Terminal Interests.
7. If the LNG Tanker or any object on board sinks or grounds or otherwise suffers a casualty so as to become, in the opinion of the Terminal Interests, an obstruction, wreck or danger affecting or interfering with the normal operations of the Port or an obstruction, threat, or danger to navigation, operations, safety, health, environment or security at the Port (in any such case, a “**hazard**”), the Vessel Interests shall, at the option of the Port Management, take immediate action to clear, remove or rectify the hazard and in so doing (without limitation of its obligations) shall act in such manner as may be required by the Port Management in compliance with applicable law or order by local or governmental authority and as the Port Management, in so complying, may direct and, pending such removal, at the expense of the Vessel Interests shall mark, light and watch the same. The Terminal Interests shall make reasonable efforts to assist the Vessel Interests to fulfill their responsibility without, however, being obliged to incur any expenses in connection therewith. If the Vessel Interests do not promptly take reasonable measures to remove the hazard, the Port Management or the Terminal Interests may effect such removal at the expense of the Vessel Interests, provided that:
- 7.1 Save where caused by the sole negligence of the Terminal Interests, the actual cost of such measures (and any damage to the property of the Terminal Interests incurred during their execution) shall be excluded from the aggregate limit of liability prescribed in condition 16;
- 7.2 any consequential damages resulting from the failure of the Vessel Interests promptly to effect reasonable measures shall be recoverable to the extent permitted under applicable law; and
- 7.3 if consequential damages are recoverable, they shall be subject to the aggregate limit of liability prescribed in condition 16.
8. Any liability incurred by the Vessel Interests by operation of these Conditions of Use shall be joint and several.
9. In the event of any escape or discharge of oil or oily mixture or other pollution of any kind from the LNG Tanker within the Port, or elsewhere if such discharge interferes with the normal operations of the Port, the Vessel Interests shall take immediate action to clean up such discharge and if the Vessel Interests, in the opinion of the Terminal Interests, fail to do so as soon as reasonably practicable, the Terminal interests shall be entitled to take such steps as they consider reasonably necessary to clean up the resulting pollution of any kind.
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SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

The cost of steps taken to clean up such pollution of any kind shall be recoverable in accordance with condition 6 hereof:

10. Without prejudice to the liability of the Vessel Interests, the Master shall immediately report to the Port Management any accident, incident, claim, damage, loss or unsafe condition or circumstance. Any such report shall be made in writing and signed by the Master. The Port Management shall be entitled to inspect and investigate any such report without prejudice to the foregoing.
11. As to matters subject to these Conditions of Use and regardless of fault or negligence on the part of either party hereto:
 - 11.1 the Terminal Interests waive any rights or claims they might otherwise have had against the Vessel Interests under applicable laws, including any statute or international convention now or hereafter enacted or adopted, or under any conditions of use signed by the Master or otherwise in use at the Port, save and except to the extent expressly preserved herein, and any rights to salvage; and
 - 11.2 the Vessel interests waive any rights or claims they might otherwise have had against the Terminal Interests and any entitlement to limit their liability under applicable laws, including any statute or international convention now or hereafter enacted.

The foregoing waivers shall apply to all persons claiming through the Terminal Interests or the Vessel Interests.

12. The Vessel Interests shall keep the LNG Tanker fully entered with a P & I Association which is a member of the International Group of P & I Associations and shall pay all premiums, fees, dues and other charges of such P & I Association and comply with all of its rules, terms and warranties. The Vessel Interests will produce annually to the Terminal Interests a copy of such P & I Association's current rules, the certificate of entry, and written evidence that the P & I Association has agreed to cover the Owner as a member of the Association against the liabilities and responsibilities provided for in these Conditions of Use, including pollution cover to the highest limit available, The Vessel Interests will give the Terminal Interests ***** days' prior written notice of cancellation of the P & I Association's entry as to the LNG Tanker. Until such time as P & I cover or any equivalent replacement is reinstated or procured, and evidence thereof is provided in accordance with this condition 12, the Terminal Interests shall be entitled to refuse entry by the LNG Tanker into the Port. In the event the Vessel Interests fail to provide such notice of cancellation and subsequently enter the Port without P & I cover conforming to the requirements of this condition 12, then as to that particular entry (and any subsequent entry where the same absence of cover applies) the aggregate limit of liability prescribed in condition 16 shall not apply.
 13. Any and all insurance policies obtained or maintained by the Vessel Interests in respect of the LNG Tanker (including but not limited to policies in respect of hull and machinery
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SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

risks, disbursements, loss of hire, blocking and trapping, increased value and marine, war and excess risks) will at all times either (i) contain a waiver in favour of the Terminal Interests of all rights of subrogation of claims by the Vessel Interests' insurers against the Terminal Interests to the extent such claims have been waived in Clauses 2, 3, 4, 5, and 6 of these Conditions of Use by the Vessel Interests, or (ii) be supplemented by a separate written instrument indicating that the insurer agrees to waive all such rights of subrogation.

The Vessel Interests shall deliver to the Terminal Interests reasonable evidence of such waiver of insurers' rights of subrogation, failing which the Terminal Interests shall be entitled to refuse entry by the LNG Tanker into the Port.

14. These Conditions of Use, and any non-contractual obligations arising out of them, shall be construed, interpreted and applied in accordance with the laws of the England.
15. All disputes or differences arising out of or under these Conditions of Use which cannot be amicably resolved shall be referred to arbitration in Singapore,

Unless the parties agree upon a sole arbitrator within ***** days of one party requiring the others to do so, the Terminal Interests shall appoint their own arbitrator and the Vessel Interests shall appoint their own arbitrator. A third arbitrator, who shall act as president of the tribunal, shall be selected by the President of the International Court of Arbitration of the International Chamber of Commerce ("ICC").²

If any of the appointed arbitrators refuses to act or is incapable of acting, the party who appointed him shall appoint a new arbitrator in his place.

If any party fails to appoint an arbitrator, whether originally or by way of substitution, within ***** weeks after another party has appointed his arbitrator, and such other party has (by telex, fax or letter) called upon the defaulting party to make the appointment, the President for the time being of the ICC shall, upon application of the other party, appoint an arbitrator on behalf of the defaulting party and that arbitrator shall have the like powers to act in the reference and make an award (and, if the case so requires, the like duty in relation to the appointment of a third arbitrator) as if he had been appointed by the defaulting party in accordance with the terms of these Conditions of Use.

The ICC Rules of Arbitration (the "**ICC Rules**") in force at the time when the arbitration proceedings are commenced shall apply to any arbitration arising in connection with these Conditions of Use; provided, however, that where the amount in dispute does not exceed the sum of ***** United States Dollars (US\$*****) (or such other sum as the parties may agree) any dispute shall be resolved in accordance with the Guidelines for Arbitrating Small Claims under the ICC Rules,

16. Subject to conditions 7(i) and 12, the total aggregate liability of the Vessel Interests to the Terminal Interests, however arising, in respect of any one incident governed by these Conditions of Use, shall not exceed ***** UNITED STATES DOLLARS (US\$*****) whether or not the liability is asserted in United States Dollars. Payment of an aggregate
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SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

of ***** UNITED STATES DOLLARS (US\$*****). to any one or more of the entities defined herein collectively as the Terminal Interests in respect of any one incident governed by these Conditions of Use shall be a complete defence to any claim, suit or demand relating to such incident made by the Terminal Interests against the Vessel interests.

17. No one who is not a party to these Conditions of Use shall have rights under them by virtue of the Contracts (Rights of Third Parties) Act 1999 apart from those Terminal Interests and Vessel Interests which are not parties, who shall respectively be entitled to enforce the provisions of these Conditions of Use where Terminal Interests or Vessel Interests are named. However, no consent or other action shall be required from any person who is not a party to these Conditions of Use in respect of any amendment, variation or waiver to or of any provision of these Conditions of Use.
 18. These Conditions of Use may be executed by the parties in separate counterparts and delivered by facsimile transmission or otherwise, each of which when so executed and delivered shall be deemed to be an original, and all such counterparts shall together constitute one and the same instrument. By their facsimile signatures below, the Terminal Interests agree to each of the terms and conditions contained herein. A counterpart signature page bearing original signatures of each of the Terminal Interests is available for inspection at the Vessel Interests' request.
 - 19.
 - 19.1 These Conditions of Use represent the whole and only agreement between the parties in relation to the subject matter of these Conditions of Use and supersede any previous agreement between the parties in relation to that subject matter.
 - 19.2 Each party acknowledges that in entering into these Conditions of Use it is not relying on any representation, warranty or other statement relating to the subject matter of these Conditions of Use which is not set out in these Conditions of Use.
 - 19.3 No party shall have any liability or remedy in respect of any representation, warranty or other statement (other than those set out in these Conditions of Use) being false, inaccurate or incomplete unless it was made fraudulently.
 20. If all or any part of any provision of these Conditions of Use shall be or become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect or impair:
 - 20.1 the legality, validity or enforceability in that jurisdiction of the remainder of that provision and/or all other provisions of these Conditions of Use; or
 - 20.2 the legality, validity or enforceability under the law of any other jurisdiction of that provision and/or all other provisions of these Conditions of Use.
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21. These Conditions of Use may not be amended, modified, varied or supplemented except by an instrument in writing signed by authorised representatives of the parties hereto.
- 22.
- 22.1 The failure of any party at any time to require performance of any provision of these Conditions of Use shall not affect its rights to require subsequent performance of such provision.
- 22.2 Waiver by any party of any breach of any provision hereof shall not constitute the waiver of any subsequent breach of such provision.
- 22.3 Performance of any conditions or obligation to be performed hereunder shall not be deemed to have been waived or postponed except by an instrument in writing signed by an authorised representative of the party which is claimed to have granted such waiver or postponement.
- 23.
- 23.1 All notices and other communications for purposes of these Conditions of Use shall be in the English language and shall be in writing, which shall include transmission by facsimile, email or other similar electronic method of written transmission mutually agreed by the parties.
- 23.2 Notices and communications shall be effective upon receipt by the party to which given and shall be directed as follows:

[•]

<p>[•] By: <u>Tianjin LNG Terminal</u> Name: <u>/s/ [signature illegible]</u> Title: <u>General Manager</u> Date: <u>2021-6-8</u> Time: <u>0915 LT GMT</u></p>	<p>[•] By: <u>SRV Joint Gas Two Ltd</u> Name: <u>Dusko Nikolic</u> Title: <u>Master</u> Date: <u>06-June-2021</u> Time: <u>1700 GMT</u></p>
<p>PIPECHINA TIANJIN LNG LIMITED COMPANY</p>	<p>SRV Joint Gas Two Ltd</p>

PART II

FSRU

Conditions of Use applicable at Designated Port



Conditions of Use applicable at Designated Port

Confidential Draft

CONDITIONS OF USE

PORT OF TIANJIN

1. Dusko Nikolic, The Master (“**Master**”)

of the ship “Cape Ann” (“**LNG Tanker**”),

owned by SRV Joint Gas Two Ltd (“**Owner**”),

whose address is at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands,

hereby acknowledge receipt of these conditions of use (“**Conditions of Use**”) of the PipeChina Tianjin LNG Terminal (“**Tianjin LNG Terminal**”) and a copy of the Tianjin Port Regulations (“**Port Regulations**”) on 07-June-2021, and in consideration for permission to use the Port, hereby agree on behalf of Owner, as Master of the LNG Tanker and duly authorized representative of Owner, to be bound by the terms and conditions of these Conditions of Use, the Port Regulations and such other laws, rules and regulations applicable in the Port as may be issued by the Port Management or agency of the Government of the Peoples Republic of China.

1. The definitions appearing in the Port Regulations are incorporated herein by reference and the following additional definitions are applicable:

“**FSRU**” means Cape Ann, a floating LNG storage and regasification unit;

“**Port Facilities**” mean all infrastructure, equipment and installations at the Port which are owned, controlled or operated by the Terminal Interests, whether fixed or movable, including the FSRU, channel, channel markings, buoys, jetties, berths, lines, gangways, water craft, bunkering and unloading facilities;

“**Port Management**” means any governmental authority or its agents responsible for the navigation or berthing in, to or from the Port;

“**Port Services**” means any right of approach or access granted in respect of the FSRU or any other service tendered or provided by the Port Management to the LNG Tanker, including pilotage, towage, tug assistance, mooring or other navigational services, whether for consideration or free of charge;

“**Terminal Interests**” means PipeChina Tianjin LNG Limited Company, SRV Joint Gas 2 and HOEGH LNG Ltd and their affiliated companies and TOTAL GAS & POWER LIMITED, acting through its branch office TOTAL GAS & POWER LIMITED London, Meyrin. Geneva Branch operating at the Port, including their respective directors, officers, agents, employees, servants and sub-contractors of any tier; and

“**Vessel Interests**” means the LNG Tanker, the Master and Owner of the LNG Tanker, and the Owner’s affiliated companies operating at the Port, including its respective directors, officers, agents, employees, servants and subcontractors of any tier.

2. The Master shall be responsible, at all times and under all circumstances, for the safe and proper operation and navigation of the LNG Tanker and management of its cargo. The Terminal Interests make no warranty with respect to the rendering of Port Services and any use thereof shall be at the sole risk of the Vessel Interests. The Terminal Interests shall not be responsible for any loss or damage to the LNG Tanker, actual or consequential, which is related to Port Services provided to the LNG Tanker regardless of any act, omission, fault or neglect of the Terminal Interests, including pilot’s neglect, error or mistake. In determining fault hereunder where a casualty or loss involves the provision of Port Services, the Vessel Interests are deemed solely responsible for the acts or omissions of tug owners, tug operators, tug masters and harbour/berthing pilots occurring in connection with towage or pilotage services (regardless of any agreement to the contrary between the Vessel Interests and any such party).
 3. Whilst the Terminal Interests have taken reasonable care to ensure that the Port Facilities are safe and suitable, the Terminal Interests make no warranty with respect thereto and any use thereof shall be at the sole risk of the Vessel Interests. The Terminal Interests shall not be responsible for any loss or damage to the LNG Tanker, actual or consequential, which is related to the use of the Port Facilities by the LNG Tanker regardless of any act, omission, fault or neglect on the part of the Terminal Interests.
 4. The Terminal Interests shall not be responsible for the acts or omissions of its servants or agents relating to any loss or damage to the LNG Tanker, or any loss or injury suffered by the Master, officers or crew.
 5. The Terminal Interests shall not be responsible to the Vessel Interests for any loss related to strikes or other labour disturbances, whether the Terminal Interests or its servants or agents are parties thereto or not.
 6. The Vessel Interests shall, in all circumstances, defend, hold harmless and indemnify the Terminal Interests against any claim, cost or expense arising from:
 - 6.1 any loss suffered by the Terminal Interests with respect to damage to the Port Facilities or injury to its personnel which is related to the use of the Port by the LNG Tanker and which involves the fault, wholly or partially, of the Master, officers or crew, including negligent navigation;
 - 6.2 any loss suffered by third parties with respect to damage to their property or injury to their personnel which is related to the use of the Port by the LNG Tanker and which involves the fault, wholly or partially, of the Master, officers or crew, including negligent navigation;
 - 6.3 Save where caused by the sole negligence of the Terminal Interests, any loss suffered by the Terminal Interests with respect to a hazard under condition 7 hereof or with respect to any liability or costs incurred or arising in relation to any pollution from the LNG Tanker;
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- 6.4 any loss or damage to the LNG Tanker , including consequential losses and all claims, damages and costs arising therefrom, regardless of any act, omission, fault or neglect on the part of the Terminal Interests; and
 - 6.5 Save where caused by the sole negligence of the Terminal Interests, any injury to or death of personnel or any property loss, in any case suffered by the Master, officers or crew of the LNG Tanker, or any personnel of the Vessel Interests including consequential losses and all claims, damages and costs arising therefrom, regardless of any act, omission, breach of duty (statutory or otherwise), fault or neglect on the part of the Terminal Interests.
 7. If the LNG Tanker or any object on board sinks or grounds or otherwise suffers a casualty so as to become, in the opinion of the Terminal Interests, an obstruction, wreck or danger affecting or interfering with the normal operations of the Port or an obstruction, threat, or danger to navigation, operations, safety, health, environment or security at the Port (in any such case, a “hazard”), the Vessel Interests shall, at the option of the Port Management, take immediate action to clear, remove or rectify the hazard and in so doing (without limitation of its obligations) shall act in such manner as may be required by the Port Management in compliance with applicable law or order by local or governmental authority and as the Port Management, in so complying, may direct and, pending such removal, at the expense of the Vessel Interests shall mark, light and watch the same. The Terminal Interests shall make reasonable efforts to assist the Vessel Interests to fulfill their responsibility without, however, being obliged to incur any expenses in connection therewith. If the Vessel Interests do not promptly take reasonable measures to remove the hazard, the Port Management or the Terminal Interests may effect such removal at the expense of the Vessel Interests, provided that:
 - 7.1 Save where caused by the sole negligence of the Terminal Interests, the actual cost of such measures (and any damage to the property of the Terminal Interests incurred during their execution) shall be excluded from the aggregate limit of liability prescribed in condition 16;
 - 7.2 any consequential damages resulting from the failure of the Vessel Interests promptly to effect reasonable measures shall be recoverable to the extent permitted under applicable law; and
 - 7.3 if consequential damages are recoverable, they shall be subject to the aggregate limit of liability prescribed in condition 16.
 8. Any liability incurred by the Vessel Interests by operation of these Conditions of Use shall be joint and several.
 9. In the event of any escape or discharge of oil or oily mixture or other pollution of any kind from the LNG Tanker within the Port, or elsewhere if such discharge interferes with the normal operations of the Port, the Vessel Interests shall take immediate action to clean up such discharge and if the Vessel Interests, in the opinion of the Terminal Interests, fail to do so as soon as reasonably practicable, the Terminal interests shall be entitled to take such steps as they consider reasonably necessary to clean up the resulting pollution of any kind.
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SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

The cost of steps taken to clean up such pollution of any kind shall be recoverable in accordance with condition 6 hereof:

10. Without prejudice to the liability of the Vessel Interests, the Master shall immediately report to the Port Management any accident, incident, claim, damage, loss or unsafe condition or circumstance. Any such report shall be made in writing and signed by the Master. The Port Management shall be entitled to inspect and investigate any such report without prejudice to the foregoing.
11. As to matters subject to these Conditions of Use and regardless of fault or negligence on the part of either party hereto:
 - 11.1 the Terminal Interests waive any rights or claims they might otherwise have had against the Vessel Interests under applicable laws, including any statute or international convention now or hereafter enacted or adopted, or under any conditions of use signed by the Master or otherwise in use at the Port, save and except to the extent expressly preserved herein, and any rights to salvage; and
 - 11.2 the Vessel interests waive any rights or claims they might otherwise have had against the Terminal Interests and any entitlement to limit their liability under applicable laws, including any statute or international convention now or hereafter enacted.

The foregoing waivers shall apply to all persons claiming through the Terminal interests or the Vessel Interests.

12. The Vessel Interests shall keep the LNG Tanker fully entered with a P & I Association which is a member of the International Group of P & I Associations and shall pay all premiums, fees, dues and other charges of such P & I Association and comply with all of its rules, terms and warranties. The Vessel Interests will produce annually to the Terminal Interests a copy of such P & I Association's current rules, the certificate of entry, and written evidence that the P & I Association has agreed to cover the Owner as a member of the Association against the liabilities and responsibilities provided for in these Conditions of Use, including pollution cover to the highest limit available, The Vessel Interests will give the Terminal Interests ***** days' prior written notice of cancellation of the P & I Association's entry as to the LNG Tanker. Until such time as P & I cover or any equivalent replacement is reinstated or procured, and evidence thereof is provided in accordance with this condition 12, the Terminal Interests shall be entitled to refuse entry by the LNG Tanker into the Port. In the event the Vessel Interests fail to provide such notice of cancellation and subsequently enter the Port without P & I cover conforming to the requirements of this condition 12, then as to that particular entry (and any subsequent entry where the same absence of cover applies) the aggregate limit of liability prescribed in condition 16 shall not apply.
 13. Any and all insurance policies obtained or maintained by the Vessel Interests in respect of the LNG Tanker (including but not limited to policies in respect of hull and machinery
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risks, disbursements, loss of hire, blocking and trapping, increased value and marine, war and excess risks) will at all times either (i) contain a waiver in favour of the Terminal Interests of all rights of subrogation of claims by the Vessel Interests' insurers against the Terminal Interests to the extent such claims have been waived in Clauses 2, 3, 4, 5, and 6 of these Conditions of Use by the Vessel Interests, or (ii) be supplemented by a separate written instrument indicating that the insurer agrees to waive all such rights of subrogation.

The Vessel Interests shall deliver to the Terminal Interests reasonable evidence of such waiver of insurers' rights of subrogation, failing which the Terminal Interests shall be entitled to refuse entry by the LNG Tanker into the Port.

14. These Conditions of Use, and any non-contractual obligations arising out of them, shall be construed, interpreted and applied in accordance with the laws of the England.
15. All disputes or differences arising out of or under these Conditions of Use which cannot be amicably resolved shall be referred to arbitration in Singapore,

Unless the parties agree upon a sole arbitrator within ***** days of one party requiring the others to do so, the Terminal Interests shall appoint their own arbitrator and the Vessel Interests shall appoint their own arbitrator. A third arbitrator, who shall act as president of the tribunal, shall be selected by the President of the International Court of Arbitration of the International Chamber of Commerce ("ICC").

If any of the appointed arbitrators refuses to act or is incapable of acting, the party who appointed him shall appoint a new arbitrator in his place.

If any party fails to appoint an arbitrator, whether originally or by way of substitution, within ***** weeks after another party has appointed his arbitrator, and such other party has (by telex, fax or letter) called upon the defaulting party to make the appointment, the President for the time being of the ICC shall, upon application of the other party, appoint an arbitrator on behalf of the defaulting party and that arbitrator shall have the like powers to act in the reference and make an award (and, if the case so requires, the like duty in relation to the appointment of a third arbitrator) as if he had been appointed by the defaulting party in accordance with the terms of these Conditions of Use,

The ICC Rules of Arbitration (the "ICC Rules") in force at the time when the arbitration proceedings are commenced shall apply to any arbitration arising in connection with these Conditions of Use; provided, however, that where the amount in dispute does not exceed the sum of ***** United States Dollars (US\$*****) (or such other sum as the parties may agree) any dispute shall be resolved in accordance with the Guidelines for Arbitrating Small Claims under the ICC Rules,

16. Subject to conditions 7(i) and 12, the total aggregate liability of the Vessel Interests to the Terminal Interests, however arising, in respect of any one incident governed by these Conditions of Use, shall not exceed ***** UNITED STATES DOLLARS (US\$*****) whether or not the liability is asserted in United States Dollars. Payment of an aggregate
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SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

of ***** UNITED STATES DOLLARS (US\$*****). to any one or more of the entities defined herein collectively as the Terminal Interests in respect of any one incident governed by these Conditions of Use shall be a complete defence to any claim, suit or demand relating to such incident made by the Terminal Interests against the Vessel interests.

17. No one who is not a party to these Conditions of Use shall have rights under them by virtue of the Contracts (Rights of Third Parties) Act 1999 apart from those Terminal Interests and Vessel Interests which are not parties, who shall respectively be entitled to enforce the provisions of these Conditions of Use where Terminal Interests or Vessel Interests are named. However, no consent or other action shall be required from any person who is not a party to these Conditions of Use in respect of any amendment, variation or waiver to or of any provision of these Conditions of Use.
 18. These Conditions of Use may be executed by the parties in separate counterparts and delivered by facsimile transmission or otherwise, each of which when so executed and delivered shall be deemed to be an original, and all such counterparts shall together constitute one and the same instrument. By their facsimile signatures below, the Terminal Interests agree to each of the terms and conditions contained herein. A counterpart signature page bearing original signatures of each of the Terminal Interests is available for inspection at the Vessel Interests' request.
 - 19.
 - 19.1 These Conditions of Use represent the whole and only agreement between the parties in relation to the subject matter of these Conditions of Use and supersede any previous agreement between the parties in relation to that subject matter.
 - 19.2 Each party acknowledges that in entering into these Conditions of Use it is not relying on any representation, warranty or other statement relating to the subject matter of these Conditions of Use which is not set out in these Conditions of Use.
 - 19.3 No party shall have any liability or remedy in respect of any representation, warranty or other statement (other than those set out in these Conditions of Use) being false, inaccurate or incomplete unless it was made fraudulently.
 20. If all or any part of any provision of these Conditions of Use shall be or become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect or impair:
 - 20.1 the legality, validity or enforceability in that jurisdiction of the remainder of that provision and/or all other provisions of these Conditions of Use; or
 - 20.2 the legality, validity or enforceability under the law of any other jurisdiction of that provision and/or all other provisions of these Conditions of Use.
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21. These Conditions of Use may not be amended, modified, varied or supplemented except by an instrument in writing signed by authorised representatives of the parties hereto.
- 22.
- 22.1 The failure of any party at any time to require performance of any provision of these Conditions of Use shall not affect its rights to require subsequent performance of such provision.
- 22.2 Waiver by any party of any breach of any provision hereof shall not constitute the waiver of any subsequent breach of such provision.
- 22.3 Performance of any conditions or obligation to be performed hereunder shall not be deemed to have been waived or postponed except by an instrument in writing signed by an authorised representative of the party which is claimed to have granted such waiver or postponement.
- 23.
- 23.1 All notices and other communications for purposes of these Conditions of Use shall be in the English language and shall be in writing, which shall include transmission by facsimile, email or other similar electronic method of written transmission mutually agreed by the parties.
- 23.2 Notices and communications shall be effective upon receipt by the party to which given and shall be directed as follows:

<p>[•] By: Tianjin LNG Terminal Name: [signature illegible] Title: General Manager Date: 2021-6-8 Time: GMT 0915 LT</p>	<p>[•] By: SRV Joint Gas Two Ltd. Name: Dusko Nikolic Title: Master Date: 07-June-2021 Time: 0348 GMT</p>
<p>PIPECHINA TIANJIN LNG LIMITED COMPANY</p>	<p>SRV Joint Gas Two Ltd</p>

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INTERNATIONAL CHARTER AGREEMENT

between

NFE INTERNATIONAL SHIPPING LLC

as Charterer

and

HÖEGH LNG PARTNERS LP

as Owner

in respect of

an LNG floating storage and regasification vessel

Dated:23 September 2021

Table of Contents

1.	Definitions	4
2.	Vessel to be Chartered	40
3.	Charter Period	44
4.	Use of Vessel	45
5.	Inspection and Importation	45
6.	Change in Law and Changes to the Vessel	49
7.	Delivery, Redelivery and Cancelling	51
8.	Bunkers and LNG Heel at Arrival and Redelivery	58
9.	Charterer's Responsibility	59
10.	Rate of Hire	62
11.	Payment of Hire	63
12.	Assignment by, and Ownership of, Owner	68
13.	Assignment and Subletting by Charterer	69
14.	Off-Hire	69
15.	Performance Warranties	70
16.	Use of Vessel	74
18.	Indemnification	79
19.	Liability	80
20.	Salvage	82
21.	Liens	82
22.	Force Majeure	83
23.	Default and Remedies	88
24.	Guarantees and Security	95
25.	Maintenance	96
26.	Conditions of Use	97
27.	Insurance	98
28.	Business Principles	98
29.	Sanctions	100
30.	Drugs and Alcohol	103
31.	Pollution and Emergency Response	103
32.	Total Loss	106

33.	ISPS Code	106
34.	Law and Arbitration	107
35.	Confidentiality	109
36.	Construction	110
37.	Notices	110
38.	Miscellaneous	113

Schedules

Schedule I – *Particulars of Vessel*

Schedule II – *Performance Warranties*

Schedule III – *Form of Certificate of Acceptance*

Schedule IV – *Form of Certificate of Redelivery*

Schedule V – *Minimum Test Requirements*

Schedule VI – *Required Performance Levels*

Schedule VII – Not Used

Schedule VIII – Not Used

Schedule IX – *Form of Guarantees*

Schedule X – *Form of Quiet Enjoyment Agreement*

Schedule XI – *Insurance*

Schedule XII – *Form of Deed of Novation*

Schedule XIII – *Charterer's Facilities and Rely Upon Data*

Schedule XIV – *Conditions of Use*

Schedule XV – *Form of Certificate of Arrival*

Schedule XVI – *Authorization Schedule*

Schedule XVII – *Applicability of Charter Provisions During LNGC Mode*

This International Charter Agreement (this “**Charter**”) is executed on the 23rd day of September 2021 by and between Höegh LNG Partners LP, a Marshall Islands limited partnership with its principal address at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda (“**Owner**”) and NFE International Shipping LLC, a company duly incorporated in the State of Delaware with its registered office at The Corporation Trust company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 (the “**Charterer**”).

WHEREAS, Charterer intends to import LNG internationally through offshore LNG import terminals, at the applicable FSRU Site from time to time, using a floating storage and regasification unit capable of unloading LNG and discharging regasified LNG for delivery to the offtakers under the Gas Offtake Agreement (as defined in this Charter) (the “**Project**”);

WHEREAS, Charterer has constructed, owns and shall operate and maintain the Terminal;

WHEREAS, Charterer will be responsible for procuring the supply of LNG for transfer to the Vessel for regasification;

WHEREAS, Charterer has the required legal, technical and financial capacities to implement the Terminal as well as to procure and import LNG required for purposes of this Charter; and

WHEREAS, Owner (which for the avoidance of doubt shall also where applicable and following such novation refer to the entity which becomes Owner pursuant to the novation contemplated by Clause 12.2(b)) will be the registered owner of the Vessel (save for HMLP during the period prior to the novation of this Charter to SPV Owner) and Charterer desires to charter the Vessel from Owner and Owner desires to charter the Vessel to Charterer, subject to the terms and conditions set forth in this Charter and in the OSA, as defined below; and

WHEREAS, Owner shall appoint an Affiliate to operate the Vessel under the OSA.

Now, therefore, for and in consideration of the mutual undertakings set forth herein, Owner and Charterer hereby agree as follows:

1. **Definitions**

Definitions

In this Charter and the Schedules, save where the context otherwise requires, the following words and expressions shall have the meanings respectively assigned to them in this Clause.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

- “Abandonment” means a deliberate and wilful refusal by Owner to comply with its obligations to deliver the Vessel by the Scheduled Delivery Date, such abandonment being for a period of no less than ***** consecutive Days, provided any such abandonment is not due to a Excusable Event, Force Majeure, Adverse Weather Conditions or for any other reasons of a nature which are excused under the terms of this Charter.
- “Acceptable Charterer/Customer Guarantor” means NFE Atlantic Holdings LLC or any other entity that Charterer may propose with a credit rating of at least BBB- by Standard & Poor’s (or equivalent).
- “Acceptable Credit Provider” means the branch located in London, United Kingdom of a reputable international bank or financial institution which has a long term credit rating of at least A- by Standard & Poor’s or equivalent.
- “Acceptance” means successful commissioning of the Vessel by passing the Performance Tests in accordance with the Commissioning Protocol (including any Deemed Performance pursuant to Clause 7.6(a)).
- “Acceptance Date” means the date upon which the Certificate of Acceptance of the Vessel is issued (or is deemed executed pursuant to Clauses 7.5 or 7.6(b)).
- “Acceptance Option” has the meaning given in Clause 7.4(i).
- “Accounting Principles” means in respect of HMLP, generally accepted accounting principles in its jurisdiction of incorporation or formation and in the United States of America, in each case including IFRS.
- “Actual Arrival Date” means the date of Arrival.

“Adverse Weather Conditions”

means metocean and/or other weather conditions occurring at the FSRU Site which either:

- (a) fall outside the determined safe conditions for the Vessel to carry out the required activity, the parameters of which are to be agreed between the Parties based on the weather standards prescribed in the FSRU Operating Manual (as defined in the OSA), or published rules and regulations in effect at the port (namely the Portland Bight Area regulations in effect as at the date of this Charter); or
- (b) cause an actual determination by the master of an LNG Carrier that it is unsafe for the LNG Carrier to berth or come alongside, unload or depart the FSRU Site; or
- (c) cause a determination by the Master, acting as a Reasonable and Prudent Operator, that such conditions fall outside the safe working conditions of the Vessel to carry out the required activity.

“Affiliate”

means, with respect to any Person, a Person that controls, is controlled by, or is under common control with, such Person. For the purposes of this definition, the term “Control” in relation to a company or an entity means the title or beneficial ownership of more than fifty per cent. (50%) of the voting shares of such company or entity, as applicable, or by contract, law or any other means have the right to determine the decisions of such a company or entity, including, in the case of a limited partnership, the power to direct or cause the direction of the general partner of such limited partnership and for the avoidance of doubt Owner, Contractor and each member of the HMLP Group and/or HLNG Group shall be Affiliates.

“Allowed Discharge Laytime”	has the meaning given to it in the OSA.
“Allowed Reload Laytime”	has the meaning given to it in the OSA.
“Alternative FSRU Site”	means any Terminal to which the Vessel is relocated pursuant to Clause 16.2, and which shall include the waters and the immediate surroundings of, and points of access to, the port proximate to such Terminal, and the safety zone and/or the marine exclusion zone surrounding the jetty or mooring and around the Vessel.
“Applicable Jurisdiction”	means the: <ul style="list-style-type: none"> (a) jurisdiction of the then applicable FSRU Site; and (b) for purposes of the definition of Applicable Jurisdiction Change in Law and Clause 11.7 shall always include any countries where Charterer is incorporated, domiciled, and/or located.
“Applicable Jurisdiction Change in Law”	means any Change in Law to the extent effected by a Governmental Authority of the Applicable Jurisdiction.
“Applicable Jurisdiction Change in Law Required Action”	means a Change in Law Required Action resulting from an Applicable Jurisdiction Change in Law.
“Approved Broker”	is defined in Clause 23.5(b)(ii).

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“Approved Mortgage”

means:

- (a) the Mortgage registered on 31 January 2019 in favour of Nordea Bank ABP, Filial i Norge as Security Agent which is in force at the date of this Charter; and
- (b) any Mortgage (or future Mortgage) on the Vessel, her earnings and/or insurances, or Owner’s rights under this Charter:
 - (i) that is or will be entered into in favour of a Mortgagee for itself and/or for the benefit of one or more Owner Financiers including pursuant to any re-financing;
 - (ii) in respect of which Owner has notified Charterer within ***** Business Days of the execution date of such Mortgage; and
 - (iii) in respect of any future Mortgage, Owner shall notify Charterer pursuant to Clause 21.3,

in each case, provided that each Person party to such Mortgage has entered into a Quiet Enjoyment Agreement.

“Authorization”

means any authorizations, consents, approvals, permits, rulings, resolutions, licenses, exemptions, filings, registrations and other authorizations, permissions or waivers, or similar documents of whatsoever nature, which are required to be obtained from and/or granted by any Governmental Authority.

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- “Arrival” means the arrival of the Vessel at the Pilot Boarding Station.
- “Available Drawings” means the total amount which the HMLP Group (as applicable) is entitled to draw under any credit facility with a major international bank or financial institution for a term of more than ***** months and not subject to any conditions with which it or any other relevant party would not be able to comply at such time.
- “Available LNG Inventory” has the meaning given to it in the OSA.
- “Banking Day” means any day when banks in each of the Applicable Jurisdiction, Oslo, Norway, Singapore, Cayman Islands or New York, United States and the required place of payment or receipt (as the case may be) are open for business.
- “Boil-Off” means the vapour which results from vaporisation of LNG in the Vessel’s cargo tanks.
- “Bunkers” is defined in Clause 8.1(a).
- “Business Day” means any day that is not a Saturday or Sunday or legal holiday in the Applicable Jurisdiction, Oslo, Norway, Singapore, Cayman Islands or New York, United States.
- “Certificate of Acceptance” means the certificate of Acceptance of the Vessel, the form of which is attached in Schedule III – *Form of Certificate of Acceptance*.
- “Certificate of Arrival” means the certificate of Arrival, the form of which is attached in Schedule XV – *Form of Certificate of Arrival*.
- “Certificate of Redelivery” means the certificate of redelivery, the form of which is attached in Schedule IV – *Form of Certificate of Redelivery*.

“Change in Law”	means the occurrence of any of the following after the Execution Date:
	(a) the enactment or imposition of any new Law, or the imposition of Authorizations, permits and approvals not required as at the Execution Date;
	(b) the modification or repeal of any existing Law, or the modification of the requirements of any Authorization, permit or approval;
	(c) the commencement of any Law which has not become effective on the Execution Date;
	(d) a change in the interpretation or application by any Governmental Authority of any Law; or
	(e) the enactment or imposition of any new international Tax treaty with the Applicable Jurisdiction or amendment, repeal, change in regulation, application, interpretation, enforcement or revocation of any existing international Tax treaty with the Applicable Jurisdiction.
“Change in Law Required Actions”	is defined in Clause 6.1.
“Charter Activities”	means the performance by Owner of its obligations under this Charter and the performance by Contractor of its obligations under the OSA.
“Charter Period”	is defined in Clause 3.1.
“Charterer/Customer Guarantee”	is defined in Clause 24.2.
“Charterer/Customer Guarantee Cap”	is defined in Clause 24.2.

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- “Charterer/Customer Guarantor” means NFE Atlantic Holdings LLC.
- “Charterer/Customer Guarantor Default” means any of the following:
- (a) Charterer/Customer Guarantor is in material breach of any of its obligations under the Charterer/Customer Guarantee and has failed to cure such breach within a reasonable period of time but in no event longer than ***** days after notice of such breach from Owner pursuant to the Charterer/Customer Guarantee; or
 - (b) the Charterer/Customer Guarantee has ceased to be in full force and effect, save where validly terminated; or
 - (c) the event set forth in Clauses 23.2(a), 23.2(b) or 23.2(c) has occurred in respect of Charterer/Customer Guarantor (*mutatis mutandis*),
- unless, within ***** Banking Days of the occurrence of any of the above events, a replacement guarantee is issued to Owner by an Acceptable Charterer/Customer Guarantor or any other Person acceptable to Owner in the same terms as the original Charterer/Customer Guarantee (and in such case such replacement guarantee shall be the Charterer/Customer Guarantee).
- “Charterer Indemnified Party” means Charterer, its Affiliates, contractors, servants and subcontractors (excluding any LNG Carriers), any gas offtakers, and any such Person’s Representatives (including any Charterer’s Personnel).
- “Charterer Maximum Liability Cap” is defined in Clause 19.2(a)(ii).

“Charterer’s Facilities”	the Terminal (excluding the Vessel and any infrastructure and equipment on board the Vessel) and all infrastructure, facilities, equipment, installations, anchorages and approaches of and to the FSRU Site, including channels, channel markings, buoys, jetties, berths, lines and gangways at the FSRU Site, the gas pipeline connecting the Terminal to the receiving jetty, the receiving jetty, and all fixed and moveable assets which Charterer and/or its Affiliates control and operate from time to time for the purpose of performance of their gas supply and delivery operations including compression and related facilities and transmission networks for the receipt and onward transport of natural gas and all shore side facilities and all infrastructure (including gas pipelines and power plants) downstream of the Delivery Point, with certain elements further described in Schedule XIII – <i>Charterer’s Facilities and Rely Upon Data</i> .
“Charterer’s Personnel”	means those Persons designated by Charterer for the purposes of undertaking, on Charterer’s behalf, the observation and inspection of the testing of the Vessel.
“Class” or “Classification” or “Classification Society”	is defined in Clause 2.3.
“Commissioning”	means the process of conducting the Performance Tests in accordance with the Commissioning Protocol.
“Commissioning Period”	is defined in Clause 7.4(c).
“Commissioning Protocol”	means the protocol that ensures that technical and operational information meets the principles detailed at Schedule I - <i>Particulars of Vessel</i> and Schedule V – <i>Minimum Test Requirements</i> and allows the Vessel to be delivered in FSRU Mode and shall include, in reasonable detail, technical and operational information relevant to such testing.
“Compliance Regulations”	is defined in Clause 28.2(a).

“Conditions of Use”	means the conditions of use, including rules and procedures, applicable to LNG Carriers calling at and unloading LNG at the Terminal that relate to safety, insurance, liability, and the technical and operational requirements for such LNG Carriers, and which is attached at Schedule XIV - <i>Conditions of Use</i> .
“Confidential Information”	means the terms and conditions of this Charter, the OSA and all other documents and agreements contemplated thereby, including any term sheet or preparatory materials, together with any and all data, reports, records, correspondence, notes, compilations, studies and other information relating to or in any way connected with this Charter, the OSA, and all other documents and agreements contemplated thereby or relating to the Parties and their respective Affiliates, that is disclosed directly or indirectly by or on behalf of the disclosing Party or any of its Representatives to the receiving Party or any of its Representatives, whether such information is disclosed orally or in writing.
“Confirmed Cargo”	has the meaning given to it in the OSA.
“Consequential Damages”	means: <ul style="list-style-type: none"> (a) any indirect, incidental, consequential, exemplary or punitive loss or damages; (b) any loss of income or profits, anticipated profits, loss of use (partial or total), loss of time, loss and/or deferral of production, loss of contracts, loss of revenues or loss of reputation; or (c) any losses incurred under third party contracts (including e.g. any downstream gas or power sales agreement including the Gas Offtake Agreements, LNG SPA, or LNG Carrier or tug charters), <p>in the case of (b) and (c) above, whether direct or indirect and in each case whether or not foreseeable at the time the agreements were</p>

entered into, provided however, that “Consequential Damages” shall not include (i) the Hire or any profits from such Hire payable (or which would have been payable) hereunder; (ii) any liquidated damages payable hereunder; (iii) any reductions in Hire or Off-Hire periods; (iv) the value of LNG (including Boil-Off); and (v) termination payments pursuant to Clause 23.5.

“Constructive Total Loss”	means any event, which is determined by the underwriters under Owner’s hull and machinery insurance policy (excluding any “total loss only” coverage) to be constructive, compromised or arranged total loss of the Vessel for the purposes of such policies.
“Contract Year”	means each annual period starting on January 1 st and ending on December 31 st during the Charter Period; provided, however, that (a) the first Contract Year shall commence on the Actual Arrival Date and end on the immediately following December 31 st ; and (b) the last Contract Year shall commence on January 1 st immediately preceding the last day of the Charter Period and end on the last day of the Charter Period.
“Contractor”	has the meaning given to it in the OSA.
“Crewing Exemption”	has the meaning given to it in the OSA.
“Cubic Metres”	means metric cubic metres.
“Customer”	has the meaning given to it in the OSA.
“Customer LNG Inventory”	has the meaning given to it in the OSA.
“Customs Duties”	means all existing or future duties, payments, fees, charges, levies, Taxes, or contributions payable to or imposed by any Governmental Authority in the Applicable Jurisdiction as a result of import or export, whether permanent or temporary of any personnel, the Vessel and any spare parts or other equipment into or out of the Applicable Jurisdiction.

“Daily Hire”	is defined in Clause 10.2.
“Daily Service Fee”	has the meaning given to it in the OSA.
“Damages”	means any and all claims, liabilities, obligations, losses, damages, deficiencies, assessments, judgments, penalties, actions, suits, out-of-pocket costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys’ fees and costs and expenses).
“Deemed Performance”	is defined in Clause 7.6(a).
“Delivery Point”	means the point of delivery of regasified LNG from the Vessel to the fixed infrastructure of the FSRU Site and shall be the point where the outlet flange of the Vessel connects with the inlet flange of the fixed infrastructure forming part of the FSRU Site.
“Demurrage Liabilities”	is defined in Clause 15.2.
“Dispute”	is defined in Clause 34.2(a).

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- “Dry-Docking Exemption Confirmation” means a letter issued by the Classification Society to Owner, confirming that the Vessel is classed in such a way that class inspections including bottom surveys can be done afloat at the FSRU Site so that the Vessel does not have to depart from the FSRU Site, for the duration of the period ending at least ***** years from the Actual Arrival Date, provided that (i) such letter or document will be issued on the basis that during such period the Vessel shall be utilised only for regasification services (and/or Reload Operations and/or Gas Up / Cool Down Operations) and shall not be utilised in LNGC Mode; and (ii) such letter shall be subject to standard reservations including Flag State and Shelf State approval, and surveys and inspections as may be required by the Classification Society including requirements as to cargo tank inspections, visibility under water to perform inspections and no damage to the hull found.
- “Effective Date” means the date of this Charter.
- “Equity” means, at any time, the value of the paid-in capital and reserves of the HMLP Group as shown in the latest published audited consolidated balance sheet or the latest published interim consolidated balance sheet of HMLP, but excluding any hedging reserve as shown in the relevant consolidated equity statement and the mark-to-market value of any financial derivatives.
- “Event of Charterer’s Default” is defined in Clause 23.2.
- “Event of Contractor’s Default” has the meaning given in the OSA.
- “Event of Customer’s Default” has the meaning given in the OSA.

“Event of Owner’s Default”

is defined in Clause 23.1.

“Excusable Event”

means any of the following to the extent such event prevents Owner from performing its obligations under this Charter:

- (a) insufficient Customer LNG Inventory (including as required for Owner to perform the Performance Tests);
- (b) Off-Specification LNG supplied by or for the account of Charterer hereunder;
- (c) lack of or insufficient natural gas off-take capacity;
- (d) any delay in the importation of the Vessel and/or any Relevant Items and/or the Gas Heater that is not caused by Owner;
- (e) any matter or event related or attributable to Charterer’s Facilities including unavailability of the onshore gas heater in the event the Gas Heater simultaneously fails or performs below required standard or needs maintenance;
- (f) breach of any obligations or undertakings by Charterer under this Charter including in respect of procuring and maintaining the Local Trading Certification;
- (g) any act or omission or instruction or breach of any obligation or undertaking of Charterer, Charterer’s Affiliates, contractors (including the Gas Offtakers) servants and subcontractors, the gas pipeline operator, or any owner or operator of an LNG Carrier that directly or indirectly prevents or interferes with or delays Owner’s performance of this Charter;
- (h) the Vessel or FSRU Site is closed or any part of either is prohibited from

operating by applicable Law or the decision of any Governmental Authority;

- (i) any decision of any Applicable Jurisdiction Governmental Authority which prevents Owner from performing its obligations under this Charter;
- (j) an Applicable Jurisdiction Change in Law;
- (k) the imposition of requirements described in the first paragraph of Clause 2.6(c);
- (l) the non-compliance by any LNG Carrier with any port regulations, applicable Laws, maritime concessions or environmental regulations;
- (m) any failure or delay by Charterer or any Charterer Indemnified Party to (A) complete, commission or operate the Terminal, Charterer's Facilities or any infrastructure at the FSRU Site or any downstream facilities, including Charterer having insufficient natural gas offtake capacity or pipeline pressure and including lack of available storage space in the Vessel's cargo tanks due to compliance with Charterer's orders; (B) obtain or maintain in force any permit, license, consent or Authorization for which it is responsible under this Charter (or failure by Owner to obtain and maintain in force any Owner Only Additional Authorization having used best endeavours to do so); or (C) to operate or maintain the Terminal and Charterer's Facilities in accordance with the standards of a Reasonable and Prudent Operator;
- (n) any maintenance at the Terminal, Charterer's Facilities or any facilities of Charterer's or other downstream

facilities, to the extent such maintenance directly impacts the ability of the Vessel to perform the FSRU Services;

- (o) any work in respect of the Vessel requested or required by Charterer;
- (p) any failure by the relevant Governmental Authority to ensure the timely renewal of the Local Trading Certification at any time during the Charter Period;
- (q) any delay or other impediment caused by the late departure of the existing FSRU which, as at the Execution Date, is currently under contract to Charterer (or its Affiliate) and located at the FSRU Site;
- (r) all time taken for the Vessel to travel from the Pilot Boarding Station to the Terminal and to ensure that the Vessel is all fast at the Terminal, including any delays in moving the Vessel from the Pilot Boarding Station to the Terminal and any period of time during which the Vessel waits at the Pilot Boarding Station because Charterer is not ready to receive it at the Terminal;
- (s) any failure by Golar Management Ltd, Golar Hull M2023 Corp, Golar Freeze Holding Co and/or any Affiliate of any such entity to (i) co-operate in Commissioning; or (ii) effect any required transfer of LNG from the existing FSRU to the Vessel;
- (t) any inability of Owner and/or Contractor to inspect an LNG Carrier;
- (u) any event which would qualify as Force Majeure (as defined in this Charter) and which prevents or delays the relevant shipyard from effecting any pre-agreed modifications to the Vessel which must

be made before Arrival, including those modifications set out in Schedule I – *Particulars of Vessel*;

- (v) any time taken by Charterer (or any of its Affiliates) or any other Person incidental to Commissioning, including gassing up and/or cool-down of the Vessel and loading LNG onto the Vessel;
- (w) any delay in the arrival of the independent third party to witness the Performance Tests as contemplated in Clause 7.5 (including any time spent in quarantine);
- (x) any failure by Charterer and/or its Affiliate to make the Golar Penguin available for use under the FSRU LNGC TCP by the Scheduled Delivery Date as originally notified pursuant to Clause 7.1(b);
- (y) any time taken in fully connecting and installing the Gas Heater provided that Owner has caused any contractor carrying out such connection and installation to do so as a Reasonable and Prudent Operator; and
- (z) a “Service Excusable Event” as defined in the OSA,

in each case unless caused by (i) an event of Force Majeure, in which case the provisions of Clause 22 shall apply (save in respect of an event of Force Majeure described in paragraph (u) which shall constitute an Excusable Event); (ii) a failure by Contractor to perform in accordance with the terms of the OSA or otherwise for reasons attributable to Contractor; or (iii) Owner’s failure to perform in accordance with the terms of this Charter or otherwise for reasons attributable to Owner.

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- “Execution Date” means the date of execution of this Charter.
- “Expert” means an independent person with appropriate qualifications and experience agreed upon between the Parties or (failing agreement within ***** days of: (a) the initiation of the reference to Expert determination; or (b) the relevant Parties being notified that the Expert is unable or unwilling to complete the reference to Expert determination, as applicable) appointed upon the request of either of the Parties by the International Centre for Expertise of the ICC.
- “Extension Period” is defined in Clause 3.2.
- “First Tribunal” is defined in Clause 34.2(g).
- “Flag State” means Norway, Singapore or the Marshall Islands (as elected by Owner in its discretion) or any other flag state as agreed between the Parties.
- “Force Majeure” is defined in Clause 22.1.

“Free Liquid Assets”

means, at any relevant date of determination under this Charter, the aggregate value of HMLP Group’s:

- (a) cash in hand, deposits in banks and financial institutions (including any amounts credited to the accounts of the Owner/Contractor Guarantor) and Available Drawings;
- (b) debt securities which are publicly traded on a major stock exchange or investment market (valued as at any applicable date of determination) and rated at least “A-” by Standard and Poor’s Rating Services or the equivalent with any other principal credit rating agency in the United States of America or Europe; and
- (c) commercial paper (debt obligations) not convertible or exchangeable to any other security;
 - (i) for which a recognised trading market exists;
 - (ii) which is issued by an issuer incorporated in the United States of America, the United Kingdom or Norway;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a short-term credit rating of at least A-1 by Standard & Poor’s Rating Services or the equivalent with any other principal credit rating agency in the United States of America or Europe.

“FSRU Agreements”	means this Charter and the OSA.
“FSRU LNGC TCP”	means the LNG time charter party agreement entered into between Höegh LNG Chartering LLC and Trafigura Maritime Logistics Pte. Ltd. relating to the use of the Vessel as an LNG carrier for a period ending on 31 March 2022.
“FSRU Market Rate”	is defined in Clause 23.5(b)(i).
“FSRU Mode”	means the Vessel is operating as a FSRU for the purpose of providing the FSRU Services.
“FSRU Services”	has the meaning given to it in the OSA.
“FSRU Site”	means the Terminal, the waters and the immediate surroundings of, including points of access to, the port, which is at the date of this Charter located in Old Harbour Bay, Jamaica, and including the safety zone and/or the marine exclusion zone surrounding the jetty or mooring and around the Vessel; provided that, Charterer may, subject to the terms of Clause 16.2 designate an Alternative FSRU Site, which shall be treated for all purposes as the FSRU Site once the Vessel has been delivered by Owner to Charterer at the Alternative FSRU Site.
“Fuel Consumption Warranty”	is set out in Section 5 of Schedule II – <i>Performance Warranties</i> .
“Fuel Price”	means, with respect to fuel oil or marine diesel oil, the last price duly documented, in United States Dollars, paid for each item.
“Fuel Reference Conditions”	means the assumptions set out in Section 2 of Schedule I – <i>Particulars of Vessel</i> and Clause 15.4(a).
“Gas Heater”	is defined in Clause 5.5(b).
“Gas Nomination and Delivery Provisions”	has the meaning given to it in the OSA.
“Gas Offtake Agreements”	means: <ul style="list-style-type: none"> (a) the gas sales agreement dated 23 August 2017 between NFE South Holding

Limited (as seller) and South Jamaica Power Company Limited (as buyer) dated 21 December 2016; and

- (b) the gas sales agreement dated 19 August 2019 between NFE South Holding Limited (as seller) and General Alumina Jamaica Limited and Clarendon Alumina Production Limited (as co-buyers).

“Gas Up / Cool Down Operation”

has the meaning given to it in the OSA.

“Golar Penguin”

is defined in Clause 7.1(c).

“Governmental Authority”

means any (i) national, regional, state, municipal, local or other government, including any subdivision, agency, board, department, commission or authority thereof, including any harbour or marine authority, or any quasi-governmental organisation therein as well as any Tax and customs authority; and (ii) international organisation such as the IMO or ILO, in each case, having jurisdiction over Owner, Charterer, Contractor or the Vessel and acting within its legal authority (except that, for the purposes of Clause 22.1, “Governmental Authority” shall include such entities whether or not they are acting within their legal authority).

“Hire”

is defined in Clause 10.1.

“HLNG”

means Høegh LNG Holdings Ltd, a corporation organised and existing under the laws of Bermuda.

“HLNG Group”

means HLNG and any of its Affiliates.

“HMLP”

means Høegh LNG Partners LP, a limited partnership organised and existing under the laws of the Marshall Islands.

“HMLP Group”

means HMLP and any of its Affiliates.

“IACS”	means the International Association of Classification Societies or any successor body of the same.
“ICC”	means the International Chamber of Commerce.
“IFRS”	International Financial Reporting Standards.
“ILO”	means the International Labour Organization.
“IMO”	means the International Maritime Organization or any successor body of the same.
“Implementation Requirements”	is defined in Clause 6.3(a).
“Interest Rate”	is defined in Clause 11.5(b)(ii).
“International Standards”	has the meaning given to it in the OSA.
“ISO”	means the International Organisation for Standardisation.
“ISPS Code”	is defined in Clause 33.
“ITE”	is defined in Clause 7.5.
“Issuing Party”	is defined in Clause 11.5(a).
“Late Commissioning LDs”	is defined in Clause 7.4(h)(i).
“Late Delivery LDs”	means the genuine pre-estimate of Charterer’s Damages for the delay to the Scheduled Delivery Date, which shall be paid by Owner to Charterer as liquidated damages for such delay, as defined in Clause 7.3(b).
“Law”	means any applicable law (including any zoning law or ordinance or any environmental law), international convention, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, Authorization, approval, consent, condition of use, directive, policy, direction, requirement, decision or agreement of, with or by any Governmental Authority or any other authority acting on behalf of a Governmental Authority or

with jurisdiction over the activities related to this Charter and the OSA.

“LD Longstop Date”

is defined in Clause 7.3(b).

“Lender”

means any commercial bank, export credit agency, multi-lateral institution, secured hedging counterparty, or other Person providing (or in negotiations to provide) debt finance, re-financing or other financial or price risk support (other than by way of equity investment or shareholder loans) to Charterer and any agent or trustee appointed to act on behalf of any or all of the foregoing Persons.

“LIBOR”

means the British Bankers’ Association Interest Settlement Rate for United States Dollars for a period of one (1) month displayed on the appropriate page of the Bloomberg terminal (or such other page as may replace that page for the purpose of displaying offered rates of leading banks for London inter-bank deposits as aforesaid) as of 11.00 a.m. (London time) on the Payment Date for the offering of deposits in United States Dollars for a period of one (1) month. The Parties acknowledge that IBA shall cease to administer and Reuters shall cease to publish the London Interbank Offered Rate from 31 December, 2021, and the Parties shall use reasonable endeavours to agree on another reasonably comparable interest rate or publication, and if the parties are able to agree upon a replacement rate or publication then such replacement rate shall be the interest rate for the purposes of this Charter and all references to LIBOR shall be deemed to be replaced with references to such rate. If the Parties are unable to agree upon such replacement rate by 31 December 2021, SOFR shall be the interest rate for the purposes of this Charter and all references to LIBOR shall be deemed to be replaced with references to SOFR.

“LNG”

means natural gas liquefied by cooling and which is in a liquid state at or near atmospheric pressure.

“LNG Carrier”	means a vessel that Charterer or an LNG supplier uses or proposes to use for transportation of LNG to or from the Terminal.
“LNG Heel”	LNG retained in the cargo tanks of the Vessel after completion of unloading of LNG or sending out of regasified LNG.
“LNG Loading Rate Warranty”	is set out in Section 2 of Schedule II – <i>Performance Warranties</i> .
“LNG Price”	is defined in Clause 38.10.
“LNG Reloading Rate Warranty”	is set out in Section 3 of Schedule II – <i>Performance Warranties</i> .
“LNG SPA”	means a contract for the sale and purchase of LNG between a third party and Charterer (or an Affiliate thereof) for the loading, reloading and/or discharge of LNG on or from the Vessel (as the case may be).
“LNGC Mode”	is defined in Clause 16.4.
“LNGC Mode TCP”	is defined in Clause 16.5.
“Local Trading Certification”	means the certificate issued by the Maritime Authority of Jamaica permitting the Vessel to engage in local trade activities in Jamaican waters in accordance with Section 15(7) of Jamaica’s Shipping Act, 1998, or any equivalent Authorization as may be required under the Laws of the Applicable Jurisdiction, and any required extension, renewal or modification thereof from time to time.
“Master”	means the designated master of the Vessel from time to time, as determined by Owner and notified to Charterer.
“Maximum Daily Contract Quantity”	has the meaning given in to it the OSA.
“Minimum Heel Inventory”	has the meaning given in to it the OSA.

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“Minimum Test Requirements”	means the requirements set out in Schedule V – <i>Minimum Test Requirements</i> .
“Month M”	is defined in Clause 10.3.
“Monthly Hire Invoice”	is defined in Clause 11.1(a).
“Monthly Invoice Due Date”	is defined in Clause 11.1(b).
“Mortgage”	is defined in Clause 21.3.
“Mortgagee”	any holder of an Approved Mortgage.
“Nominated Volume”	is defined in Clause 15.1.
“Notice of Selection of Approved Broker”	is defined in Clause 23.5(b)(iii).
“OCIMF”	means the Oil Companies International Marine Forum or any successor body of the same.
“Off-Hire”	is defined in Clause 14.1.
“Off-Hire Threshold”	is defined in Clause 15.1(a).
“Off-Specification LNG”	has the meaning given to it in the OSA.
“OSA”	means the operation and services agreement relating to the Vessel entered into between Customer and Contractor of even date herewith.
“Owner/Contractor Guarantee”	is defined in Clause 24.1.
“Owner/Contractor Guarantee Cap”	is defined in Clause 24.1.
“Owner/Contractor Guarantor”	means HMLP.
“Owner/Contractor Guarantor Credit Tests”	means: <ul style="list-style-type: none">(a) Free Liquid Assets equal to or exceeding the higher of:<ul style="list-style-type: none">(i) ***** US Dollars (USD *****); and

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(ii) the product of (A) ***** US Dollars (USD *****) and (B) the number of vessels owned or leased by the Owner/Contractor Guarantor and the Owner/Contractor Guarantor's (direct or indirect) pro rata ownership of such vessels, subject to a cap of *****US Dollars (USD *****); and

(b) the Equity of the HMLP Group shall be equal to or greater than the higher of:

(i) *****% of Total Assets; and

(ii) USD *****.

“Owner/Contractor Guarantor Default”

means:

(a) Owner/Contractor Guarantor is in material breach of any of its obligations under the Owner/Contractor Guarantee and has failed to cure such breach within a reasonable period of time but in no event longer than ***** days after notice of such breach from Charterer pursuant to the Owner/Contractor Guarantee;

(b) the Owner/Contractor Guarantee has ceased to be in full force and effect, save where validly terminated;

(c) Owner/Contractor Guarantor fails to meet the Owner/Contractor Guarantor Credit Tests and such default is not remedied within ***** days;

(d) the event set forth in Clauses 23.1(a), 23.1(b) or 23.1(c) has occurred in respect of Owner/Contractor Guarantor (*mutatis mutandis*),

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unless, within ***** Banking Days of the occurrence of any of the above events:

- (e) a replacement guarantee is issued to Charterer by a Person acceptable to Charterer in the same terms as the original Owner/Contractor Guarantee (and in such case such replacement guarantee shall be the Owner/Contractor Guarantee); or
- (f) in respect of an event described in paragraph (b) or (c) above, Owner provides to Charterer an Owner Letter of Credit.

“Owner Financier”

means a Person or Persons providing finance or re-financing (including financing or re-financing by way of sale/leaseback or similar financing and/or re-financing arrangements) of the Vessel and/or to Owner or an Affiliate of Owner in connection with the Vessel.

“Owner Indemnified Party”

means Owner, Contractor, the HLNG Group, the HMLP Group and any of their respective Affiliates, and includes all contractors, servants and subcontractors and any Representatives (including the Master, pilot, officers and crew of the Vessel) of any of the aforementioned entities and their respective Affiliates.

“Owner Letter of Credit”

means a standby letter of credit issued by an Acceptable Credit Provider in an aggregate amount equal to USD ***** in support of Owner’s obligations under this Charter and Contractor’s obligations under the OSA and on terms reasonably acceptable to Charterer, which shall include an obligation to keep the letter of credit renewed or replaced during the Charter Period.

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- “Owner Maximum Liability Cap” is defined in Clause 19.2(a)(i).
- “Owner Only Additional Authorization” is defined in Clause 2.6(b).
- “P&I Club” means a Protection and Indemnity Club that is a member of the International Group of P&I Clubs.
- “Party” means Owner or Charterer, as the case may be (and “Parties” will be construed accordingly).
- “Payment Date” means, in respect of a refunding or repayment obligation, the date on which the amount to be refunded or repaid was originally paid to the Party obligated to make such refund or repayment and, in respect of a payment obligation, the date the payment owed by the Party obligated to make such payment became due.
- “Performance Tests” tests required to determine whether the Vessel meets the Required Performance Levels, and as further detailed in Schedule VI – *Required Performance Levels*.
- “Performance Warranties” means the Regasification Send-out Rate Warranty, LNG Loading Rate Warranty, LNG Reloading Rate Warranty and the Fuel Consumption Warranty as detailed in Schedule II – *Performance Warranties*.
- “Permitted Encumbrance” means any Approved Mortgage or Permitted Lien.

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- “Permitted Lien” means:
- (a) any lien on the Vessel for Master’s, officer’s or crew’s wages;
 - (b) any lien for salvage;
 - (c) any ship repairer’s or outfitter’s possessory lien for an amount not exceeding ***** United States Dollars (US\$ *****); and
 - (d) liens arising in the ordinary course of trading by statute or by operation of Law,
- provided that in each case (i) the relevant obligations are not overdue or are being contested in good faith by appropriate proceedings and in respect of which adequate reserves have been provided; (ii) such lien does not interfere with Charterer’s rights under this Charter; and (iii) such lien does not involve the likelihood, in Charterer’s reasonable opinion, of a sale, forfeiture or loss of, or of any interest in, the Vessel.
- “Person” means any individual, firm, corporation, stock company, limited liability company, trust, partnership, association, joint venture, or other business.
- “Pilot Boarding Station” means the pilot boarding station designated for delivery of the Vessel at the FSRU Site.
- “Pollution Regulations” is defined in Clause 31.1.

“Port Charges”	means all charges of whatsoever nature (including rates, tolls and dues of every description) in respect of the Vessel or any LNG Carriers entering, arriving or staying at or leaving the FSRU Site, including charges imposed by fire boats, tugs and escort vessels, any Governmental Authority, a pilot, or any other person assisting any LNG Carriers or the Vessel to enter, arrive at or leave the FSRU Site and all towage, pilotage, and mooring expenses relating to loading, reloading, discharging and bunkering at the FSRU Site.
“Post-Relocation Reinstatement Works”	is defined in Clause 16.3.
“Project”	is defined in the Recitals.
“Prolonged Off-Hire”	is defined in Clause 14.3(a).
“Quiet Enjoyment Agreement”	means an agreement to be entered into pursuant to Clause 2.7, Clause 12.2, and/or Clause 21.3, substantially in the applicable form attached as Schedule X – <i>Form of Quiet Enjoyment Agreement</i> or otherwise in a form acceptable to Charterer acting reasonably.
“Reasonable and Prudent Operator”	means a Person seeking in good faith to perform its covenants or obligations under this Charter and in so doing and in the general conduct of its undertaking exercising that degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be expected from a skilled and experienced operator complying with all applicable Laws and engaged in the same type of undertaking under the same or similar circumstances.
“Regardless of Cause”	means whether or not any Damages are asserted to have arisen by virtue of tort (including negligence of any degree), breach of statutory duty, breach of contract (including repudiation of this Charter) or quasi-contract, strict liability, breach of representation of warranty (express or implied), breach of any Laws, regulations, rules or orders of any Governmental Authority having jurisdiction, on the part of the Party or other

Person seeking indemnity or of any other Person.

“Regasification Send-out Rate”	means the actual rate at which the Vessel discharges natural gas on any given day, as measured in accordance with Schedule II – <i>Performance Warranties</i> .
“Regasification Send-out Rate Warranty”	is set out in Section 4 of Schedule II – <i>Performance Warranties</i> .
“Registry”	is defined in Clause 2.4.
“Relevant Items”	means all inventory of materials, equipment, accessories, spare parts and any other goods or materials, necessary for the performance of this Charter, imported at delivery of the Vessel.
“Relevant Person”	means each of the Parties and their respective Affiliates, and any such Person’s directors, officers, employees, agents or representatives.
“Reload Operation”	has the meaning given to it in the OSA.
“Rely Upon Data”	means the information set out in Schedule XIII – <i>Charterer’s Facilities and Rely Upon Data</i> , relating to Charterer’s Facilities, and the Mooring and Berthing Study, Navigation Assessment, SSL documentation, power cable details and distance between MLAs for the interface check with the jetty, in each case as provided by Charterer to Owner before the Execution Date.
“Representatives”	means, with respect to any Party, such Party’s directors, officers, employees, agents, accountants, consultants, attorneys and advisors.
“Required Performance Levels”	means the performance requirements set out in Schedule VI – <i>Required Performance Levels</i> .
“Restricted Party”	means a Person that: (a) is listed on any Sanctions List or targeted by Sanctions (whether designated by name or by reason of being included in a class of person); or

- (b) is located in or incorporated under the laws of or is organised or is resident in any country or territory that is or whose government is the target of comprehensive, country or territory wide Sanctions; or
- (c) is directly or indirectly owned fifty per cent. (50%) or more or controlled by, or acting on behalf, at the direction or for the benefit of, a person referred to in (a) and/or (to the extent relevant under Sanctions) (b) above; or
- (d) is otherwise the specific subject of any Sanctions.

“Rules”

is defined in Clause 34.2(a).

“Sanctioned Party”

is defined in Clause 29.2(b).

“Sanctions”

means any applicable laws, regulation or orders concerning trade, economic or financial sanctions or restrictive measures or embargoes enacted, administered, enforced or imposed by any Sanctions Authority.

“Sanctions Authority”

means the Norwegian State, the United Kingdom, the United Nations Security Council, the European Union, the member states of the European Union, the United States Department of the Treasury’s Office of Foreign Assets Control (OFAC), the United States Department of State, the French Republic, Her Majesty’s State, the Swiss Confederation, the Commonwealth of Australia and/or any other sanctions authority relevant to any Party and any authority acting on behalf of any of them in connection with Sanctions.

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“Sanctions List”	means: (a) the lists of Sanctions designations and/or targets maintained by any Sanctions Authority; and/or (b) any other Sanctions designation or target listed and/or adopted by a Sanctions Authority, in all cases, from time to time.
“Scheduled Acceptance Date”	means the date falling ***** days after the Scheduled Delivery Date.
“Scheduled Delivery Date”	is defined in Clause 7.1(a).
“Scheduled Delivery Window”	means the period from 15 November 2021 to 30 November 2021, both dates inclusive.
“Security Agent”	means Nordea Bank ABP, Filial i Norge or such other entity acting as Security Agent as notified by Owner to Charterer from time to time.
“Service Excusable Event”	has the meaning given to it in the OSA.
“Senior Management”	means the board of directors and executive officers of the respective Parties.
“Service Failure Compensation”	means Charterer’s compensation for breach of the Performance Warranties by way of reduction of the Daily Service Fee and/or the Daily Hire (as applicable) pursuant to Clause 15.
“Shelf State”	means Jamaica, or, as applicable, any other shelf state of an Applicable Jurisdiction.
“SIGTTO”	means the Society of International Gas Tanker and Terminal Operators or any successor body of the same.
“SOFR”	means, with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a

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	successor administrator) on the Federal Reserve Bank of New York's Website.
"Specifications"	means the particulars of the Vessel set forth in Schedule I – <i>Particulars of Vessel</i> .
"SPV Owner"	is defined in Clause 2.7(b).
"Standard Performance Period"	means a period of ***** running consecutively throughout the Charter Period; the first of which commences on the Acceptance Date and ends ***** thereafter.
"Substitute Vessel"	is defined in Clause 7.8(a).
"Supplemental Invoice"	is defined at Clause 11.2.
"Supplemental Invoice Due Date"	is defined at Clause 11.2.
"Tax" or "Taxes"	means all forms of taxation (whether direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, charges, fees, contributions and levies, in each case, in the nature of taxation including (without limitation), corporation tax, supplementary charge, revenue tax, income taxes, sales taxes, use taxes, stamp duty, transfer taxes, gross income taxes, value added taxes, general consumption tax, crew personnel income taxes, social contribution taxes, employment taxes, government royalties, Customs Duties, excise duties and environmental taxes and levies and withholding taxes, together with all penalties and interest relating thereto and any penalties, interest and surcharges in respect of the associated reporting and compliance requirements relating to the movement of goods (including to all Relevant Items and the Gas Heater) and provision of services, wherever or whenever imposed.

“Terminal”	means the plot at the FSRU Site necessary for mooring the Vessel at the jetty and all necessary infrastructure, including the loading platform, the offshore jetty and mooring system for the Vessel, sufficient mooring facilities for LNG Carriers to be berthed alongside the Vessel, an emergency shutdown system, a fire and gas detection system and jetty firefighting system, and a natural gas pipeline for transportation of regasified LNG connecting the jetting and mooring system to the receiving jetty. The Terminal does not include the Vessel.
“Total Assets”	means the total book value of all the assets of the HMLP Group as shown in the latest published audited consolidated balance sheet or the latest published interim consolidated balance sheet of HMLP which would, in accordance with the Accounting Principles, be classified as assets of the HMLP Group, excluding the marked-to-market value of any derivative transactions.
“Total Loss”	means the actual total loss of the Vessel.
“United States” or “US”	means the United States of America.
“United States Dollars”, “\$”, “US\$” or “USD”	means the lawful currency of the United States of America.
“Vessel”	is defined in Clause 2.1 and means the vessel to be used as a floating, storage and regasification unit under this Charter.
“Vessel Substitution”	is defined in Clause 7.1(c).
“Wilful Misconduct”	means: (a) any act or omission (whether sole, joint or concurrent) by the relevant Party which was intended to cause, or which was in reckless disregard of, or wanton indifference to, harmful consequences such Party knew, or should have known, such act or omission would have on the

safety or property or interests of another Party or on the environment; and

- (b) any act or omission (whether sole, joint or concurrent) by the relevant Party which was a deliberate and intentional breach of such Party's obligations under either this Charter or the OSA,

and, in each such case, shall apply solely to the act or omission by Senior Management.

1.1 Interpretation

- (a) Unless the context otherwise requires, a reference to the singular shall include a reference to the plural and vice-versa, and a reference to any gender shall include a reference to the other gender.
- (b) The Schedules attached hereto shall form part of this Charter. Unless the context otherwise requires, a reference to the preamble, any clause, schedule or section shall be to the preamble, Clause, Schedule or Section (forming part of a Schedule) of this Charter.
- (c) The headings of the Clauses and Schedules in this Charter are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Charter.
- (d) References to a Party to this Charter or any other agreement ancillary thereto shall be deemed to include its permitted successors and assigns.
- (e) The words 'written' and 'in writing' include facsimile, printing, engraving, lithography, photography, email or other means of visible reproduction.
- (f) Any reference to any ordinance or statute shall be deemed to be references to that ordinance or statute as from time to time amended or re-enacted and shall include subsidiary legislation made thereunder.
- (g) Any reference to an 'order' includes any judgment, injunction, decree, determination, declaration or award of any court or arbitral or administrative tribunal.
- (h) The words 'include' or 'including' shall be deemed to be followed by 'without limitation' or 'but not limited to' whether or not they are followed by such words.
- (i) Any reference to a 'day' shall be construed as: (i) when used in connection with the application of a specification or the measurement of the Vessel's performance, a period of twenty-four (24) consecutive hours beginning at the

time such specification is to be applied or such performance measured, as the case may be, and (ii) when used in all other cases (except as the defined terms “Banking Day” or “Business Day”), a calendar day (including Saturdays, Sundays and legal holidays in the location of the party charged with the action to which the number of days expended is relevant).

- (j) Any reference to the calendar shall be construed as reference to the Gregorian calendar.
- (k) Any reference to a ‘month’ means a period commencing on a day in a calendar month and ending on the day before the corresponding day in the next calendar month or, if there is none, ending on the last day of the next calendar month.
- (l) Any reference to this Charter or any other agreement or document is a reference to this Charter or, as the case may be, the relevant other agreement or document as from time to time amended, supplemented or novated.
- (m) Any reference to the act or omission of Owner shall include any act or omission of the Contractor under the OSA.
- (n) In the event of any conflict between the body of this Charter and its Schedules, this Charter shall be interpreted in accordance with the following priority:
 - (1) body of this Charter;
 - (2) Schedule I – *Particulars of Vessel*; and
 - (3) any other Schedules to this Charter.

2. Vessel to be Chartered

2.1 The Vessel

Owner shall provide a vessel to be hired under this Charter which has the Specifications set forth at Schedule I – *Particulars of Vessel*, with builder’s hull number 2550, together with all its appurtenances, machinery, equipment and fittings (the “Vessel”). Owner shall ensure that the Vessel shall comply: (i) in all material respects with the description set forth in Schedule I – *Particulars of Vessel* for the purposes of Contractor providing FSRU Services under the OSA; and (ii) with the other provisions of this Charter.

2.2 Vessel Documents

The Vessel shall be properly documented on Arrival in accordance with the laws of the Registry, the requirements of the Classification Society and, subject to the provisions of Clauses 9.1(f), 9.1(g), and applicable Law.

2.3 Vessel Classification

- (a) Owner shall cause the Vessel to be classed by DNV-GL or ABS or another internationally recognized classification society member which is a member of IACS (“**Class**”, “**Classification**” or “**Classification Society**”) and in such a way as to eliminate the need for dry-docking for the duration of the Charter Period provided that during such period the Vessel shall be utilised only for regasification services (and/or Reload Operations and/or Gas Up / Cool Down Operations) and shall not be utilised in LNGC Mode. Such Class and dry-docking exemption shall be maintained by Owner throughout the Charter Period, unless the Parties otherwise agree to change the Class (and Charterer shall not unreasonably withhold, condition or delay any approval to change the Classification Society which may be requested by Owner from time to time). Owner shall not take any action that will or is likely to jeopardize the Vessel’s Classification. Any cost associated with the election of the Classification Society will be for Owner’s account. Owner shall arrange and pay for all Class renewal surveys required by the Classification Society (save if such Class renewal surveys are required by any Governmental Authority of the Applicable Jurisdiction). Owner shall be responsible for submitting applications for all necessary licenses, approvals, consents, concessions, permits, Authorizations, certifications of certificates and documentation relating to compliance with the requirements of the Classification Society and the Flag State. Charterer shall ensure that Owner and Contractor have access to the cargo tanks for inspection as reasonably required to ensure compliance with Class.
- (b) Owner shall advise Charterer immediately, in writing, should the Vessel fail any inspection by the Classification Society or a Governmental Authority. Owner shall simultaneously advise Charterer of its proposed course of action to remedy the deficiencies that caused the failure of such inspection and/or the measures which Owner proposes to take to comply with applicable Laws.
- (c) Owner shall provide Charterer promptly upon request, as often and at such intervals as Charterer, acting reasonably, elects, with any certificates or other documentation maintained by the Classification Society or Registry with respect to the Vessel as may reasonably be required by Charterer.
- (d) Owner shall notify Charterer if the Classification Society issues any recommendation or memorandum in respect of the condition or classification of the Vessel.

2.4 Vessel Registry

Owner shall cause the Vessel to be registered under the laws and flag of the Flag State (the “**Registry**”). Such Registry shall be maintained by Owner throughout the Charter Period, except as may otherwise be agreed between the Parties. Consent by either Party to the other Party’s request for any change of Registry shall not be

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unreasonably withheld, conditioned or delayed. Any cost associated with or arising from a change of Registry shall be for the account of the Party who requests the change of Registry. Notwithstanding anything to the contrary in this Clause 2.4, Owner may, at any time prior to the Actual Arrival Date, freely change the Registry to any Flag State.

2.5 No Dry-Docking

- (a) Owner shall ensure that subject to the terms and conditions of this Charter, at the Actual Arrival Date, and throughout the Charter Period, the Vessel shall be able, and shall be classified, to fully operate at the FSRU Site for a period at least equal to the Charter Period, without the need for dry-docking (unless required by a Governmental Authority of the Applicable Jurisdiction) provided that:
 - (i) during such period the Vessel shall be utilised only in FSRU Mode (including for Reload Operations and/or Gas Up / Cool Down Operations) and shall not be utilised in LNGC Mode;
 - (ii) during such period the Vessel does not suffer any hull damage: (i) while in FSRU Mode; or (ii) as a result of being required to leave the FSRU Site because of Excusable Event, Adverse Weather Conditions or any event of Force Majeure; or otherwise at the direction of Charterer;
 - (iii) subject to approval from the Classification Society, Flag State and Shelf State, Owner shall be entitled to carry out in-situ hull inspections and/or any reclassification of the Vessel, in each such case, as may be required to satisfy the Classification Society and/or Registry that no extended dry-docking (which requires the Vessel to depart from the Terminal) is required during the Charter Period; and
 - (iv) Owner shall be responsible for all the approvals and certification from the Classification Society and the Registry (but not any Governmental Authority of the Applicable Jurisdiction) necessary to obtain and maintain the necessary dry-docking exemptions.
- (b) For the avoidance of doubt, if Owner is required to carry out any extended dry-docking (which requires the Vessel to depart from the Terminal) then such dry-docking shall be subject to approval from the Classification Society, Flag State and Shelf State.
- (c) Owner shall provide Charterer with a Dry-Docking Exemption Confirmation no later than ***** days after Arrival.

2.6 Licences and approvals

- (a) Owner shall apply for all Authorizations and documentation required for compliance with the requirements of the Classification Society and the Flag State.
- (b) Except for the Authorizations which Charterer is required to obtain, renew or maintain pursuant to Clause 9.1(f), Clause 9.1(g) and/or Clause 2.6, and subject to Charterer's performance of its obligations under Clause 9.1(f), Clause 9.1(g) and/or Clause 2.6, Owner shall (to the extent permitted to do so by applicable Law) maintain at its own cost all of the Authorizations required for the performance of Owner's obligations under this Charter which are (i) applied for and obtained by Owner in its name (which shall be set out in Part A of Schedule XVI – *Authorization Schedule*); and (ii) applied for and obtained by Charterer in the name of Owner (which shall be included and specified as such in Part B of Schedule XVI – *Authorization Schedule*), in each case pursuant to Clause 9.1(g). Any Authorizations not expressly set out in Schedule XVI – *Authorization Schedule* shall be obtained and maintained by Charterer at its cost and expense save that if such an Authorization can only be obtained and/or maintained by Owner in its own name ("**Owner Only Additional Authorization**") then Owner shall use its best endeavours to obtain and/or maintain (as applicable) such Authorization, at Charterer's cost and expense.
- (c) Notwithstanding anything to the contrary herein, if any Authorizations which Charterer is obliged to obtain and maintain under the applicable Laws of the FSRU Site impose requirements with respect to the Vessel with which the Vessel is not capable of compliance; or restricts the Vessel (or Owner) from performing its obligations in accordance with the terms of this Charter, then:
 - (i) Owner shall notify Charterer without delay and the Parties shall meet as soon as reasonably possible and seek to agree (acting reasonably and in good faith) how to proceed;
 - (ii) no Event of Charterer's Default shall occur under Clause 23.2(h) unless the failure to comply with the Authorizations is attributable to the act or omission of Charterer or its Affiliates including Charterer's failure to provide any required information which would be reasonably expected to be provided by Charterer (taking into consideration the anticipated requirements of such Authorizations); and
 - (iii) no Event of Owner's Default shall occur under Clause 23.1(m), unless (A) the Vessel fails to comply with the requirements of such Authorization following Owner effecting any modification to the Vessel undertaken to remedy such non-compliance or restriction; (B) such non-compliance or restriction results from non-compliance of the Vessel with the Specifications and therefore needs to be remedied by Owner; or (C)

the failure to comply with the Authorizations is attributable to the act or omission of Owner or its Affiliates, including Owner's failure to provide any required information which would be reasonably expected to be provided by Owner (taking into consideration the anticipated requirements of such Authorizations).

2.7 Representations and warranties in respect of novation, Approved Mortgage and Quiet Enjoyment Agreement

Owner hereby represents and warrants to Charterer that the following shall occur:

- (a) on the Execution Date, SPV Owner shall provide a Quiet Enjoyment Agreement executed by the Mortgagee and in the form set out at Part A of Schedule X – *Form of Quiet Enjoyment Agreement* save for minor logical changes; and
- (b) prior to Arrival:
 - (i) the registered owner of the Vessel as at the Execution Date shall transfer the Vessel to a new registered owner (“**SPV Owner**”) which shall be a member of the HLNG Group or HMLP Group;
 - (ii) Owner shall novate this Charter to SPV Owner pursuant to Clause 12.2(b);
 - (iii) the Owner/Contractor Guarantor shall reissue the Owner/Contractor Guarantee on the same terms save that: (i) SPV Owner is defined as the “Owner” therein and is one of the Guaranteed Companies as defined therein; and (ii) the words “(except those obligations of Owner during any period when Owner and Guarantor are the same entity)” therein are deleted;
 - (iv) SPV Owner shall enter into an Approved Mortgage with the relevant Mortgagee; and
 - (v) SPV Owner shall provide a Quiet Enjoyment Agreement executed by the Mortgagee as contemplated by Clause 21.3.

3. Charter Period

3.1 Charter Period

Subject to the other provisions of this Clause 3 or as otherwise agreed between the Parties, the term of this Charter shall be from the Actual Arrival Date to but not including the date one hundred twenty (120) months following the Actual Arrival Date (the “**Charter Period**”).

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3.2 Extension of Charter Period.

Not less than ***** months prior to expiry of the Charter Period, Charterer may extend the Charter Period for an additional twelve (12) months by written notice to Owner, and the terms and conditions of this Charter shall continue to apply during such additional twelve (12) month period (the “**Extension Period**”) and references to the Charter Period shall be construed accordingly.

3.3 Co-termination

Without prejudice to the provisions of the OSA, the Parties hereby agree that:

- (a) if this Charter terminates or is terminated by either Party for any reason whatsoever, then:
 - (i) Owner shall procure that Contractor terminates the OSA; and
 - (ii) (unless Contractor has already terminated) Charterer shall terminate (or shall procure that the Customer terminates) the OSA, in each case, with effect on the same date as this Charter so terminates; and
- (b) if the OSA terminates for any reason whatsoever, then this Charter shall automatically terminate on the same date as the OSA so terminates.

4. **Use of Vessel**

- 4.1 In FSRU Mode the Vessel shall be used as an FSRU in situ at the FSRU Site with Contractor providing the FSRU Services pursuant to the OSA on the terms and subject to the conditions in the OSA.
- 4.2 Charterer and Owner shall jointly evaluate power-to-shore as an additional service with a view to providing mutual benefit to both Parties.

5. **Inspection and Importation**

5.1 Vessel Inspection

- (a) Charterer and Charterer’s Personnel shall have the right, upon reasonable prior written notice (and at Charterer’s cost and expense), to inspect the Vessel upon Arrival and, from time to time, during the Charter Period, provided that such inspection does not interfere with the safe or efficient operation of the Vessel.
- (b) Charterer shall ensure that any inspection of the Vessel undertaken or commissioned by Charterer, or any of its representatives, pursuant to this Clause 5.1, or as otherwise permitted under the terms of the Charter does not

- (c) unduly delay or disrupt Arrival, Commissioning or the undertaking of Performance Tests or the safe or efficient operation or maintenance of the Vessel. Charterer shall compensate Owner for any and all Damages suffered by any Owner Indemnified Party in connection with any such undue delay or disruption, including without limitation, the payment of Daily Hire to Owner in respect of any resulting delay to Arrival, Commissioning or operation of the Vessel. Charterer shall further procure that prior to boarding the Vessel, all Charterer Personnel shall have entered into Owner's standard letter of indemnity. Owner shall not be obliged to give access to the Vessel to any Person who has not signed such letter of indemnity.
- (d) Owner shall provide all necessary cooperation and assistance and shall afford all necessary accommodation in respect of the above rights of inspection pursuant to Clause 5.1, provided however that:
 - (i) save as provided in Clause 5.1(b), neither the exercise nor the non-exercise, nor anything done or not done in the exercise or non-exercise, by Charterer of such rights shall in any way reduce the Master's or Owner's authority over, or responsibility to Charterer or third parties for, the Vessel and every aspect of its operation, nor increase Charterer's responsibilities to Owner or third parties for the same;
 - (ii) save as provided in Clause 5.1(b) and subject to Clause 18, Charterer shall not be liable for any act, neglect or default by itself, its servants or agents in the exercise or non-exercise of such rights;
 - (iii) all reasonable and documented costs incurred in relation to such inspection shall be for Charterer's account, provided that any costs have been disclosed to and approved by Charterer in advance;
 - (iv) any inspection carried out by Charterer shall be made without interference or hindrance to the Vessel's safe and efficient operation; and
 - (v) any overnight stays shall be subject to the provisions of the OSA applicable to super-numeraries.

5.2 Compatibility with the Terminal

- (a) Owner shall ensure that as at the Actual Arrival Date the Vessel will be, and at all times thereafter remains, compatible with the Terminal specifications set forth in Schedule XIII – *Charterer's Facilities and Rely Upon Data*, which may not be amended save only for any modification to such specifications as are necessary to reflect any changes to the Terminal to the extent agreed or required pursuant to Clause 6.1, and subject always to the provisions of Clause 5.2(c) below. For these purposes the Parties agree that Owner has not inspected the Terminal physically and relies entirely on the contents, completeness and correctness of the Rely Upon Data.

- (b) Charterer shall be responsible to ensure that the Terminal will be, and at all times remain, compatible with the Vessel.
- (c) Notwithstanding the provisions of Clause 5.2(a) and Clause 6.3, if, following the Execution Date, either (i) Charterer makes any modifications or adjustments to the Terminal or to the Terminal's specifications set forth in Schedule XIII – *Charterer's Facilities and Rely Upon Data*, and this requires any modifications or adjustments to the Vessel to ensure its compatibility with the Terminal, or (ii) Owner determines (acting reasonably) that the Rely Upon Data is inaccurate or incomplete, then, in each such case, Charterer shall be responsible for the costs of all such modifications and adjustments to both the Vessel and the Terminal and the Vessel shall be on-hire during such period required to effect such modifications or adjustments. For these purposes the Parties agree that Owner has not inspected the Terminal physically and relies entirely on the contents, completeness and correctness of the Rely Upon Data.
- (d) Owner shall provide to Charterer or Charterer's Personnel such information that it has regarding the Vessel as reasonably requested by Charterer and which may be reasonably necessary to verify the compatibility of the Terminal with the Vessel. Such information shall include drawings with sufficient detail to allow Charterer and any competent Governmental Authority to evaluate the compatibility of gangways, unloading arms, communications systems, mooring lines, breasting points, information regarding the Vessel's compliance with applicable Law at the Terminal, the Vessel's unloading rate, maximum draft and other physical dimensions. Charterer shall be entitled to request Owner further information as reasonably required for ensuring compatibility during development of the Terminal.
- (e) Without prejudice to the provisions of this Clause 5.2, if any incompatibility between the Vessel and the Terminal arises, the Parties shall (if requested by either Party) meet and discuss the steps to be taken, if any, to alter or modify the Vessel or Terminal to rectify such incompatibility, save that any alteration or modification to the Vessel shall be subject to acceptance of Owner, which shall not be unreasonably withheld, conditioned or delayed. Unless otherwise agreed between the Parties, any such modification to the Vessel shall be dealt with in accordance with the provisions of Clause 5.2(c).

5.3 Marking of Vessel

Owner shall be entitled to paint the Vessel's funnel in its own colours and display the house flag thereon. Charterer shall be entitled to add its logo to the Vessel's hull at Charterer's cost.

5.4 Importation of the Vessel and spare parts

- (a) Charterer shall have responsibility for the importation of the Vessel and the Relevant Items and the Gas Heater into the Applicable Jurisdiction and shall make arrangements directly with all competent Governmental Authorities for the entry of the Vessel and all Relevant Items and the Gas Heater into the Applicable Jurisdiction. Subject to Clauses 2.3 and 2.4, Charterer shall make arrangements, at Charterer's cost and expense, for the release, survey and registration of the Vessel and all Relevant Items and the Gas Heater.
- (b) At Charterer's request, with reasonable prior notice, Owner shall supply all necessary information and records in its possession to Charterer relating to the temporary or permanent importation of the Vessel and all Relevant Items and maintain all necessary records and deliver the same to Charterer.

5.5 Foreign Trade

- (a) Charterer shall be the importer of record and, as necessary, export the Vessel, all Relevant Items, the Gas Heater and all spare parts with the costs of importation and/or exportation to be for Charterer's account.
- (b) Charterer shall have sole responsibility and liability for (i) all costs related to the importation of the Vessel and all Relevant Items and the gas heater to be installed on the Vessel at the FSRU Site and further described in the section headed "Design Regas Temperature at Vessel HP flange" in Schedule I – *Particulars of Vessel* and any auxiliary or spare parts as may be required to operate and maintain the gas heater (the "**Gas Heater**"), including Taxes, and the Vessel's and all Relevant Items and the Gas Heater's return abroad under this Charter, and (ii) the customs clearance of Relevant Items and the Gas Heater along with the costs of storage or warehousing that is incurred prior to the completion of the customs clearance. The foregoing obligation on Charterer extends as well to any items which may have to be permanently imported.
- (c) In the event this Charter is terminated or expires, the Vessel and all Relevant Items and the Gas Heater shall depart from the Applicable Jurisdiction as soon as reasonably practical after the Vessel has been redelivered to Owner in accordance with the provisions of this Charter, and Charterer shall immediately obtain authorization to re-export the Vessel and the Relevant Items and the Gas Heater.
- (d) Charterer shall be responsible for any costs, expenses or other liabilities incurred in relation to any Taxes imposed, if any, or any other expenses incurred after termination of this Charter and with respect to taxable events occurring after termination of this Charter. The Vessel (and all applicable Relevant Items and the Gas Heater) shall depart the Applicable Jurisdiction's

waters as soon as is reasonably practicable and in compliance with safety and other applicable regulations.

- (e) Charterer shall promptly at its cost provide all reasonably requested assistance to Owner in respect of Owner complying with its obligations under this Clause 5.5.

5.6 Miscellaneous

- (a) Charterer shall comply with any Law regarding the Vessel and all Relevant Items and the Gas Heater, any amendments thereto or substitute regulations, and with the specific rules of any special regimes that may be enacted during the Charter Period which may apply to this Charter. Charterer shall provide the requisite security pursuant to the applicable legislation.
- (b) Unless this Charter provides to the contrary, Charterer shall be liable for any actions or measures deemed necessary by the relevant Governmental Authorities in relation to any and all import licenses, import declarations and export registrations and any other compliance requirements relating to the Vessel and all Relevant Items and the Gas Heater.
- (c) Charterer shall, at Owner's request, submit evidence of Charterer's compliance with all import/export regimes applied to the Vessel and the Relevant Items and the Gas Heater (including any necessary record keeping) and the regular standing of the operations, regarding import and/or export of the Vessel and all Relevant Items and the Gas Heater.

6. Change in Law and Changes to the Vessel

6.1 Change in Law

If, by reason of any Change in Law, any improvement, structural changes, change in specification or any other modification or new equipment become compulsory for the operation of the Vessel and/or the performance of the Charter Activities at the FSRU Site, or Owner or any Affiliate of Owner is required to make any changes or take any actions in respect of insurance, equity ownership, Tax compliance and/or control of Owner or Contractor, financial responsibility in respect of the Vessel or management or operation of Owner, Contractor or the Vessel, in each such case, to ensure that Owner and Contractor can continue to comply with their respective obligations under this Charter or the OSA with no incremental liabilities being assumed from such Change in Law by either Owner or Contractor on the basis of the existing financial and risk position, ("**Change in Law Required Actions**"). Owner shall make, implement or effect such Change in Law Required Actions or where applicable cause its Affiliate to do so, and the costs associated therewith shall be allocated as set out in Clause 6.3.

6.2 Other Changes to the Vessel

At any time after the date hereof Owner shall make all such modifications to the Vessel as may be required by the Vessel's Classification Society or Registry, or as otherwise provided under the terms of this Charter. Save as provided in Clauses 5.2 or 6.1, Owner shall not make (or permit to be made) any material alterations to the Vessel after the Actual Arrival Date without Charterer's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

6.3 Cost and Hire Status

- (a) The cost of work or other activities or actions required to implement or effect the Change in Law Required Actions or other modifications of whatever nature, as set forth in Clauses 5.2, 6.1 and 6.2 (the "**Implementation Requirements**") shall be the documented cost thereof (including any internal resources and associated expenses) and the time taken for such Implementation Requirements shall, if following the Actual Arrival Date, be deemed to include all time in which the Vessel is incapable of providing or commencing the FSRU Services in connection with such Implementation Requirements and/or the reasons therefor (including any time spent away from the Terminal or out of service while the Implementation Requirements are effected).
- (b) Where the time taken and cost of any Change in Law Required Actions (including any Implementation Requirements) is the responsibility of Charterer under the terms of this Clause 6 or of Customer under the terms of the OSA, Owner shall be entitled to payment thereof in accordance with Clause 6.3(c).
- (c) The direct cost of any Change in Law Required Actions (including any Implementation Requirements) required:
 - (i) by Charterer; or
 - (ii) by an Applicable Jurisdiction Change in Law (and not due to the incorporation of applicable international standards into the law or regulations of the Applicable Jurisdiction) and any incremental Tax incurred by Owner or any Affiliate of Owner as a result of the Applicable Jurisdiction Change in Law (including by way of deduction or withholding),shall, in each such case, be borne by Charterer, and Hire shall be payable for any delay caused thereby, including the duration required to carry out any such Implementation Requirements.
- (d) The cost of any Change in Law Required Actions (including any Implementation Requirements) required (except to the extent this constitutes

a change for which Charterer is responsible pursuant to the provisions of Clause 6.3(c) above):

- (i) by the Classification Society;
- (ii) by the Registry; or
- (iii) by a Change in Law other than an Applicable Jurisdiction Change in Law,

shall, in each such case, be borne by Owner. In the event that such Change in Law Required Actions or Implementation Requirement occurs after the Acceptance Date, Hire shall not be payable for any delay caused thereby, including the duration required to carry out any such Implementation Requirements and the Vessel shall be treated as Off-Hire pursuant to Clause 14, and fuel consumed including Boil-Off, and the cost of cargo system warm-up, gas freeing, inerting and thereafter returning the Vessel to the ready-to-load condition, shall be for Owner's account.

6.4 Notice and Consultation

- (a) Where Change in Law Required Actions are required, Owner shall provide details of such Implementation Requirements to Charterer including:
 - (i) the nature of the Implementation Requirement to be performed;
 - (ii) the location for the performance of such Implementation Requirement;
 - (iii) the estimated duration of the Implementation Requirement;
 - (iv) the estimated cost of the Implementation Requirement; and
 - (v) the dates on which the Vessel will be taken out of service and is expected to return to service, if required.
- (b) The Parties shall consult each other in good-faith to determine the schedule for the Implementation Requirement constituting work which is required to be performed on the Vessel and if in dispute, the party to bear the costs of the work.

7. Delivery, Redelivery and Cancellation

7.1 Scheduled Delivery Date, Place and Mode

- (a) The Vessel shall be delivered by Owner to Charterer at the Terminal no later than a date to be notified by Owner pursuant to Clause 7.1(b), which shall be within the Scheduled Delivery Window (the "**Scheduled Delivery Date**").

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- (b) Owner shall give Charterer ***** days' prior notice of the Scheduled Delivery Date, together with notice of the volume of LNG required pursuant to Clause 7.4(d), to be followed by notice of delivery ***** days prior to delivery.
- (c) The Parties acknowledge that (i) the Vessel is currently under charter as an LNG carrier pursuant to the FSRU LNGC TCP, subject to the right of Owner to substitute an alternative LNG carrier for the Vessel under certain circumstances. Charterer has agreed to arrange for the chartering of the LNG carrier Golar Penguin (the "**Golar Penguin**"), to an Affiliate of Owner that shall be substituted for the Vessel under the FSRU LNGC TCP (the "**Vessel Substitution**") on the mutual understanding that the Golar Penguin will be chartered to Owner or an Affiliate of Owner for use as an LNG carrier on similar terms as set out in the FSRU LNGC TCP for the remaining term of the FSRU LNGC TCP. Notwithstanding the foregoing paragraphs (a) and (b), if the Vessel Substitution is effected, the Scheduled Delivery Date shall be (A) the date that falls ***** days after the date on which the charterer under the FSRU LNGC TCP releases the Vessel therefrom pursuant to the terms thereof; or (B) such other date as may be mutually agreed by the Parties.
- (d) Charterer shall, no later than ***** days after the Execution Date, notify Owner in writing as to whether Owner shall deliver the Vessel in FSRU Mode or, subject to Clause 7.4(b), LNGC Mode. If Charterer does not give Owner notice within such time period, Owner shall deliver the Vessel in FSRU Mode.

7.2 Arrival

- (a) The Vessel shall arrive at the Terminal on or before the Scheduled Delivery Date, provided that Charterer may allow the Vessel to berth at the Terminal before the Scheduled Delivery Date at its sole discretion. If the Vessel arrives in FSRU Mode, the commissioning of the Vessel and Performance Tests shall commence as soon as reasonably practical after the Actual Arrival Date.
- (b) Upon Arrival, the Parties shall promptly execute a Certificate of Arrival to confirm the Vessel's Arrival as of the Actual Arrival Date. This Certificate of Arrival shall also include confirmation of the quantity of Bunkers and LNG on board at the time of Arrival.
- (c) If the Vessel is delivered in LNGC Mode the condition of the tanks shall be specified in the LNGC Mode TCP. If the Vessel is delivered in FSRU Mode the Vessel shall have cargo tanks containing LNG vapour, inert gas or fresh air, at Owner's option.

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7.3 Late Arrival

- (a) Charterer may at any time request Owner to provide a written estimate of the actual date (and time) on which Arrival will occur.
- (b) If Arrival of the Vessel has not occurred by the later of (i) the Scheduled Delivery Date (as adjusted according to the terms of Clause 7.1(c), if applicable); or (ii) 30 November 2021 (the “**LD Longstop Date**”), then in each such case, Owner shall pay to Charterer delay liquidated damages at a rate equal to the Daily Hire up to a maximum of ***** days, from (and excluding) the LD Longstop Date to (and including) the date on which Arrival occurs (the “**Late Delivery LDs**”), provided always that Late Delivery LDs will not be payable in respect of any time lost due to an Excusable Event, Force Majeure, or Adverse Weather Conditions.
- (c) Late Delivery LDs shall accrue for each day or part of day from (and excluding) the LD Longstop Date to (and including) the date on which Arrival occurs, and may be invoiced by Charterer to Owner upon the end of each ***** day period from the LD Longstop Date during which (or part of which) such Late Delivery LDs apply. Owner shall pay any Late Delivery LDs within ***** days from receipt of a duly supported invoice from Charterer, delivered in accordance with Clause 11.2.
- (d) Notwithstanding anything else contained herein, the maximum liability of Owner for Late Delivery LDs under this Charter shall under no circumstances exceed the aggregate amount of ***** days multiplied by Daily Hire.
- (e) The payment or collection of Late Delivery LDs shall not relieve Owner from its obligations under this Charter to diligently complete the requirements for Arrival of the Vessel. The Parties agree that Charterer’s entitlement to claim such Late Delivery LDs is commercially justified, reasonable and proportionate to the legitimate interests of Charterer and does not constitute a penalty. Owner and Charterer further acknowledge and agree that Charterer’s right to receive Late Delivery LDs pursuant to this Clause 7.3, together with Charterer’s right to terminate this Charter under Clause 23.4(a) and Owner’s obligation to compensate Charterer for its costs in respect of obtaining a replacement Vessel in accordance with Clause 23.5(a), shall be Charterer’s sole and exclusive remedy for delay in delivery of the Vessel.

7.4 Commissioning and Performance Tests

- (a) Owner shall present to Charterer, for its approval, the Commissioning Protocol by no later than ***** days prior to the Scheduled Delivery Date (or such later date to be agreed between the Parties). Charterer shall agree or provide reasonable comments to the proposed Commissioning Protocol

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within ***** days from receipt of the Commissioning Protocol. The Parties agree to conclude the Commissioning Protocol within a further ***** days from the end of the ***** day period, which shall be based on Owner's draft adjusted to reflect Charterer's reasonable comments and to comply with the Commissioning Protocol thereafter, except if Clause 7.3 or Clause 7.6 applies.

- (b) The Vessel may only be delivered in LNGC Mode if the Parties have, no later than the Execution Date, executed an LNGC Mode TCP which governs such delivery, otherwise the Vessel shall be delivered in FSRU Mode and the remainder of this Clause 7.4 shall apply. If the Vessel is delivered in LNGC Mode, then the Parties shall comply with the remainder of this Clause 7.4 on and from the date when the Vessel arrives at the FSRU Site following Charterer's subsequent instruction that the Vessel enter FSRU Mode and the Parties shall, when agreeing the LNGC Mode TCP, also agree the replacement time period to apply in respect of the first paragraph of Clause 7.4(c).
- (c) Owner shall have a ***** day period (starting on and from the day following the Actual Arrival Date) to perform the Commissioning ("**Commissioning Period**"). Charterer shall procure the delivery of sufficient LNG under this Charter to allow for the gassing up and cool-down of the Vessel, Commissioning of the Vessel and the Performance Tests. The Commissioning Period shall be used solely for performance of Owner's expressly designated scope of work in respect of the Commissioning, and any time taken by Charterer or any other Person incidental to Commissioning, including gassing up and/or cool-down of the Vessel and loading LNG onto the Vessel, shall not count towards such ***** day period.
- (d) Owner shall, acting reasonably, provide written notice to Charterer together with Owner's notice of the Scheduled Delivery Date provided pursuant to Clause 7.1(b), specifying the anticipated aggregate volume of LNG required during the Commissioning and Performance Tests in order to achieve Acceptance.
- (e) Charterer undertakes to provide all reasonable cooperation to Owner to enable the Performance Tests to be undertaken as early as reasonably possible following Arrival.
- (f) Charterer shall be required to accept the Vessel for all purposes of this Charter related to its performance in FSRU Mode provided that Owner causes the Vessel to complete the Performance Tests and demonstrates that the Vessel meets the Required Performance Levels (subject to Clause 7.4(i) below), which shall be evidenced by the execution and delivery by the Parties of a Certificate of Acceptance in accordance with Clause 7.5.

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- (g) Both Parties agree to use reasonable endeavours to ensure the Performance Tests (when applicable) are undertaken and completed without unreasonable delay.
- (h) Subject to Clause 7.8, if Commissioning has not been successfully completed within the Commissioning Period:
 - (i) unless due to an Excusable Event, Force Majeure, or Adverse Weather Conditions, Owner shall pay liquidated damages to Charterer at a rate equal to the Daily Hire up to a maximum of ***** days, from (and excluding) the final day of the Commissioning Period to (and including) the date on which Acceptance occurs or Charterer exercises the Acceptance Option (“**Late Commissioning LDs**”). The Parties agree that Charterer’s entitlement to claim such Late Commissioning LDs is commercially justified, reasonable and proportionate to the legitimate interests of Charterer and does not constitute a penalty, and are in lieu of any actual damages. Owner and Charterer further acknowledge and agree that Charterer’s right to receive Late Commissioning LDs pursuant to this Clause 7.4, together with Charterer’s right to terminate this Charter under Clause 23.4(a) and Owner’s obligation to compensate Charterer for its costs in respect of obtaining a replacement Vessel in accordance with Clause 23.5(a), shall be Charterer’s sole remedies for delay in Commissioning; and
 - (ii) the Vessel shall be Off-Hire and shall remain Off-Hire until the earlier of (x) the date upon which Owner causes the Vessel to complete the Performance Tests and demonstrate that the Vessel meets the Required Performance Levels; (y) Charterer has exercised the Acceptance Option; or (z) termination of this Charter by Charterer pursuant to Clause 23.1(f).
- (i) If the Vessel fails to achieve Commissioning before the end of the Commissioning Period, then unless due to an Excusable Event, Force Majeure, or Adverse Weather Conditions, Charterer shall (without prejudice to its right to claim Late Commissioning LDs pursuant to Clause 7.4(h)) have the right to accept the Vessel (“**Acceptance Option**”).

7.5 Certificate of Acceptance

The Performance Tests shall be witnessed by an independent third party expert (from either Lloyds, ABS or DNV) (“**ITE**”) and the ITE shall be jointly appointed by the Parties no later than ***** days after the date of this Charter (or such later date to be agreed between the Parties) and if the Parties fail to agree upon the identity of such jointly appointed ITE within such ***** day period then such ITE shall be appointed upon the request of either Party by the International Centre for Expertise of the ICC

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and shall be deemed to be an Expert for the purposes of Clause 34.3. Charterer shall record the Acceptance Date (and time) in a Certificate of Acceptance (in the form of Schedule III– *Form of Certificate of Acceptance*) signed by or on behalf of Owner and Charterer. If Charterer does not execute the Certificate of Acceptance within ***** hours of receipt of written notice from Owner that either: (i) the Minimum Test Requirements having been satisfied; or (ii) Charterer’s election of the Acceptance Option, then the Certificate of Acceptance shall be deemed to have been executed by the Parties. Notwithstanding the foregoing, if the Parties are unable to agree within a further ***** days of such deemed execution date on whether the Minimum Test Requirements have been satisfied, either Party may request the ITE appointed pursuant to this Clause 7.5 to finally determine the matter in accordance with Clause 34.3(a) and until such date the Certificate of Acceptance shall remain deemed executed. Upon determination by the ITE, the Certificate of Acceptance shall be deemed executed on the day the Minimum Test Requirements have been satisfied as determined by the Expert in accordance with Clause 34.3(a).

7.6 Deemed Performance

- (a) If as a result of an Excusable Event, Force Majeure or Adverse Weather Conditions, either:
 - (i) Arrival has not occurred on or before the original Scheduled Delivery Date (disregarding for these purposes any extension to the original Scheduled Delivery Date occurring pursuant to Clause 7.1(c) (A)); and/or
 - (ii) Owner is unable to demonstrate that the Vessel meets the Minimum Test Requirements by the Scheduled Acceptance Date,

then, in each such case, the Vessel shall be deemed to have achieved the Minimum Test Requirements (“**Deemed Performance**”) and shall be on Hire, and Hire shall continue to be payable from 00:00 hour on: (A) in the case of (i) above, the original Scheduled Delivery Date; and (B) in the case of (ii) above, the Actual Arrival Date, in each such case for the full period of any Deemed Performance. During any period of Deemed Performance, operation of the Vessel, to the extent required, will be undertaken by the Contractor pursuant to the OSA and Charterer shall (in addition to making payment of Hire to Owner under this Charter) ensure that Customer pays the Daily Service Fee to Contractor pursuant to the OSA.

- (b) During any period of Deemed Performance, Charterer shall endeavour to cure any Excusable Event causing the Deemed Performance. Once Charterer cures such Excusable Event, or it or any other relevant event ceases to prevent Owner from performing its obligations, Deemed Performance shall end and Owner shall conduct the Performance Tests. If during a period of Deemed Performance, the Vessel reasonably demonstrates through the conduct of

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operations, that it has achieved certain Minimum Test Requirements, the Vessel will be deemed to have successfully completed any corresponding Performance Tests. If the Vessel meets the Minimum Test Requirements following Deemed Performance, the Certificate of Acceptance shall be deemed issued as of the date of commencement of the period of Deemed Performance and the Charter Period shall continue therefrom. If the Vessel fails to meet the Minimum Test Requirements following Deemed Performance:

- (i) the provisions of Clause 7.4(h) shall apply; and
- (ii) if the Vessel is not able to achieve the Required Performance Levels within ***** days following the end of Deemed Performance, Charterer shall be entitled to terminate the Charter pursuant to Clause 23.1(g) or exercise the Acceptance Option pursuant to Clause 7.4(i).

7.7 Redelivery

- (a) The Vessel shall be redelivered to Owner on expiry (by effluxion of time) of this Charter at the Pilot Boarding Station with all export and legal formalities completed and confirmation from all relevant Governmental Authorities of the Applicable Jurisdiction received (in a form reasonably satisfactory to Owner) to confirm that the Vessel is cleared to depart the waters of the Applicable Jurisdiction, and a Certificate of Redelivery (as set forth in Schedule IV– *Form of Certificate of Redelivery*) shall similarly be completed and signed on behalf of Owner and Charterer confirming the date and time of redelivery and the quantities of bunkers and LNG on board the Vessel at the time of redelivery.
- (b) Charterer shall use its reasonable endeavours to accommodate a request from Owner to redeliver the Vessel with tanks under LNG vapours or heel of up to ***** Cubic Metres and Owner shall notify Charterer of the exact quantity of LNG vapours or heel that it requires to retain on board the Vessel no later than ***** days prior to the date of redelivery, which Owner shall accept and pay for at the price paid at the Vessel's last place of supply before redelivery.
- (c) Charterer shall give Owner ***** and ***** days' prior written notice of the date of redelivery.

7.8 Substitute Vessel

- (a) Owner shall, subject to Charterer's consent (such consent not to be unreasonably withheld, conditioned or delayed) be entitled to provide a substitute vessel of the same or similar capacity and specifications and complying with the same performance criteria as applicable to the Vessel (a

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“**Substitute Vessel**”), to perform this Charter. It shall not be reasonable for Charterer to withhold, condition or delay its consent for any Substitute Vessel proposed by Owner as result of any circumstances not attributable to an act or omission of Owner (including arising as a result of Force Majeure, an Excusable Event, or Adverse Weather Conditions).

- (b) If Owner requests any substitution pursuant to Clause 7.8(a), Owner must provide a notice to Charterer:
 - (i) at least ***** days before such substitution if the substitution takes place prior to the completion of the Commissioning Period; or
 - (ii) at least ***** days before such substitution if the substitution takes place after completing the Commissioning Period,

and Owner shall liaise with Charterer to ensure that the substitution does not impact Charterer’s schedule or impose any negative economic impact on Charterer.

- (c) If Charterer consents to the Substitute Vessel, Charterer shall enter into a quiet enjoyment agreement with the Owner Financier with regard to the Substitute Vessel that complies with the requirements set forth in Clause 21.3 for the Quiet Enjoyment Agreement.

8. **Bunkers and LNG Heel at Arrival and Redelivery**

8.1 Arrival and Redelivery

- (a) On Arrival, Owner shall provide, and Charterer will accept and pay for all MARPOL 2020 compliant fuel oil and marine diesel oil (“**Bunkers**”) valued at the Fuel Price, and on redelivery, Owner will accept and pay for all Bunkers remaining on board at the time of such redelivery, valued at the price paid at the Vessel’s last place of supply before delivery or redelivery, as the case may be. Amounts owed under this Clause 8.1 shall be included in the first Monthly Hire Invoice issued after the Actual Arrival Date, which shall separately identify the amount payable for fuels on such Monthly Hire Invoice.
- (b) Owner shall on redelivery (whether it occurs at the end of the Charter Period or on the earlier termination of this Charter) accept and pay for all Bunkers compliant with MARPOL 2020 and LNG Heel remaining on board (provided that Owner shall not be obliged to accept and pay for more than ***** Cubic Metres of LNG Heel, unless otherwise agreed), valued respectively at the respective Fuel Price and LNG Price. For avoidance of doubt, where Owner requests more than ***** Cubic Metres of LNG Heel pursuant to Clause 7.7(b), the foregoing shall not serve to limit Owner’s obligation to accept and pay for such requested amount of LNG Heel, if provided by Charterer.

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- (c) The Vessel shall be delivered to Charterer:
 - (i) with cargo tanks containing LNG vapour, inert gas or fresh air at Owner's option; and
 - (ii) with an adequate quantity of fuel oil, marine diesel oil and Boil-Off to allow the operation of the regasification plant at full capacity for one week.
- (d) Charterer shall use its reasonable endeavours to accommodate a request from Owner to redeliver the Vessel with tanks under LNG vapours or LNG Heel of up to ***** Cubic Metres, which Owner will accept and pay for at the price paid at the Vessel's last place of supply before redelivery.

8.2 Sufficiency of Bunkers

- (a) Throughout the Charter Period the Vessel shall operate with at least a quantity of fuel oil and LNG sufficient to safely operate in the Terminal.
- (b) Notwithstanding anything to the contrary in this Charter, all Bunkers and LNG Heel on board the Vessel shall remain the property of Charterer or its nominee throughout the Charter Period and can only be purchased on the terms specified herein at the end of the Charter Period or, if earlier, at the termination of this Charter.

9. Charterer's Responsibility

9.1 Charterer shall be responsible, *inter alia*, for the following:

- (a) the preparations of the FSRU Site, specifically to cause the FSRU Site to be in all respects suitable for the mooring of the Vessel and for Owner to perform its obligations under this Charter and Contractor to provide the FSRU Services under the OSA and for ensuring that the FSRU Site is in all respects safe for the Vessel and the FSRU Services (and if Charterer is able to apply for such Authorizations, then Clauses 9.1(f) and 9.1(g) shall apply and Owner shall provide support to Charterer to obtain such Authorizations in a timely manner);
- (b) procuring and causing the timely construction, installation and operation of all infrastructure necessary for the mooring of the Vessel and for the transfer of LNG from LNG Carriers to the Vessel and the receipt and further distribution of regasified LNG from the Vessel;
- (c) providing berths and places which the Vessel can safely reach and from which it can return without exposure to danger, and at which the Vessel can safely

- (d) lie, load or discharge (as the case may be) and perform its obligations under this Charter always afloat;
- (e) arranging the legal importation of the Vessel, Relevant Items and the Gas Heater into the Applicable Jurisdiction without undue delay in accordance with Clauses 5.4, 5.5 and 5.6, including the conduct of any administrative proceedings required for such importation, and the payment of (i) all Taxes applicable to or arising out of the importation of the Vessel, Relevant Items and the Gas Heater and (ii) all Port Charges, as further provided in this Charter;
- (f) providing pilotage, fire boats, tugs, escort vessels, security measures (including guard vessels, to the extent required by maritime authorities) and any other assistance required at the FSRU Site in order for the Vessel to reach and be properly moored, stay, operate and leave the FSRU Site;
- (g) applying for, obtaining and maintaining at its own cost, at any time all Authorizations required for the performance of Charterer's obligations hereunder including those contemplated by Clause 2.6(b) and/or non-exclusively set out in Part C of Schedule XVI – *Authorization Schedule*;
- (h) applying for and obtaining at its own cost all Authorizations of any Governmental Authority of the Applicable Jurisdiction required for the performance of Owner's obligations hereunder (including in relation to the importation of spare parts and environmental license) (which shall be non-exclusively set out in Part B of Schedule XVI – *Authorization Schedule*), except if pursuant to applicable Law this can only be applied for and obtained by Owner in its name in which case: (i) Owner shall apply for and obtain such Authorizations as set out in Part A of Schedule XVI – *Authorization Schedule* and Charterer shall provide all reasonable assistance and information in connection with the application for or the renewal of such Authorizations in Owner's name and reimburse Owner for any reasonable costs related thereto; and (ii) Clause 2.6(b) shall apply to Owner Only Additional Authorizations. Notwithstanding the foregoing Owner shall be solely responsible for maintaining in full force and effect for the duration of the Charter Period any and all Authorizations: (X) applied for and obtained by Owner in its name (as set out in Part A of Schedule XVI – *Authorization Schedule*); and (Y) to the extent Owner is permitted by applicable Law to fulfil such obligation to maintain, applied for and obtained by Charterer in the name of Owner (which shall be non-exclusively included and specified as such in Part B of Schedule XVI – *Authorization Schedule*), in each case pursuant to this Clause 9.1(g). Clause 2.6(b) shall apply to Owner Only Additional Authorizations. Notwithstanding anything to the contrary in this Clause 9.1(g) and regardless of whether it is included in Part B of Schedule XVI – *Authorization Schedule*, Charterer shall be solely responsible for all costs of obtaining, maintaining and renewing the Local Trading Certification throughout the Charter Period;

- (i) providing, at the request of Owner, reasonable assistance and information in connection with the application for or the renewal of permits, Authorizations and certifications required of Owner, including in relation to Owner obtaining all visas, permits and licences in relation to the Master and crew of the Vessel and all employees and agents of Owner;
- (j) providing, at the request and costs of Owner, reasonable assistance for Owner to keep the Vessel's Class fully up to date with the Classification Society and maintain all other necessary tonnage certificates and Classification certificates in force at all times;
- (k) providing timely, suitable and sufficient LNG supply and gas off-take capacity for Owner to timely complete commissioning of the Vessel at the FSRU Site and to undertake the Performance Tests, in accordance with the Commissioning Protocol, as well as gas oil and marine diesel oil for the production of nitrogen gas and inert gas and for the diesel generators;
- (l) providing that sufficient LNG Heel be maintained at the Vessel for purposes and during the performance of the FSRU Services;
- (m) providing and paying for suitable and sufficient LNG in accordance with this Charter;
- (n) making payment to Owner in a timely manner as provided under the terms of this Charter;
- (o) arranging the legal exportation of the Vessel without undue delay, including the conduct of any administrative proceedings required for such exportation, and the payment of Taxes applicable to the exportation of the Vessel;
- (p) obtaining local port Authorization to move the Vessel from the Pilot Boarding Station at the Delivery Point inbound to the FSRU Site, unless by applicable Law or regulations only Owner can seek and obtain such Authorization in which case Charterer shall provide all reasonable assistance and reimburse Owner for any reasonable costs. If Charterer is able to apply for such Authorizations, Owner shall provide support to Charterer to obtain such Authorization in a timely manner;
- (q) making payment for all Port Charges; and
- (r) managing all interface risks between the Vessel and the Terminal and any downstream facilities.

9.2 At all times following the Arrival and during the Charter Period, Charterer shall provide and pay for:

- (a) all fuels suitable for burning in the Vessel's engines and auxiliaries including Boil-Off gas when used as fuel, in sufficient amounts and intervals to ensure no disruption to the Charter Activities;
- (b) light and canal dues, Port Charges and all other charges or expenses relating to unloading, discharging and bunkering;
- (c) towage, pilotage and all mooring, stevedorage, loading and discharging facilities and services, provided that Charterer shall bear no liability for any damage caused by the negligence or misconduct exercised by the providers of such services and facilities to the extent that Charterer can show that it exercised due diligence in the selection of the applicable, providers, subcontractors and suppliers; and
- (d) all Taxes, customs or import duties arising in connection with the foregoing.

9.3 Subject to the terms of the relevant LNG SPA and if so requested by Owner, Charterer shall use reasonable endeavours to allow Owner to inspect any scheduled LNG Carrier at Owner's cost.

10. Rate of Hire

10.1 Subject to the terms of this Charter, Charterer shall pay hire ("**Hire**") to Owner commencing on the Actual Arrival Date (or, if the Vessel arrives earlier than the Scheduled Delivery Date, the Scheduled Delivery Date) (and during Deemed Performance) and throughout the Charter Period (save for those times when the Vessel is Off-Hire) on a monthly basis pursuant to this Clause 10. Hire shall be paid in full (without set-off) in United States Dollars.

10.2 The daily Hire (the "**Daily Hire**") shall be ***** United States Dollars (US\$ *****) per day, minus an amount equal to (***** United States Dollars (US\$ *****)) multiplied by the number of days, if any, by which the Scheduled Delivery Date is earlier than ***** as a result of the occurrence of a Vessel Substitution pursuant to Clause 7.1(c).

10.3 The amount of Hire due and payable by Charterer for any calendar month ("**Month M**") shall equal the amount determined pursuant to the following formula:

MH	=	DH * D
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where

MH	=	Monthly Hire
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DH	=	Daily Hire
D	=	The number of days in Month M

10.4 Daily Hire shall be pro-rated for any part of a day or, in respect of the first and last calendar months of this Charter, for part of a calendar month. All calculations of Hire shall be made by reference to GMT.

11. Payment of Hire

11.1 Monthly Invoices

- (a) Hire shall be paid monthly in arrears and Owner shall invoice Charterer for Hire for a month on or after the last Banking Day of that month (“**Monthly Hire Invoice**”). Each Monthly Hire Invoice shall set forth:
 - (i) the dates and the number of days for which Hire is payable;
 - (ii) the applicable Daily Hire;
 - (iii) the gross amount payable for (expressed in figures and in words);
 - (iv) the deductions, if any, allowed to Charterer under the terms of this Charter;
 - (v) the date and place of issue and serial number of the invoice;
 - (vi) the serial number and date of execution of this Charter;
 - (vii) the name and code number of the bank, its address and the account number to which payment should be made; and
 - (viii) the name of a contact person and such person’s address and email, in order that Charterer may notify Owner that payment has been made.
- (b) Each monthly invoice shall become due and payable ***** days after its receipt by Charterer (“**Monthly Invoice Due Date**”).
- (c) If the Monthly Invoice Due Date is not a Banking Day, payment shall be due and payable on the Banking Day immediately after such Monthly Invoice Due Date.
- (d) If, during the final month of the Charter Period, there are any Off-Hire periods or Daily Hire subject to any reductions pursuant to Clause 15.1, Owner shall

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refund to Charterer such amounts due to Charterer within ***** days of the date of expiry of this Charter.

11.2 Supplemental Invoices

If any other monies are due from one Party to the other hereunder and if provision for the invoicing of that amount due is not made elsewhere in this Clause 11, then the Party to whom such monies are due shall furnish a statement therefor to the other Party, along with pertinent information showing the basis for the calculation thereof (a “**Supplemental Invoice**”). Each Supplemental Invoice delivered in accordance with this Clause 11.2, shall become due and payable on the first Banking Day falling not less than ***** days after its receipt by the relevant Party (“**Supplemental Invoice Due Date**”).

11.3 Payment

- (a) Charterer shall pay or cause to be paid on the Monthly Invoice Due Date or the Supplemental Invoice Due Date all amounts that become due and payable by Charterer on such date in immediately available funds to such account with such bank and in such location as shall have been designated by Owner in such invoices. Each payment of any amount owing hereunder shall be in the full amount due without reduction or offset for any reason (except as expressly allowed under Clause 11.7), including exchange charges, or bank transfer charges.
- (b) Where payment is due by one Party to the other under this Charter then, provided the Party making payment issues prompt, accurate and complete payment instructions to its bank or agent, any delay or failure on the part of the receiving Party’s bank to credit the proceeds to the receiving Party shall not constitute a delay or failure on the part of the Party making such payments.

11.4 Incomplete Invoices

- (a) In the event that any invoice is issued which contains material errors or lacks the material information, it shall be returned to the Party that issued the invoice and such Party shall issue an amended invoice.
- (b) Payment of any such amended invoice shall become due and payable ***** Banking Days following receipt by the Party to whom the amended invoice is issued.

11.5 Disputed Invoices

- (a) If a Party disagrees with any invoice and, it shall pay the full amount of the invoice and shall immediately notify the other Party (the “**Issuing Party**”) of

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the reasons for such disagreement, except that in the case of manifest error in computation the Party receiving the Monthly Hire Invoice shall pay the correct amount after advising the Issuing Party of the error. An invoice may be contested by the Party that received it or modified by the Party that sent it, by notice delivered to the other Party within a period of ***** months after such receipt or sending, as the case may be. Where a Party issues a new invoice to take into account any such modification(s), the new invoice shall refer to the serial number of the disputed invoice. Promptly after resolution of any dispute as to an invoice, the amount agreed to be due shall be paid by Owner or Charterer (as the case may be) to the other Party, together with interest thereon at the Interest Rate from the Payment Date or the disputed invoice to the date of repayment of the due amount. In the event the Parties are unable to resolve the dispute as to an invoice the matter shall be referred to arbitration in accordance with Clause 34.2.

- (b) If a Party commits a breach of its obligation to pay any amount properly due pursuant to this Charter:
 - (i) the other Party shall notify the defaulting Party of such default and if Charterer has defaulted on payment of Hire then Owner shall be entitled to the remedies set out in Clause 23.4(c); and
 - (ii) such unpaid amounts shall bear interest from the due date until the date paid at a rate, compounded annually, equal to LIBOR plus ***** per cent. (*****%) per annum (the “**Interest Rate**”), which shall be the sole compensation of Party for the other Party’s failure to make payments when due (notwithstanding any right of either Party to claim for termination payments pursuant to Clause 23.5).

11.6 Final Settlement

Within ***** days after expiration of the Charter Period, Owner and Charterer shall determine the amount of any final reconciliation payment. After the amount of the final settlement has been determined, Owner shall send a statement to Charterer, or Charterer shall send a statement to Owner, as the case may be, in US Dollars for amounts due under this Clause 11.6 and Owner or Charterer, as the case may be, shall pay such final statement if and to the extent the amounts are due and payable no later than ***** days after the date of receipt thereof.

11.7 Taxes

- (a) Except to the extent set out in this Clause 11.7, each Party shall bear its own Taxes.

- (b) Charterer shall pay the full amount of Hire and other monies due under this Charter without any deduction or withholding for or on account of present or future Taxes imposed by any Governmental Authority in the country in which the FSRU Site is located or the country in which Charterer is domiciled (including such which may be imposed due to the Vessel being permanently moored in the country in which the FSRU Site is located). Notwithstanding the previous sentence, if Charterer shall be required by Law, regulation and/or any relevant Tax assessment to deduct or withhold any Taxes from Hire or other monies payable under this Charter (including to any Affiliate of Owner) or if Owner or any Affiliate of Owner is required to pay any Taxes directly to any Governmental Authority then (i) Charterer shall make the necessary deduction; or withholding or Owner or its relevant Affiliate shall make the necessary payment, (ii) Charterer shall promptly pay the amount deducted or withheld to the relevant Governmental Authority or reimburse Owner for any Taxes paid to any Governmental Authority and (iii) Charterer shall provide Owner with evidence of payment of such deductions and withholdings, or Owner shall provide Charterer with evidence of such payments, in each case in the form of officially verifiable receipts of payment (such as by means of a bank authentication). In such case the Hire, or any such other payment, shall be grossed up to reflect the Taxes so that Owner shall receive the same Hire as if no Taxes had been deducted or withheld or Owner or any of its Affiliates had not been required to make such payments. Without prejudice to the foregoing, but without double counting, Charterer shall bear or (as required) compensate Owner for and in respect of any Taxes imposed on Owner due to the Vessel being permanently moored in the Applicable Jurisdiction during the Charter Period and (subject to Clause 11.7(f)) all Taxes of the Applicable Jurisdiction, including those Taxes of the Applicable Jurisdiction borne by the members of the HMLP Group and the HLNG Group. Charterer shall further compensate any costs associated with Tax and accounting compliance in respect of any Applicable Jurisdiction incurred by Owner (or any of its Affiliates) and/or HLNG Group and/or HMLP Group including, without limitation: (i) the costs of agents, Tax advisers and internal and external Tax controllers; and (ii) costs of registering a permanent establishment or branch in the Applicable Jurisdiction with the Applicable Jurisdiction Tax authorities and deregistering such permanent establishment or branch at the end of the period of use of the Vessel in FSRU Mode in the Applicable Jurisdiction. Charterer shall indemnify, defend and hold harmless Owner, and where applicable any member of the HLNG Group and HMLP Group, for and in respect of any Taxes the subject of this Clause 11.7(b).
- (c) To the extent that Owner receives a payment in respect of Taxes from Charterer that results in a refund in respect of such Taxes (by way of actual receipt, credit, set-off, or otherwise), then Owner shall reimburse Charterer an amount equal to the refund. If Owner is entitled to a refund for the Taxes that gave rise to a payment from Charterer, then Owner shall use reasonable endeavors to secure the refund.

- (d) If, at any time following the Execution Date, there is any Applicable Jurisdiction Change in Law (including, without limitation, any change in the regulation, application, interpretation and/or enforcement thereof) and/or in the event that Charterer and/or Owner and its Affiliates are challenged by the Tax authorities of the Applicable Jurisdiction (either on an administrative or a judicial level) in relation to this Charter and/or the OSA, which may result in an increase in any Taxes imposed on Owner or any of its Affiliates, such as (but not limited to) a deduction or withholding of any Taxes from Hire or other monies payable under this Charter, but excluding Tax on Owner in its country of domicile, Charterer and Owner undertake to adjust the Hire rate to compensate for the amount of such Taxes imposed such that the net amount received by Owner after imposition of such Taxes remains the same as it was before the imposition of such Taxes and/or duly compensates any such increased Tax and any Damages incurred by virtue of any challenge, consistent with this Clause 11.7.
- (e) Charterer and Owner shall take all reasonable actions, and use all reasonable endeavours, to minimize each other's Tax liability, including with respect to Taxes subject to Charterer's gross up obligations and including in response to any Change in Law relating to Taxes.
- (f) Charterer shall not indemnify, defend or hold harmless Owner or any Affiliate of Owner, and shall not be liable for, any loss, liability or costs which have been or will be suffered by Owner or any Affiliate of Owner for or on account of Taxes of the Applicable Jurisdiction which have been or will be incurred as a result (i) any activity of Owner or an Affiliate of Owner that does not relate to the performance of its obligations under this Charter or the OSA; or (ii) Owner or an Affiliate of Owner being incorporated in or having a permanent or fixed establishment in the Applicable Jurisdiction for any purpose other than directly in relation to this Charter or the OSA.

11.8 Reporting Requirements

Owner shall comply with any and all requirements of any applicable Governmental Authority regarding the reporting, filing of returns, maintenance of books and records in connection with the payment of any Taxes due on Owner's account.

11.9 Evidence of Payment

Owner shall promptly upon request provide Charterer with evidence of payment of all amounts required to be paid by Owner under this Clause 11, including if appropriate access to originals of such evidence.

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12. Assignment by, and Ownership of, Owner

- 12.1 Except as set forth in Clauses 12.2 and 21.3, Owner may not assign, in whole or in part, novate or transfer any of its rights or obligations hereunder without the prior written consent of Charterer, such consent not to be unreasonably withheld, conditioned or delayed.
- 12.2 Notwithstanding the foregoing provisions of Clause 12.1 and 21.3, Owner may, without prior written consent of Charterer, from time to time:
- (a) assign its rights under this Charter by way of security to a Mortgagee or other Owner Financier; provided that Owner delivers a Quiet Enjoyment Agreement executed by such Mortgagee or other Owner Financier substantially in the form attached as Schedule X – *Form of Quiet Enjoyment Agreement* or otherwise in a form acceptable to Charterer acting reasonably on or before the date on which such assignment becomes effective; and/or
 - (b) assign its rights or novate its rights and obligations hereunder to the registered owner of the Vessel, subject to such owner being a member of the HLNG Group or HMLP Group and Owner providing Charterer with (i) ***** days prior written notice; and (ii) written confirmation from the Owner/Contractor Guarantor that the Owner/Contractor Guarantee in respect of all of the Guaranteed Obligations therein shall remain fully effective following such transfer or novation.

In each case Charterer undertakes to provide all reasonable cooperation to give effect to such assignment, novation or other transfer including the execution of such acknowledgements as the relevant Mortgagee or Contractor financier may require under any assignment and of a novation agreement in substantially the form attached at Schedule XII – *Form of Deed of Novation*. Owner shall pay any costs, including legal costs, that Charterer may reasonably incur in giving effect to the Security Agent’s rights under paragraph 3 of Schedule X – *Form of Quiet Enjoyment Agreement*, and Owner shall notify Charterer as soon as reasonably possible if the Security Agent is no longer authorized to act as Security Agent under the Credit Facility (as defined in Schedule X – *Form of Quiet Enjoyment Agreement*) and shall provide Charterer with the details of any successor security trustees or agents.

- 12.3 Owner hereby represents and warrants to Charterer and undertakes that from the date hereof until the end of the Charter Period that it is and shall remain a member of the HLNG Group and/or HMLP Group, subject to any novation complying with the conditions in Clause 12.2(b).

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13. **Assignment and Subletting by Charterer**

- 13.1 Except as set forth in Clause 13.2, Charterer may not assign, in whole or in part, novate or transfer any of its rights or obligations hereunder without the prior written consent of Owner.
- 13.2 Notwithstanding the foregoing provisions of Clause 13.1, Charterer may (a) assign its rights under this Charter, or novate its rights and obligations under this Charter, to an Affiliate of Charterer and (b) assign its rights under this Charter to its lenders, without the prior written consent of Owner.
- 13.3 Any novation or other transfer of this Charter by Charterer pursuant to this Clause 13 shall be subject to Charterer first providing Owner with (a) ***** days' prior written notice; and (b) confirmation from the Charterer/Customer Guarantor that the Charterer/Customer Guarantee shall remain fully effective following such transfer or novation.
- 13.4 Charterer shall not be entitled to sub-charter the Vessel without the prior written consent of Owner, such consent not to be unreasonably withheld, delayed or conditioned.

14. **Off-Hire**

- 14.1 Except if due to any Applicable Jurisdiction Change in Law Required Action, Excusable Event, Force Majeure or Adverse Weather Conditions, during any time in which the Vessel is (i) unable to meet the Off-Hire Threshold; or (ii) ceases completely or is incapable or unable to send out any regasified LNG or completely ceases to be at Charterer's disposal during the Charter Period and/or where the Vessel is "Off-Hire" under the OSA (as such term is defined in the OSA), the Vessel shall be treated as "**Off-Hire**" and no Daily Hire shall be payable by Charterer during such period until the Vessel is again ready and in an efficient state to resume performance under this Charter (being the state the Vessel was in before being considered Off-Hire), and/or the OSA as applicable (or would be so ready and in an efficient state but for an Excusable Event, Force Majeure, Adverse Weather Conditions or Applicable Jurisdiction Change in Law Required Action). The Vessel shall further be Off-Hire in respect of any day in which the circumstances set out in Clause 7.4(h)(ii) or Clause 15.1(b) apply. For such time as the Vessel is Off-Hire but still able to provide some of the FSRU Services, Owner shall have the option not to provide any of the FSRU Services to Charterer to the extent reasonably required for the purposes of rectifying the deficiency and attempting to cause the Vessel to resume full performance of the FSRU Services.
- 14.2 Time during which the Vessel is Off-Hire under this Charter shall count as part of the Charter Period.

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14.3 Termination for Prolonged Off-Hire

- (a) In the event that the Vessel is Off-Hire for any period in excess of ***** consecutive days or any cumulative period of ***** days in any period of ***** days (“**Prolonged Off-Hire**”), Charterer shall have the option to exercise its rights pursuant to Clause 23.4; provided that if Charterer elects to terminate this Charter, such termination shall not be effective until the Vessel is free of LNG, which Owner shall undertake all reasonable endeavours to facilitate at Charterer’s request provided that: (i) Owner shall be entitled to retain the quantity of LNG vapours or LNG Heel that it elected to retain on board the Vessel pursuant to Clause 7.7(b); and (ii) Charterer shall be afforded a reasonable period of time (which shall not exceed ***** days from the date of termination) to direct Owner to clear the Vessel’s tanks of excess LNG (excluding any LNG vapours or LNG Heel elected to be retained by Owner pursuant to (i)) either by (X) Owner delivering such LNG as regasified LNG at the Delivery Point or (Y) if the Vessel is not capable of such regasification as a result of the Off-Hire event which caused termination, Charterer shall arrange for an LNG Carrier to reload the LNG from the Vessel to such LNG Carrier.
- (b) The foregoing shall be without prejudice to Owner’s right to provide a Substitute Vessel pursuant to Clause 7.8.

14.4 Sole Remedy

Subject to Charterer’s rights pursuant to Clauses 14.3 and 23.1(i) and without limitation to any rights or obligations arising under the OSA, in circumstances where the Vessel is Off-Hire pursuant to this Clause 14, the proportionate reduction of Hire or non-payment of Hire, as applicable, shall be the sole and exclusive remedy of Charterer against Owner in respect of any of the events or circumstances described in Clause 14.1 and, in particular, if the Vessel is Off-Hire, Charterer may not make a claim in respect of the same events or circumstances pursuant to Clause 15.

15. Performance Warranties

15.1 Regasification Send-out Rate Warranty

Save to the extent that any deficiency is caused by an Excusable Event, Force Majeure, or Adverse Weather Conditions, or in cases where any request for delivery of regasified LNG is not made by Charterer in all material respects in accordance with the Gas Nomination and Delivery Provisions, Charterer shall be compensated by a reduction in the Daily Hire in the event of a failure to deliver the required daily volume of regasified LNG nominated by Charterer in accordance with the Gas Nomination and Delivery Provisions (the “**Nominated Volume**”) and otherwise on the terms, and subject to the conditions, of Section 4 of Schedule II – *Performance*

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Warranties, including that any nomination by Charterer is within the parameters set out therein. In such case, the reduction shall be calculated as set out below:

- (a) Subject to Clause 15.1(c), if the delivered quantity of regasified LNG for the relevant day is greater than or equal to ***** per cent. (*****%) of the Nominated Volume for that day (the “**Off-Hire Threshold**”), the amount of the reduction shall initially be calculated as a reduction in the Daily Hire for that day, which shall be as calculated by the following formula:

$$A = H - [(D) / (N)] * (H)$$

where

A = the reduction in the Daily Hire for the applicable day;

N = the Nominated Volume (in Cubic Metres);

D = the delivered quantity (in Cubic Metres); and

H = Daily Hire

- (b) If the delivered quantity of regasified LNG for the relevant day is less than the Off-Hire Threshold, the Vessel shall be Off-Hire on the applicable day and Clause 14 shall apply.

- (c) Provided that the delivered quantity of regasified LNG for the relevant day is within plus or minus ***** per cent. (+/-*****%) of the Nominated Volume for that day, the Daily Hire should be paid in full for that day.

15.2 LNG Loading Rate Warranty

Save to the extent caused by an Excusable Event, Force Majeure, or Adverse Weather Conditions, if, in relation to any Confirmed Cargo, the actual laytime exceeds the Allowed Discharge Laytime, determined in accordance with Clause 5.6(a) to (c) inclusive of the OSA and the warranted performance standards set out in Section 2 of Schedule II – *Performance Warranties*, including that any instruction by Charterer is within the parameters set out therein, Owner shall be liable to pay to Charterer the actual, documented demurrage cost incurred by Charterer to the relevant LNG Carrier from the expiration of the Allowed Discharge Laytime (“**Demurrage Liabilities**”), save that such amounts shall be uncapped in respect of the first ***** days of each event and thereafter such amounts shall be capped at ***** United States Dollars (US\$ *****) per day. Notwithstanding the foregoing, if, on any given day, Owner fails to comply with the LNG Loading Rate Warranty, Owner shall: (i) be liable to compensate Charterer in respect of Demurrage Liabilities, and/or (ii) suffer any reductions to Hire pursuant to Clause 15.1 (to the extent that Owner’s failure to meet the LNG Loading Rate Warranty causes Owner

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to fail to deliver the Nominated Volume), provided that Owner's maximum liability to Charterer shall not in aggregate exceed ***** per cent. (*****%) of the rate of Hire for such day.

15.3 LNG Reloading Rate Warranty

Save to the extent caused by an Excusable Event, Force Majeure, or Adverse Weather Conditions, if, in relation to any reloading operation in respect of a full cargo, the actual laytime exceeds the Allowed Reload Laytime, determined in accordance with Clause 5.6(d) to (f) inclusive of the OSA and the warranted performance standards set out in Section 3 of Schedule II – *Performance Warranties*, including that any instruction by Charterer is within the parameters set out therein, Owner shall be liable to pay to Charterer the actual, documented demurrage cost incurred by Charterer to the relevant LNG Carrier from the expiration of the Allowed Reload Laytime, save that such amounts shall be uncapped in respect of the first ***** days of each event and thereafter such amounts shall be payable but shall be capped at ***** United States Dollars (US\$ *****) per day. Notwithstanding the foregoing, if, on any given day, Owner fails to comply with the LNG Reloading Rate Warranty, Owner shall: (i) be liable to compensate Charterer in respect of the demurrage liabilities in this Clause 15.3, and/or (ii) suffer any reductions to Hire pursuant to Clause 15.3 (to the extent that Owner's failure to meet the LNG Reloading Rate Warranty causes Owner to fail to deliver the Nominated Volume), provided that Owner's maximum liability to Charterer shall not in aggregate exceed ***** per cent. (*****%) of the rate of Hire for such day.

15.4 Fuel Consumption Warranty

- (a) Save to the extent that any excess consumption is caused by an Excusable Event, Force Majeure or Adverse Weather Conditions or otherwise by the instructions of Charterer or an Affiliate thereof, and provided that the fuel complies at all relevant times with the Fuel Reference Conditions (including that none of the following activities are taking place: (i) STS loading, which includes loading in respect of small scale operations; or (ii) Reload Operations; or (iii) Gas Up / Cool Down Operations), if during any Standard Performance Period, the Vessel's average fuel consumption (excluding Boil-Off) measured as an average daily amount over such Standard Performance Period exceeds the guaranteed daily fuel consumption set out in Clause 15.4(b), as calculated in accordance with the provisions of, and subject to the conditions in, Section 5 of Schedule II – *Performance Warranties*, Charterer shall be compensated for each metric tonne, or the LNG equivalent thereof, or pro rata for part of a tonne, in excess of the guaranteed daily fuel consumption set out in Clause 15.4(b), at the relevant price fixed pursuant to Clause 38.10. Charterer shall provide supporting price evidence for such fuel promptly after completion of the review for the specified Standard Performance Period, provided always that any measurement of fuel

consumption for the purposes of this Clause 15.4 shall be assessed over the whole of the applicable Standard Performance Period, with daily fluctuations in consumption being disregarded for the purposes of this clause.

- (b) The guaranteed fuel consumption (excluding Boil-Off and subject to the Fuel Reference Conditions) shall be as set out in Item 2 of Part A of Schedule I – *Particulars of Vessel*.

15.5 Application of payments to reduce Daily Service Fee and then Daily Hire

Any payment made pursuant to Clauses 15.2, 15.3 or 15.4 shall be paid by way of a reduction to, in the following order of priority: (i) the Daily Service Fee under the OSA; and (ii) to the extent of any excess over the Daily Service Fee, the Daily Hire under this Charter.

15.6 Exceptions to Owner liability

- (a) For the purpose of determining compliance with the Performance Warranties, Charterer shall request only a level of send-out pursuant to the Gas Nomination and Delivery Provisions which reflects Charterer's good faith assessment of the then-current actual demand requirements under the Gas Offtake Agreement.
- (b) Owner shall have no liability in respect of any failure to comply with the Regasification Send-out Rate Warranty, LNG Loading Rate Warranty, LNG Reloading Rate Warranty or Fuel Consumption Warranty to the extent that such failure results from an Applicable Jurisdiction Change in Law, and provided that Owner and/or Contractor (as the case may be) exercises commercially reasonable endeavours to address such Applicable Jurisdiction Change in Law, in the manner contemplated under Clause 6 of this Charter and/or Clause 7 of the OSA (as applicable). In the event that the Vessel is taken out of service for the purposes of performing a Change in Law Required Action, then the payment of Hire in such circumstances shall be regulated by the provisions of Clause 6 of this Charter and/or Clause 7 of the OSA (as applicable).
- (c) Owner's liability under the Performance Warranties shall be subject to Clause 25.5.

15.7 Sole Remedy

Subject to Charterer's rights under Clauses 14 and 23, Charterer's rights to claim Service Failure Compensation, by way of reduction of the Daily Service Fee and the Daily Hire or otherwise, as provided under Clauses 15.1, 15.2, 15.3 and 15.4 shall be the sole and exclusive remedy of Charterer in respect of any failure to comply with the Performance Warranties to the exclusion of any other remedy whatsoever which

may otherwise have been available to it whether under this Charter, in tort (including negligence) or otherwise arising at law.

16. Use of Vessel

- 16.1 The Vessel's principal use under this Charter shall be as an FSRU in order for Contractor to provide the FSRU Services in situ at the FSRU Site pursuant to the OSA.
- 16.2 If Charterer wishes to trade the Vessel as an FSRU to deploy the Vessel to an Alternative FSRU Site, it shall notify its request to Owner in writing and the Parties shall negotiate in good faith the terms on which the FSRU is to be redeployed or trade as FSRU with negotiations premised on the principle that the costs of redeployment of the Vessel should be at Charterers' expense, or accounted for in a good faith negotiated adjustment to Hire and any redeployment being subject to the conditions in Clause 16.3 being met or waived by Owner.
- 16.3 The conditions referred to in Clause 16.2 are that the relocation of the Vessel shall:
- (a) be subject to the prior written consent of Owner Financier;
 - (b) not require the Vessel to be operated in any matter (or involving a counterparty or jurisdiction) which is contrary to Sanctions;
 - (c) not impose any incremental Tax on Owner or Contractor for which Charterer does not compensate Owner;
 - (d) not prevent the performance by Contractor of the FSRU Services as a direct result of the relocation to the Alternative FSRU Site; and
 - (e) be subject to the Parties agreeing amendments to the FSRU Agreements which are necessary to put Owner and Contractor into the equivalent economic and legal risk position as they are in under the then current FSRU Agreements, including for the avoidance of doubt any minimum local crewing requirements and reimbursement regime pursuant to Clause 3.2 of the OSA and Charterer compensating Owner for any actual and documented costs of establishing a new entity to perform the services of Contractor in the new Applicable Jurisdiction.

If any structural changes or modifications are required to be made to the Vessel as a result of such relocation of the Vessel to an Alternative FSRU Site, Charterer shall also compensate Owner for (a) any actual and documented costs reasonably incurred by Owner (following the termination or expiration of this Charter) in reversing such structural changes or modifications to reinstate the Vessel to its original Specifications as at the Acceptance Date (together the "**Post-Relocation Reinstatement Works**") and (b) the time spent on such Post-Relocation Reinstatement Works at the Hire rate (unless Owner elects to retain any such

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- structural changes or modifications to the Vessel or this Charter has been terminated due to Owner's default, when in each such case Charterer shall not be required to compensate Owner in respect of any such reinstatement costs); provided however that Owner shall commence and complete Post-Relocation Reinstatement Works as expeditiously as possible. After an Alternative FSRU Site has been designated, and after (i) redelivery of the Vessel pursuant to Clause 7.7(a) at the then current FSRU Site; and (ii) delivery of the Vessel to the Alternative FSRU Site, the Alternative FSRU Site shall be considered to be the FSRU Site for all purposes of this Charter but without prejudice to any rights and remedies pursuant to this Charter which have accrued at such time, and the Parties shall promptly execute an amendment to this Charter to record this and, if applicable, any amendments pursuant to Clause 16.3(e).
- 16.4 Charterer shall also have the right to use the Vessel as a conventional LNG carrier to transport, load and unload cargoes of LNG to or at any terminal nominated by Charterer but which shall not include any ports which Charterer or any Affiliate is precluded from entering or trade under applicable Law, and during each such usage, the Vessel shall be in "**LNGC Mode**".
- 16.5 The terms and conditions for the usage of the Vessel in LNGC Mode shall be set forth in a separate time charter party agreement (on terms and conditions that are substantially similar to Shell LNG Time 2, with agreed amendments) (the "**LNGC Mode TCP**"). If Charterer requests the usage of the Vessel in LNGC Mode the Parties shall use their respective reasonable endeavours to reach agreement on the terms and conditions of the LNGC Mode TCP (and any consequential amendments to this Charter to apply while the Vessel is operating in LNGC Mode, which shall be consistent with and based upon the terms of Schedule XVII – *Applicability of Charter provisions during LNGC Mode*, if such terms have at that time been agreed) within ***** days of the date of Charterer's request (or such later as agreed between the Parties).
- 16.6 During the use of the Vessel in LNGC Mode, Charterer shall remain responsible for payment of Hire, and Charterer shall compensate Owner in respect of all incremental, actual and documented costs directly incurred by Owner as a result of the usage of the Vessel in LNGC Mode (including demobilization from the offshore jetty at the Terminal and mobilization upon return to the offshore jetty at the Terminal, and any Taxes or duties associated with the import or re-export of the Vessel or its use in LNGC Mode) over and above those costs and expenses which would have been incurred by Owner in connection with utilising the Vessel in FSRU Mode.
- 16.7 Charterer shall provide Owner with at least ***** days' written notice of the date on which Charterer anticipates that the Vessel will transfer from LNGC Mode to FSRU Mode. The Vessel will transfer to FSRU Mode upon becoming all fast at the FSRU Site unless it is delivered in LNGC Mode. Thereafter, Charterer shall provide Owner with at least ***** days' written notice of the date on which Charterer anticipates

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that the Vessel will transfer from FSRU Mode to LNGC Mode. The Vessel will transfer to LNGC Mode upon disconnection from the FSRU Site.

16.8 Charterer may only notify Owner of a change from FSRU Mode to LNGC Mode or delivery of the Vessel in LNGC Mode if an LNGC Mode TCP has been entered into between the Parties.

16.9 During any period when the Vessel is used in LNGC Mode pursuant to this Clause 16, this Charter shall be deemed amended such that certain operational terms (including the Performance Warranties under Clause 15) shall not apply, but other provisions (including provisions relating to the Charter Period and termination events such as those for non-payment) shall continue to apply. These provisions and their applicability or, as relevant, non-applicability, shall be set out in Schedule XVII - *Applicability of Charter Provisions During LNGC Mode*. The Parties shall negotiate in good faith and agree the terms of Schedule XVII - *Applicability of Charter Provisions During LNGC Mode* within ***** days of the date of execution of this Charter (or such later date to be agreed between the Parties).

17. Representations, Warranties and Covenants

17.1 Owner's Representations

Owner hereby represents and warrants to Charterer, as at the date hereof, and undertakes throughout the Charter Period, as follows:

- (a) it is and shall remain a limited partnership (or as applicable a limited liability company or other form of legal entity following a novation pursuant to Clause 12.2(b)), duly incorporated and validly existing and in good standing under the Laws of the country of its incorporation and has the corporate power and authority to enter into and perform its obligations under this Charter and all necessary corporate, shareholder and other action has been taken to authorize the execution, delivery and performance of the same;
- (b) this Charter constitutes legal, valid and binding obligations applicable to it and the obligations are in full force and effect in accordance with their terms, and the delivery and performance by Owner of this Charter will not contravene any Law of any Governmental Authority having jurisdiction over Owner;
- (c) it has not taken nor to its knowledge has it omitted to take any actions which would adversely affect the enforceability of this Charter against it or the rights of Charterer under the terms of this Charter;
- (d) this Charter, its execution and delivery will not conflict with or result in any breach of any terms of, or constitute a default under, any agreement or other instrument to which Owner is a party or its property is bound; and

- (e) it has conducted a desktop study of the FSRU Site and the Terminal based solely on information provided by Charterer and, subject to Charterer's obligations under Clause 5.2 and based solely on such desktop study, the FSRU Site and the Terminal are suitable in all respects for the Charter Activities and all operations of the Vessel contemplated by this Charter and the OSA.

17.2 Owner's Business

- (a) Subject to Clause 13, throughout the Charter Period, Owner (which for the avoidance of doubt shall only for these purposes refer to the entity which becomes Owner pursuant to the novation contemplated by Clause 12.2(b) and not to HMLP) shall not, without Charterer's prior consent:
 - (i) dissolve, liquidate, merge, consolidate or otherwise combine with or into another entity where (in the case of a merger or consolidation only) such action has a material adverse effect on Owner's subsequent ability to perform its obligations pursuant to this Charter;
 - (ii) subject to Clauses 12.2 and 21.3, sell, transfer or otherwise dispose of its rights in the Vessel or all or substantially all of its assets to another Person;
 - (iii) acquire obligations or securities of its partners, members or shareholders;
 - (iv) permit any direct or indirect transfer of its ownership, in contravention of Clause 12.3;
 - (v) other than in respect of providing security in the ordinary course of business and/or for Owner Financier in accordance with this Charter:
 - (A) guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of others; or
 - (B) pledge its assets for the benefit of any other Person or make any loans or advances to any Person,
- save that:
- (C) the Parties acknowledge that as at the Execution Date existing financing is in place with an Affiliate of Owner, which covers the Vessel and another vessel, and Owner accordingly has granted cross-guarantees and cross-security in respect of the Vessel and nothing in this Clause 17.2 shall prevent the continued operation of such financing (including a similar refinancing), cross-guarantees and cross-security; and

- (D) Owner shall be able to borrow from its Affiliates or from banks and/or other financial institutions for the purposes of financing or re-financing the Vessel (or for any other purposes connected with the Charter including for working capital purposes); and
- (vi) engage in any business or activity of any nature other than the charter of the Vessel to Charterer pursuant to the terms of this Charter and activities directly related thereto, and similar or related business.
- (b) Throughout the Charter Period, Owner (which for the avoidance of doubt shall only for these purposes refer to the entity which becomes Owner pursuant to the novation contemplated by Clause 12.2(b) and not to HMLP) shall:
 - (i) conduct its own business in its own name;
 - (ii) continue its existence as a special purpose vehicle; and
 - (iii) pay its own liabilities out of its own funds save that Owner shall be able to borrow from its Affiliates and/or from banks and/or other financial institutions for the purposes of financing or re-financing the Vessel (or for any other purposes connected with the Charter including for working capital purposes).

17.3 Owner – No Liens

Owner represents and warrants throughout the Charter Period that, other than any Approved Mortgages and any Permitted Liens, there is no mortgage, lien, or encumbrance on the Vessel or the Vessel's earnings or insurances.

17.4 Charterer's Representations

Charterer hereby represents and warrants to Owner as at the date hereof, and undertakes throughout the Charter Period, as follows:

- (a) it is and shall remain a corporation duly incorporated and validly existing and in good standing under the Laws of the country of its incorporation and has the corporate power and authority to enter into and perform its obligations under this Charter and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same;
- (b) this Charter constitutes legal, valid and binding obligations applicable to it and the obligations are in full force and effect in accordance with their terms, and the delivery and performance by Charterer of this Charter will not contravene any Law of any Governmental Authority having jurisdiction over Charterer;

- (c) it has not taken nor to its knowledge has it omitted to take any actions which would adversely affect the enforceability of this Charter against it or the rights of Owner under the terms of this Charter; and
- (d) this Charter, its execution and delivery will not conflict with or result in any breach of any terms of, or constitute a default under, any agreement or other instrument to which Charterer is a party or its property is bound.

17.5 Charterer's Organization

Charterer hereby: (a) represents and warrants to Owner that, as at the date hereof, it is; and (b) undertakes that from the date hereof until the end of the Charter Period it shall remain, a wholly owned subsidiary of New Fortress Energy, Inc, and it shall not permit any direct or indirect transfer of its ownership in contravention of this Clause 17.5.

18. **Indemnification**

18.1 Owner shall protect, defend, indemnify and hold Charterer harmless from and against any and all Damages (save for any Consequential Damages) that may be imposed on, incurred by, or asserted against any Charterer Indemnified Party arising out of, attributable to or in connection with:

- (a) physical loss of or damage to any property owned, leased, chartered or hired by any Owner Indemnified Party (including the Vessel) and used in connection with the performance of this Charter, in each case Regardless of Cause; and
- (b) the sickness, death of, or personal injury suffered by, any Owner Indemnified Party as a result of an event in connection with the performance of this Charter, in each case, Regardless of Cause, and
- (c) the sickness, death of, or personal injury suffered by any third party or the physical loss of or damage to any third party property to the extent that such injury, loss or damage is caused by the negligence of any Owner Indemnified Party,

save that Owner's obligations under this Clause 18.1 shall not apply to the extent arising out of, attributable to, or in connection with any act or omission of any LNG Carrier or owner or operator thereof, including any damage caused by an LNG Carrier, or in respect of any act or omission for which such LNG Carrier or owner or operator thereof would be liable to either Party pursuant to the Conditions of Use, and in such case Clause 18.3 shall apply.

18.2 Charterer shall protect, defend, indemnify and hold Owner harmless from and against any and all Damages (save for any Consequential Damages) that may be imposed

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on, incurred by, or asserted against any Owner Indemnified Party arising out of, attributable to or in connection with:

- (a) physical loss or damage to the connecting pipeline and onshore receiving system and any property owned, leased, chartered or hired by any Charterer Indemnified Party (except the Vessel) (including for the avoidance of doubt the Charterer's Facilities) and used in connection with the performance of this Charter, in each case, Regardless of Cause;
- (b) the sickness, death of, or personal injury suffered by, any Charterer Indemnified Party as a result of an event in connection with the performance of this Charter, in each case, Regardless of Cause; and
- (c) the sickness, death of, physical or personal injury suffered by any third party or the physical loss of or damage to any third party property to the extent that such sickness, death, injury, loss or damage is caused by the negligence of a Charterer Indemnified Party.

18.3 Indemnification by Charterer in respect of LNG Carrier

Charterer shall protect, defend, indemnify and hold Owner harmless from and against any and all Damages (save for any Consequential Damages) that may be imposed on, incurred by, or asserted against any Owner Indemnified Party arising out of, attributable to or in connection with any act or omission of any LNG Carrier or owner or operator thereof, including any damage caused by an LNG Carrier, or in respect of any act or circumstance for which such LNG Carrier or owner or operator thereof would be liable to either Party pursuant to the Conditions of Use, save to the extent Owner is compensated for such Damages under the Conditions of Use.

19. Liability

19.1 No Consequential Damages

Except as otherwise expressly provided in this Charter, neither Party shall be liable to the other Party, nor shall either Party be indemnified by the other Party in respect of any Consequential Damages suffered by the other Party, whether or not foreseeable at the time of entering into this Charter and Regardless of Cause.

19.2 Liability Cap

- (a) Subject to Clause 19.2(b), but notwithstanding any other Clause of this Charter or the OSA:
 - (i) the maximum aggregate liability of Owner to Charterer arising out of, relating to, or connected with this Charter, Regardless of Cause, shall not exceed an amount equal to ***** United States Dollars (US\$ *****)

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(the “**Owner Maximum Liability Cap**”) which shall be reduced by any amounts from time to time paid by Contractor to Customer covered by the Contractor OSA Maximum Liability Cap under the OSA which shall reduce the future liability of Owner to Charterer under this Charter; and

- (ii) the maximum aggregate liability of Charterer to Owner arising out of, relating to, or connected with this Charter, Regardless of Cause, shall not exceed an amount equal to ***** United States Dollars (US\$ *****) (the “**Charterer Maximum Liability Cap**”) which shall be reduced by any amounts from time to time paid by Customer to Contractor covered by the Customer OSA Maximum Liability Cap under the OSA, which shall reduce the future liability of Charterer to Owner under this Charter.

(b) The provisions of Clause 19.2(a) shall not apply to:

- (i) any payments made under the indemnity provisions in Clauses 18.1, 18.2, 18.3, 19.3, 23.5 (in respect of the events and circumstances in Clause 19.2(b)), 28.4 (in respect of breaches of Clause 28.2 only), 29.1, 31.4 and 33.3 of this Charter and/or Clauses 5.7(f), 5.8(a), 16.4 (in respect of breaches of Clause 16.2 only), 18.4, 23, 28.3 and 31.4(d) of the OSA;
- (ii) the payment of Hire (including for the avoidance of doubt any Taxes payable pursuant to Clause 11.7(b)) earned by Owner under this Charter;
- (iii) any reduction of Hire or periods of Off-Hire under this Charter;
- (iv) the payment by Charterer and/or Customer of any amounts in respect of any Change in Law Required Actions;
- (v) the payment of the Daily Service Fee earned by Contractor under the OSA (including for the avoidance of doubt any Taxes payable pursuant to Clause 9.7 of the OSA);
- (vi) any reduction of Daily Service Fee or period of Off-Hire under the OSA;
- (vii) the payment or reimbursement by Charterer or Customer (as the case may be) of any increased Taxes due to Change in Law under this Charter or the OSA and/or any Taxes payable pursuant to Clause 6.3 and/or Clause 11.7(b) of this Charter and/or Clause 7.2 and/or Clause 9.7 of the OSA; or
- (viii) in respect of any liability caused by Wilful Misconduct.

19.3 Liability for Fines

The Parties hereby agree that for the purposes of this Charter, Owner will have no liability to Charterer as a result of any occasional fines, claims or assessments imposed by Governmental Authorities on Charterer or its Affiliates in view of stoppage, delay or interruption of operations of the Charterer's Facilities, Charterer shall indemnify, protect, defend and hold Owner harmless from and against any and all fines, claims or assessments imposed by Governmental Authorities in connection with this Charter, the operations of the Terminal or the supply of gas to any offtakers (save where caused by Owner's breach of this Charter or Contractor's breach of the OSA). The foregoing shall not apply to any fines levied against Owner directly from applicable Governmental Authorities due to breach by Owner of the terms of any licences or permits applicable to the Vessel, provided that such fine relates to an obligation attributed to Owner either by Law or by this Charter.

20. Salvage

20.1 The Parties agree that, subject to the provisions of Clause 14, all lost time and all expenses (excluding any damage to or loss of the Vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owner and Charterer (except to the extent reimbursed by the Vessel's insurance); provided that Charterer shall not be liable to contribute towards any salvage payable by Owner or Contractor arising in any way out of services rendered under this Clause 20. For the avoidance of doubt, the Vessel shall remain on-hire during any salvage operations but such Hire shall be an expense to be borne equally by Owner and Charterer for the duration of the operation.

20.2 The Parties agree that all salvage and all proceeds from derelicts shall be divided equally between Owner and Charterer after deducting (a) expenses (in accordance with Clause 20.1); and (b) the Master's, officers' and crew's share.

21. Liens

21.1 Owner Liens

Except for Permitted Liens, Owner shall not have, or allow others (claiming through Owner) to have, a lien on LNG, fuel, freights, sub-freights or sub-hires or any sums payable to Charterer or others or with respect to sales of cargoes stored on the Vessel.

21.2 Charterer Liens

Charterer shall not have, or allow others (in their dealings with Charterer) to have, a lien against the Vessel, except to the extent such lien arises by operation of Law.

21.3 Vessel Mortgage

Owner covenants that except for an Approved Mortgage it will not create or permit any mortgage, charge, lien, encumbrance, security or third party right (other than Permitted Encumbrances) on or over the Vessel (or any part thereof) (a “**Mortgage**”) on or after the date of this Charter unless a Quiet Enjoyment Agreement substantially in the form attached as Schedule X – *Form of Quiet Enjoyment Agreement* or otherwise in a form acceptable to Charterer acting reasonably, executed by the Mortgagee, has been provided to Charterer at the time of any mortgage on the Vessel becoming effective. In respect of the Approved Mortgage to be granted by SPV Owner as contemplated by Clause 2.7, Owner shall deliver to Charterer on the date the Mortgage is entered into, a Quiet Enjoyment Agreement on the terms and in the form set out at Schedule X – *Form of Quiet Enjoyment Agreement* save for minor logical changes, that is executed by the Mortgagee and shall remain in full force and effect for so long as such Approved Mortgage remains in effect.

21.4 Release of Lien

In the event that any lien shall attach by operation of law or in violation of this Clause 21, Owner or Charterer, as the case may be, shall take such steps as reasonably necessary to ensure that the lien does not interfere with the Vessel’s operations or with Charterer’s right to the Vessel and its cargo and to effect prompt release of such lien prior to the enforcement thereof.

22. Force Majeure

22.1 Force Majeure

Neither Owner nor Charterer shall be responsible for any loss, damage or delay arising from a failure, delay or omission in performing their obligations hereunder (excluding any obligation to make a payment due under the terms of this Charter) arising or resulting from any event or circumstance:

- (i) which, whether foreseeable or unforeseeable, is beyond the Party’s reasonable control to avoid, prevent or overcome and is not the result of the Party’s fault or negligence;
- (ii) which results in the Party being unable to perform one or more of its obligations or undertakings under this Charter; and
- (iii) the consequences of which the Party could not reasonably have avoided or overcome by the exercise of reasonable foresight, planning and implementation,

(each an event of “**Force Majeure**”), including circumstances of the following kind provided that such circumstances satisfy the definition of Force Majeure:

- (a) fire, accidents, structural collapses or explosions;
- (b) atmospheric disturbance, lightning, earthquake, tidal wave, tsunami, typhoon, tornado, hurricanes or storms of a severe nature, flood, tidal waves, landslide, soil erosion, subsidence, washout, perils of the sea or other acts of nature;
- (c) war (whether declared or undeclared), blockade, civil war, act of terrorism, invasion, revolution, insurrection, acts of public enemies, mobilization, civil commotion, riots, sabotage, assailing thieves or seizures of power by military of other non-legal means;
- (d) subject to the provisions of Clause 6, acts of any Governmental Authority, or compliance with such acts or Laws, that directly affect such Party's ability to perform its obligations hereunder, including the failure by a Governmental Authority to issue, or withdrawal or expiration following issuance, of any license, approval, permit or other Authorization necessary for the Party claiming Force Majeure or its subcontractors to perform its obligations or comply with any of its undertakings under this Charter, to the extent not caused by (A) any violation of or breach of the terms and conditions of any existing approval, permit, license or consent or other requirement of applicable Law; or (B) the failure to apply for or follow the necessary procedures to obtain any approval, permit, license or consent or request, acquire or take all commercially reasonable actions to obtain the maintenance, renewal or reissuance of the same, in each such case, by the Party claiming a Force Majeure or its subcontractors;
- (e) the Vessel and/or Owner is prohibited or otherwise prevented or delayed in the performance of the relevant service or performance obligation by applicable Law or the decision of any Governmental Authority for a reason not attributable to Owner's default or negligence, including any unlawful, unauthorised or without justification revocation of, or refusal to grant, without valid cause, by any Governmental Authority, any permit, license, consent or Authorization required by Owner to perform its obligations under this Charter;
- (f) Change in Law (other than an Applicable Jurisdiction Change in Law);
- (g) plague or other epidemics, pandemics or quarantines;
- (h) freight or other embargo or trade Sanctions;
- (i) strike, lockout or industrial disturbance at the FSRU Site;
- (j) chemical or radioactive contamination or ionizing radiation;
- (k) collisions, shipwrecks, navigational and maritime perils;

- (l) seizure of the Vessel or cargo under legal process where security is promptly furnished to release Vessel or cargo but the Vessel or cargo is not released;
- (m) requisition or seizure of the Vessel by any Governmental Authority (or the seizure of the Vessel by any Person, entity or Governmental Authority under any circumstances, whether equivalent to requisition of title or not);
- (n) nationalization, confiscation, expropriation, compulsory acquisition, expropriation, or restraint of any assets (including the Vessel) by any Governmental Authority; and
- (o) any of the events listed in paragraphs (a) to (n) above affecting any supplier or subcontractor of a Party.

22.2 The Parties agree that the following circumstances do not amount to Force Majeure:

- (a) the occurrence of any manpower or equipment or materials shortages except where such occurrence results from an event or circumstance that would be considered a Force Majeure under this Charter;
- (b) any delay, default or failure (financial or otherwise) of any subcontractor or supplier, except where such delay, default or failure results from an event or circumstance in the Applicable Jurisdiction that would be considered Force Majeure under this Charter;
- (c) any contractual commitment made to a Person other than the other Party which limits the ability of a Party to perform its obligations hereunder;
- (d) financial hardship or the inability of the Party to make a profit or receive a satisfactory rate of return from its revenues under this Charter or to settle its debts as they fall due;
- (e) changes in market conditions, including changes that directly or indirectly affect the demand for vessels similar to the Vessel or for regasified LNG, operating costs or currency devaluation, default of payment obligations or other commercial, financial or economic conditions;
- (f) the breakdown or failure of machinery caused by normal wear and tear that should have been avoided by a Reasonable and Prudent Operator, the failure to comply with the manufacturer's recommended maintenance and operating procedures, or the unavailability at appropriate locations of standby equipment or spare parts in circumstances where a Reasonable and Prudent Operator would have had the equipment or spare parts available;
- (g) exchange control requirements or other similar restrictions that preclude payments to be made in the currency denominated for payment;

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- (h) a Change in Law (other than an Applicable Jurisdiction Change in Law) to the extent it requires a modification to the Vessel, in which case such required modification will be effected pursuant to Clause 6.1; and
- (i) metocean and/or other weather conditions occurring at the FSRU Site which do not constitute Adverse Weather Conditions.

22.3 Notice, Resumption of Normal Performance

Promptly upon the occurrence of an event that a Party considers may result in an event of Force Majeure, and in any event within ***** days from the date of the occurrence of an event of Force Majeure, the Party affected shall give notice thereof to the other Party describing in reasonable detail:

- (a) the event giving rise to the potential or actual Force Majeure claim, including the place and time such event occurred;
- (b) to the extent known or ascertainable, the obligations which may be or have actually been delayed or prevented in performance and the estimated period during which such performance may be suspended or reduced, including the estimated extent of such reduction in performance;
- (c) the particulars of the programme to be implemented to ensure full resumption of normal performance hereunder; and
- (d) the volume of regasified LNG which it reasonably expects to be able to deliver (if any) during the period for which Force Majeure relief can be reasonably expected to be claimed.

Such notices shall thereafter be supplemented and updated at weekly intervals during the period of such claimed Force Majeure specifying the actions being taken to remedy the circumstances causing such Force Majeure and the date on which such Force Majeure and its effects end.

22.4 Examination

- (a) The Party affected by an event of Force Majeure shall, at the request of the other Party, give or procure access if they are able so to do (at the expense and risk of the Party seeking access) at all reasonable times for a reasonable number of representatives of such Party (and of Charterer's Personnel, in the case of Charterer) to examine the scene of the event and the facilities affected which gave rise to the Force Majeure claim.
- (b) In the event of a Force Majeure affecting the Vessel, Terminal, Master, Owner or Charterer, the Party affected thereby shall take all measures reasonable in the circumstances to overcome or rectify the event of Force

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Majeure and its consequence and resume normal performance of this Charter as soon as reasonably possible once the event of Force Majeure has passed or been remedied; provided, however, the Parties agree that the settlement of any strike, lockout or industrial disturbance shall be in the sole discretion of the Party affected by such event of Force Majeure.

22.5 Force Majeure Hire

Notwithstanding the provisions of Clause 22.1, Hire shall remain payable to Owner during any period in which performance of the Charter Activities is prevented or interrupted by reason of Force Majeure (except to the extent that such Force Majeure has caused accidental damage to the Vessel, in which case Hire shall not be payable for the first ***** days of such period of prevented or interrupted performance, subject to Charterer paying a lump sum amount of ***** United States Dollars (US\$ *****) (grossed up for any withholding or equivalent Taxes)). The Vessel shall not be considered Off-Hire by virtue of the operation of this Clause 22.5.

22.6 Termination for Force Majeure

(a) Termination for Force Majeure

If the occurrence of an event within Clause 22.1 excuses either Party from performing any of its obligations hereunder for a continuous period of ***** consecutive days then the other Party may terminate this Charter at any time after such ***** consecutive day period by giving the other Party ***** days' written notice of such termination.

(b) No Compensation

Neither Party shall be required to pay the other Party any compensation whatsoever upon termination of this Charter pursuant to this Clause 22.6.

22.7 Termination following termination or suspension of Gas Offtake Agreements

(a) If the Gas Offtake Agreements are terminated or suspended by a gas buyer (that is not an Affiliate of Charterer or Customer) for more than ***** days, then Charterer may, by giving at least ***** days' notice to Owner, terminate this Charter, subject to the provisions of Clause 22.7(b).

(b) Charterer shall, on the effective date of such termination, pay to Owner an amount equal to the lesser of:

(i) the aggregate Daily Hire for each day of the remainder of the Charter Period; and

(ii) ***** United States Dollars (US\$*****).

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23. Default and Remedies

23.1 Event of Owner's Default

Each of the following events shall, save in the case of paragraphs (e), (f), (g), (i), (m) or (n) where caused by an Excusable Event, Force Majeure or Adverse Weather Conditions, be an event of Owner's default ("**Event of Owner's Default**"):

- (a) Owner suspends payment of its debts or is unable to pay its debts or is otherwise insolvent;
- (b) Owner passes a resolution, commences proceedings, or has proceedings commenced against it (which are not stayed within ***** days of service thereof), in the nature of bankruptcy or reorganisation resulting from insolvency, liquidation or the appointment of a receiver, trustee in bankruptcy or liquidator of its undertakings or assets, or similar or analogous events occur in Owner's home jurisdiction;
- (c) Owner enters into any composition or scheme or arrangement with its creditors in circumstances where Clause 23.1(a) applies, or similar or analogous events occur in Owner's or Contractor's home jurisdiction;
- (d) without Charterer's prior written consent and in breach of the terms of this Charter:
 - (i) the Classification of the Vessel is changed by Owner in breach of Clause 2.3(a);
 - (ii) the Classification Society has suspended or removed the Vessel's classification certificate or has changed the classification of the Vessel in a manner that requires (or could reasonably be expected to require) dry-docking of the Vessel during the Charter Period (excluding any in-situ inspections or surveys performed on the Vessel at the FSRU Site); and, if capable of cure, Owner has failed to cure such default within ***** days after becoming aware thereof;
 - (iii) the Vessel is arrested as a consequence of any claim or event as part of a process to enforce any claim against the Vessel, Owner or its Affiliate (other than a claim arising by, through or under Charterer or a Charterer Indemnified Party, or otherwise arising in connection with an act or omission of Charterer or a Charterer Indemnified Party), and is not released from such arrest within ***** days after being arrested, unless the arrest claim is being contested in good faith by appropriate steps and, for the payment of which, adequate reserves have been made, in which case the cure period shall be extended to ***** days;

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- (iv) Owner fails to maintain any of the insurances it is obliged to maintain under this Charter unless such failure is remedied within ***** days of notice thereof from Charterer;
- (v) the entity, being any registered owner of the Vessel to which Owner novates this Charter from time to time pursuant to Clause 12.2(b) and which thereby becomes Owner, ceases to be the registered owner of a ***** per cent. (*****%) or greater interest in the Vessel and such breach is not cured (including by novation to a transferee in compliance with Clause 12.2(b)) within ***** days of notice of such breach from Charterer;
- (vi) the Vessel ceases to be registered as required pursuant to Clause 2.4 and such breach is not cured within ***** days of notice of such breach from Charterer; or
- (vii) except for an Approved Mortgage and Permitted Liens, Owner places or permits to exist a mortgage on the Vessel without providing Charterer with a Quiet Enjoyment Agreement substantially in the form attached as Schedule X – *Form of Quiet Enjoyment Agreement* or otherwise in a form acceptable to Charterer acting reasonably, executed by the Mortgagee, and such breach is not cured within ***** days of notice of such breach from Charterer;
- (e) Owner fails to ensure Arrival of the Vessel by the date falling ***** days after the Scheduled Delivery Date (save for any delay arising from Owner’s provision of a Substitute Vessel in accordance with Clause 7.8);
- (f) Owner fails to achieve Acceptance by the date falling ***** days after the end of the Commissioning Period (save for any delay arising from Deemed Performance or Owner’s provision of a Substitute Vessel in accordance with Clause 7.8);
- (g) in the circumstances described in Clause 7.6(b)(ii);
- (h) Owner fails to comply with the business principles set forth in Clause 28.2;
- (i) in the circumstances described in Clause 14.3(a);
- (j) Owner breaches the undertaking provided under Clause 12.3;
- (k) an Owner/Contractor Guarantor Default occurs;
- (l) an Owner Letter of Credit ceases to be in full force and effect, unless a replacement Owner Letter of Credit is provided within ***** days thereafter;

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- (m) (i) Owner or Contractor fails to maintain any Authorization that is the responsibility of Owner or as applicable, Contractor, to maintain and is necessary for Owner or as applicable, Contractor, to comply with, or if any such Authorization is revoked, withheld or expires or is modified in a material respect; or (ii) Owner breaches any term of this Charter and such breach is the preponderant cause of Charterer's failure to obtain any Authorization that is the responsibility of Charterer or is the preponderant cause for any such Authorization to expire, be revoked or to be modified in a material respect;
- (n) Abandonment by Owner occurs provided that Charterer first notifies Owner of such alleged Abandonment and Owner fails to respond to Charterer within ***** days of such notice with a plan of action demonstrating to Charterer that Owner can ensure that the Vessel will achieve Acceptance no later than ***** days after the end of the Commissioning Period (save for any delays during which Deemed Performance applies or during which Owner provides a Substitute Vessel in accordance with Clause 7.8);
- (o) the OSA is terminated by Customer due to an Event of Contractor's Default thereunder; or
- (p) Owner fails to pay any amounts when due and payable under this Charter, unless such failure is remedied within ***** days of notice thereof from Charterer.

23.2 Event of Charterer's Default

Each of the following events shall be an event of Charterer's default ("**Event of Charterer's Default**"):

- (a) Charterer suspends payment of its debts or is unable to pay its debts or is otherwise insolvent;
- (b) Charterer passes a resolution, commences proceedings or has proceedings commenced against it (which are not stayed within ***** days of service thereof), in the nature of bankruptcy or reorganization resulting from insolvency, liquidation or the appointment of a receiver, trustee in bankruptcy or liquidator of its undertakings or assets, or similar or analogous events occur in Charterer's home jurisdiction;
- (c) Charterer enters into any composition or scheme or arrangement with its creditors in circumstances where Clause 23.1(a) applies, or similar or analogous events occur in Charterer's home jurisdiction;
- (d) Charterer fails to comply with the business principles set forth in Clause 28.2;

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- (e) Charterer fails to pay Hire or any other amounts when due and payable under this Charter;
- (f) Charterer breaches the undertaking to remain a wholly owned subsidiary of New Fortress Energy, Inc. provided under Clause 17.5;
- (g) A Charterer/Customer Guarantor Default occurs;
- (h) Charterer or Customer fails to maintain any Authorization that is the responsibility of Charterer or, as applicable, Customer to maintain and is necessary for Charterer or, as applicable, Customer to comply with, or if any such Authorization is revoked, withheld or expires or is modified in a material respect; or (ii) Charterer breaches any term of this Charter and such breach is the preponderant cause of Owner's failure to obtain any Authorization that is the responsibility of Owner or is the preponderant cause for any such Authorization to expire, be revoked or to be modified in a material respect; or
- (i) The OSA is terminated by Contractor due to an Event of Customer's Default thereunder.

23.3 Termination of the OSA for Customer Default or Contractor Default

The Parties hereby agree that:

- (a) if the OSA is terminated by Contractor upon the occurrence of an Event of Customer's Default thereunder, this Charter shall automatically terminate for Event of Charterer's Default pursuant to Clause 23.2(i) and the provisions of Clause 23.5 shall apply; and
- (b) if the OSA is terminated by Customer upon the occurrence of an Event of Contractor's Default thereunder, this Charter shall automatically terminate for Event of Owner's Default pursuant to Clause 23.1(o) and the provisions of Clause 23.5 shall apply.

23.4 Remedies

- (a) In addition to any other rights herein, in any other agreement or at Law (including to sue for loss of bargain subject to any limitations in this Charter), upon the occurrence of an Event of Owner's Default, Charterer may terminate this Charter by issuing a termination notice with immediate effect at any time after the expiry of ***** days after having given notice of default (with reasonable particulars thereof) to Owner; provided, however, that if such Event of Owner's Default is capable of being cured and is cured within the ***** day notice period, Charterer shall not be entitled to terminate this Charter. Notwithstanding the immediately preceding sentence, termination of

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this Charter shall take effect immediately upon Owner's receipt of Charterer's notice in respect of Clauses 23.1(a), 23.1(b), 23.1(c), 23.1(d)(iv), 23.1(d)(v), 23.1(d)(vi), 23.1(d)(vii), 23.1(e), 23.1(f), 23.1(i), 23.1(j), 23.1(k), 23.1(l), 23.1(o) and/or 23.1(p). On Charterer's termination, Owner shall, if requested to do so by Charterer in the termination notice, as soon as reasonably practicable and in compliance with safety and other applicable regulations, remove the Vessel from Terminal following redelivery of the Vessel by Charterer to Owner under Clause 7.7.

- (b) In addition to any other rights herein, in any other agreement or at Law (including to sue for loss of bargain subject to any limitations in this Charter), upon the occurrence of an Event of Charterer's Default (other than failure to pay Hire) Owner may terminate this Charter by issuing a termination notice with immediate effect at any time after the expiry of ***** days after having given notice of default (with reasonable particulars thereof) to Charterer; provided, however, that if such Event of Charterer's Default is capable of being cured and is cured within the ***** day notice period, Owner shall not be entitled to terminate this Charter. Notwithstanding the immediately preceding sentence, termination of this Charter shall take effect immediately upon Charterer's receipt of Owner's notice in respect of Clauses 23.2(a), 23.2(b), 23.2(c), 23.2(f), 23.2(e), 23.2(f), 23.2(g) and/or 23.2(i).
- (c) If the Event of Charterer's Default results from a failure by Charterer to pay Hire or any other amount due under this Charter by the due date for payment, then (without prejudice to Owner's right to sue for recovery of any amounts due), Owner shall notify Charterer of such failure, and:
 - (i) within ***** days of receipt of such notification Charterer shall pay to Owner the amounts due and payable (including outstanding Hire plus any interest), failing which Owner shall have the right at any time thereafter by notifying Charterer thereof to withdraw the Vessel and terminate this Charter (without prejudice to any other rights or remedies including the right to sue for loss of bargain subject to any limitations in this Charter); and
 - (ii) notwithstanding any conduct of Owner, such right to terminate under Clause 23.4(c)(i) above, shall remain effective until the earlier of the time (A) that the right is expressly waived by Owner in writing; (B) that Charterer pays Owner in full any and all amounts due and payable (including outstanding Hire plus any interest) at the relevant time; or (C) Owner exercises its right to terminate the Charter.
- (d) Either Party may terminate this Charter upon the occurrence of extended Force Majeure as described, and subject to the limitation contained, in Clause 22.6 or as provided in Clause 29.2(b)(iii).

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- (e) Where reference is made in this Clause 23.4 to “any limitations in this Charter” such limitations shall include, for the avoidance of doubt, the Owner Maximum Liability Cap or, as applicable Charterer Maximum Liability Cap, but in each case not in respect of the events and circumstances set out in Clause 19.2(b).

23.5 Damages/Indemnification

- (a) Subject always to Clause 19.1 and (save in respect of the events and circumstances set out in Clause 19.2(b)) the Owner Maximum Liability Cap, in case of this Charter being terminated by Charterer for an Event of Owner’s Default pursuant to Clause 23.1, Owner shall compensate Charterer in respect of its costs of obtaining a replacement vessel, such amount to be the difference between the Daily Hire for each day remaining in the Charter Period as of the date of termination, and the prevailing market rate payable by Charterer to such third party providing the replacement vessel.
- (b) Subject always to Clause 19.1 and (save in respect of the events and circumstances set out in Clause 19.2(b)) the Charterer Maximum Liability Cap, in case of this Charter being terminated by Owner for an Event of Charterer’s Default pursuant to Clause 23.2:

- (i) Charterer shall pay Owner an amount equal to the sum of items (A), (B) and (C) below:

- (A) a base relocation fee of ***** US Dollars (US\$*****);
- (B) an amount equal to the difference, if a positive number, between: (X) ***** US Dollars (US\$*****); and (Y) the daily time charter hire rate applicable to LNG carriers as published in Platts LNG Daily on the date of termination multiplied by ***** (if the difference is not a positive number this item (B) will be zero);

with the sum of, and maximum aggregate liability of Charterer for, items (A) and (B) being capped to never exceed ***** US Dollars (US\$*****); and

- (C) in respect of the period on and from the ***** day following the date of termination until the expiry of the Charter Period, an amount equal to the difference between (X) the Daily Hire and (Y) the prevailing market rate for daily hire of the Vessel. Such prevailing market rate shall be determined in accordance with the procedure set out in Clause 23.5(b)(ii) to (v) and Clause 23.5(c) (“**FSRU Market Rate**”). If the difference is negative then only the sum of Items A and B shall be paid as a Supplemental Invoice

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pursuant to Clause 11.2 and neither Party shall make any other payments pursuant to this Clause 23.5(b).

- (ii) The Parties shall obtain quotes from three Approved Brokers to determine the FSRU Market Rate. An “**Approved Broker**” shall be any of: (A) Poten & Partners; (B) Clarksons; (C) Braemar Shipping Services; (D) Fearnleys; (E) Gibsons, or any other entity which the Parties agree in writing to be an Approved Broker.
- (iii) Within ***** days of the date of termination of this Charter each Party shall notify the other Party of its selection of an Approved Broker (“**Notice of Selection of Approved Broker**”). If either Party does not notify the other Party of its selection of an Approved Broker within ***** days of the date of termination of this Charter then the non-defaulting Party shall by giving notice to the defaulting Party be entitled to select the Approved Broker on behalf of the defaulting Party. If the Parties select the same Approved Broker then the party which notified its selection last in time shall give notice of an alternative Approved Broker within ***** days of the date of the last in time Notice of Selection of Approved Broker.
- (iv) The Parties shall, within ***** days of the date of the Notice of Selection of Approved Broker, promptly instruct the two selected Approved Brokers to agree upon the selection of a third Approved Broker and notify that selection to the Parties no later than ***** days after the date of the Notice of Selection of Approved Broker, and if the two selected Approved Brokers fail to agree upon the selection of a third Approved Broker then either Party may appoint an Expert to determine the identity of the third Approved Broker pursuant to the procedure set forth in Clause 34.3.
- (v) Within ***** days of the third Approved Broker being selected, the Parties shall jointly instruct the three Approved Brokers to each independently and within ***** days of being instructed to provide a quote to both Parties detailing the FSRU Market Rate, as determined on the following basis:
 - (A) The rate shall be an independent arms’ length daily market hire rate for the bareboat charter (i.e. the capex rate) of a vessel of equivalent technical specification to the Vessel and for the provision of FSRU regasification services (and not for LNG carrier or floating storage services) for a period on and from the ***** day following the date of termination until the expiry of the Charter Period, calculated on the basis of a set of forward

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projections applicable at the time of calculation and which shall not be later updated.

- (B) The Approved Broker shall provide a quote solely on the basis of its good faith opinion of market rates taking into account, in its discretion, other FSRU charters within the last ***** months which in its good faith opinion are the most equivalent to the Charter as a firm per day figure (and not a range) and which shall not be subject to any assumptions or qualifications save only for the express provisions of Clause 23.5(b)(v)(A) and (B).
 - (C) Each Approved Broker shall provide its quote to both Parties simultaneously which shall set out its quotation of the FSRU Market Rate.
 - (D) Within ***** days of receiving the quotations of the FSRU Market Rates from the Approved Brokers, the Parties shall jointly analyse the three quotes provided, and the two FSRU Market Rates which deviate the least numerically from each other shall be retained and the third FSRU Market Rate shall be discarded. The Parties shall jointly determine the final FSRU Market Rate which shall be the arithmetic mean of the two retained FSRU Market Rates, and which shall be final and binding upon the Parties.
- (c) Within ***** days of the FSRU Market Rate being determined pursuant to Clause 23.5(b)(v)(D), Owner shall issue a Supplemental Invoice to Charterer which shall be payable pursuant to Clause 11.2.
 - (d) The Parties agree that absent manifest error neither Party shall challenge or dispute the FSRU Market Rates provided in good faith pursuant to this Clause 23.5(b), either pursuant to Clause 34 or otherwise, and they shall be treated as final and binding for the purposes of determining the FSRU Market Rate.
 - (e) Subject always to Clauses 19.1 and 19.2, the exercise by either Party of their respective rights under this Clause 23 shall be without prejudice to any other rights or remedies each may have accrued prior to the date thereof, and any provisions of this Charter necessary for the exercise of such accrued rights and remedies shall survive termination of this Charter to the extent so required.

24. Guarantees and Security

- 24.1 Owner shall provide to Charterer, not later than the Effective Date, a parent company guarantee from Owner/Contractor Guarantor in the form attached hereto as Part A of Schedule IX – *Form of Guarantees* securing the payment and performance

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obligations of each of Owner under this Charter and Contractor under the OSA (including in each case any applicable amendment agreement or side agreement) (the “**Owner/Contractor Guarantee**”). The Owner/Contractor Guarantee provided shall be in force until the end of the Charter Period as applicable, or if later, until an arbitral award is obtained, provided that the Owner/Contractor Guarantor’s aggregate liability under the Owner/Contractor Guarantee in respect of liabilities of Owner and Contractor, collectively and individually, shall not exceed an aggregate amount of USD ***** (“**Owner/Contractor Guarantee Cap**”) save as expressly provided to the contrary in the Owner/Contractor Guarantee. During the final year of the Charter Period, the Owner/Contractor Guarantee Cap shall be reduced by: (a) USD ***** at the end of each of the first eleven months of that year; and (b) USD ***** at the end of the final month of that year.

24.2 Charterer shall provide to Owner, not later than the Effective Date, a parent company guarantee from Charterer/Customer Guarantor in the form attached hereto as Part B of Schedule IX – *Form of Guarantees* securing the payment and performance obligations of each of Charterer under this Charter and Customer under the OSA (including in each case any applicable amendment agreement or side agreement) (the “**Charterer/Customer Guarantee**”). The Charterer/Customer Guarantee provided shall be in force until the end of the Charter Period as applicable, or if later, until an arbitral award is obtained, provided that the Charterer/Customer Guarantor’s aggregate liability under the Charterer/Customer Guarantee in respect of liabilities of Charterer and Customer, collectively and individually, shall not exceed an aggregate amount of USD ***** (“**Charterer/Customer Guarantee Cap**”) save as expressly provided to the contrary in the Charterer/Customer Guarantee. During the final year of the Charter Period, the Charterer/Customer Guarantee Cap shall be reduced by: (a) USD ***** at the end of each of the first eleven months of that year; and (b) USD ***** at the end of the final month of that year.

24.3 For the avoidance of doubt, only one Owner/Contractor Guarantee and only one Charterer/Customer Guarantee shall be issued to cover, in each case, both this Charter and the OSA.

25. **Maintenance**

25.1 Owner shall have the right to (or cause Contractor to) curtail or temporarily discontinue the operation of the Vessel, in whole or in part, in order to carry out planned maintenance or works required due to Change in Law Required Actions only during periods where Charterer is undertaking maintenance on Charterer’s Facilities, and Owner shall, and shall procure that Contractor shall, use best endeavours to ensure that no curtailment or interruption of the LNG regasification service shall be required.

- 25.2 Charterer shall cause to be provided to Owner as soon as the same become available all planned outage schedules for the relevant Charterer's Facilities referred to in Clause 25.1.
- 25.3 Owner shall adhere to a maintenance programme throughout the Charter Period which ensures that the Vessel is repaired and maintained to International Standards and can be operated safely, effectively and reliably hereunder throughout the Charter Period and Charterer shall provide all reasonable cooperation to enable Owner to adhere to such maintenance programme, including providing access to all parts of the Vessel, the cargo tanks, and the jetty and access for underwater surveys.
- 25.4 Owner shall have the right at any time to cause Contractor to undertake maintenance on a continuing basis to ensure that the Vessel is in every way fit for service under this Charter and the OSA, but subject always to the provisions of this Clause 24.3.
- 25.5 The Vessel will remain on-hire and in-service during any maintenance and:
- (a) during any period where Owner is required for purposes of a Class renewal survey or otherwise by applicable Law to take one or more tanks out of service, the warranties in Clauses 15.2, 15.3 and 15.4 shall be suspended but the warranty in Clause 15.1 shall continue to apply; and
 - (b) during any other period of maintenance, all the warranties in Clause 15 shall continue to apply,
- provided that, for the avoidance of doubt, where maintenance or repairs constitute Change in Law Required Actions (including any Implementation Requirements) that are not Applicable Jurisdiction Change in Law Required Actions, Owner shall not be entitled to receive Hire at any time during the period of such maintenance or repairs but the Vessel shall not be treated as being Off-Hire (including for the purposes of Clause 14.3).

26. **Conditions of Use**

- 26.1 Charterer acknowledges and agrees that it will be bound by the Conditions of Use. The Conditions of Use shall at all times be acceptable to the P&I Clubs of the relevant LNG Carrier and of the Vessel, and provide Owner with an indemnity from visiting LNG Carrier owners.
- 26.2 Charterer shall cause the owner or operator or master of any LNG Carrier, as may be relevant, to sign the Conditions of Use before such LNG Carrier berths at the FSRU Site.

27. **Insurance**

Without prejudice to the obligations, liabilities and responsibilities of Owner under the Charter, Owner shall at its own expense, effect and maintain in force throughout the Charter Period insurances in respect of the Vessel which is set out in Schedule XI – *Insurance* and which the Parties agree is consistent with the standards and levels of coverage which prudent ship owners and operators operating first-class FSRU vessels or LNG vessels should observe in insuring FSRUs or LNG vessels of a similar type, size, age and trade as the Vessel. The Vessel shall carry all certificates in relation to compulsory insurance for oil pollution required by the IMO Bunker Convention and US OPA.

28. **Business Principles**

28.1 Compliance with Law

The Parties agree to comply with all Laws, decrees, ordinances, directives and lawful regulations of any Governmental Authority applicable to this Charter or applicable to any activities carried out under the provisions of this Charter.

28.2 Proper Practice

Neither Party shall pay any fee, commission, rebate or anything of value to or for the benefit of any employee of the other Party, nor will either Party do business with any company knowing the results might directly benefit an employee of the other Party.

- (a) Charterer acknowledges that Owner is subject to the FCPA and may be subject to the UKBA (the UKBA and the FCPA being, together, the “**Compliance Regulations**”), and agrees that Owner shall have the right to take such reasonable action as it may deem necessary to ensure compliance with the Compliance Regulations. In this regard, Charterer also acknowledges that the selection of service providers, the implementation of this Charter, and the terms on which service providers for the Charter are engaged shall be subject to procedures or terms aimed at ensuring compliance with the Compliance Regulations.
- (b) Notwithstanding the generality of the foregoing:
 - (i) Charterer hereby warrants and represents to Owner that: (A) none of Charterer its employees, or its agents has taken in respect of this Charter or shall take any action in violation of the Compliance Regulations; and (B) Charterer is not aware of any offer or payment by any employee or agent of Owner’s or an Affiliate of Owner of any gift or other amount to Charterer or any employee, agent, director or officer of either, whether for purposes of inducing them to enter into this Charter or otherwise, and shall promptly report any such effort or any such payment or gift

promptly to Owner should they ever discover that one was made or offered.

- (ii) Owner hereby warrants and represents to Charterer that: (A) none of Owner or its employees has taken or shall take any action in violation of the Compliance Regulations; and (B) Owner is not aware of any offer or payment by any employee or agent of Charterer's or an Affiliate of Charterer of any gift or other amount to Owner or any employee, agent, director or officer of either, whether for purposes of inducing them to enter into this Charter or otherwise, and shall promptly report any such effort or any such payment or gift promptly to Charterer should they ever discover that one was made or offered.

The Parties agree to take reasonable endeavours to ensure that, in connection with this Charter and the activities contemplated herein, neither Party's directors, officers and employees, or those of their Affiliates, will take action, or omit to take any action, that would violate the Compliance Regulations.

28.3 Ethical Policy

Charterer and Owner may each from time to time advise the other Party of any ethical or business practices policy which apply to the relevant Party and the other Party shall use reasonable endeavours to adhere to such policy, provided it does not affect the safe or reliable operation of the Vessel or give rise to the other Party incurring any additional cost.

28.4 Liabilities

- (a) Charterer shall assume liability for and shall indemnify, defend and hold harmless Owner and any Owner Indemnified Party against any loss and/or damage (excluding consequential and indirect loss and/or damage) and/or any expenses, fines, penalties and any other claims, including legal costs, arising from Charterer's failure to comply with any of the provisions of this Clause 28.
- (b) Owner shall assume liability for and shall indemnify, defend and hold harmless Charterer and any Charterer Indemnified Party against any loss and/or damage (excluding consequential and indirect loss and/or damage) and any expenses, fines, penalties and any other claims, including legal costs, arising from Owner's failure to comply with any of the provisions of this Clause 28.
- (c) Notwithstanding the foregoing, a Party's right to make a claim under the indemnities contained in the above Clauses 28.4(a) and 28.4(b) shall be contingent on and subject to such Party having acted in good faith and in accordance with the applicable Laws and the principles established under this Clause 28 in connection with the subject matter or any such claim.

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28.5 Audit

Each Party has the right, at its own cost and expense, to conduct an audit of the relevant books, records and accounts of the other Party to assess compliance with this Clause 28, by giving at least ***** Business Days' prior notice and subject to compliance with any reasonable confidentiality requirements in relation to the books, records and accounts being assessed (which shall require appointing an independent third party auditor from a major international accountancy firm to carry out the audit subject to executing a standard confidentiality agreement).

29. Sanctions

29.1 Operation of the Vessel and Sanctions

- (a) Owner shall not be obliged to (i) make available the Vessel; or (ii) comply with any orders for the employment of the Vessel in any carriage, trade or on a voyage which, in the reasonable judgment of Owner, would: (A) be contrary to Sanctions, whether directly or indirectly; (B) be by or for the benefit of a Restricted Party or (C) otherwise expose the Vessel (including any Owner Financier, the Vessel's crew and/or insurers) to enforcement proceedings arising from Sanctions.
- (b) If the Vessel is already operating in a manner to which Sanctions are subsequently directly or indirectly applied (in the reasonable judgment of Owner), Owner shall have the right to require the cessation of such operations and to require that any LNG on board the Vessel be discharged and redelivered to Charterer. The Vessel shall remain on-hire during such discharge and Charterer shall remain responsible for all additional costs and expenses incurred in connection with such discharge.
- (c) If the Vessel is already performing a voyage in LNGC Mode pursuant to Clause 16, to which Sanctions are subsequently applied, Owner shall have the right to refuse to proceed with the employment and Charterer shall be obliged to issue alternative voyage orders within ***** hours of receipt of Owner's notification of their refusal to proceed. If Charterer does not issue such alternative voyage orders Owner may discharge any cargo already loaded at any safe port (including the port of loading). The Vessel shall remain on-hire pending completion of Charterer's alternative voyage orders or delivery of cargo by Owner and Charterer shall be responsible for all additional costs and expenses incurred in connection with such orders/delivery of cargo. If in compliance with this Clause 29.1(c) anything is done or not done, such shall not be deemed a deviation.
- (d) Charterer shall indemnify, defend and hold harmless Owner against any and all claims whatsoever brought by any parties to whom regasified LNG is to

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- (e) be sold by Charterer and/or by any subcontractor against Owner or the Contractor by reason of Owner's compliance with this Clause 29.1.

29.2 Sanctioned Parties

- (a) Owner and Charterer respectively warrant for themselves, their Affiliates and their respective directors, officers and employees, that at the date of this Charter and throughout the duration of this Charter:
 - (i) it is not in breach of Sanctions;
 - (ii) it is not a Restricted Party;
 - (iii) as regards Charterer, it is not requiring the Vessel to be operated in any matter which is contrary to Sanctions; and
 - (iv) it is not subject to or involved in any inquiry, complaint, claim, suit, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or any Person not a Party to this Charter concerning any Sanctions.
- (b) If at any time during the performance of this Charter either party becomes aware that the other party (the "**Sanctioned Party**") is in breach of the warranty in Clause 29.2(a):
 - (i) performance of the obligations of Owner and Charterer under this Charter shall be suspended without liability of either Party unless and until it resumes in accordance with sub-clause (ii) below or this Charter is terminated pursuant to sub-clause (iii) below; the circumstances giving rise to such suspension shall be treated as an event of Force Majeure for the purposes of Clause 22 (and, for the avoidance of doubt, such period of suspension shall not count as Off-Hire for the purposes of determining whether there is Prolonged Off-Hire for the purposes of Clause 14.3) provided that, notwithstanding the operation of this sub-clause, Charterer shall continue to be obliged to pay Hire during the period of suspension if Charterer is the Sanctioned Party subject to such payment of Hire, and its receipt by Owner, not being in breach of Sanctions;
 - (ii) Owner and Charterer shall use all reasonable endeavours to apply for and obtain any applicable licence or Authorization which will enable this Charter to continue notwithstanding the circumstances giving rise to the operation of this Clause 29.2(b) and upon the obtaining of such license or Authorization performance of the obligations of Owner and Charterer under this Charter shall resume; and

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- (iii) if no licence or Authorization as referred to in sub-clause (ii) above is obtained within ***** days of the start of the suspension of the obligations of Owner and Charterer referred to in sub-clause (i) above or if it shall at any earlier time be apparent to the party which is not the Sanctioned Party that there is no reasonable prospect of any such licence or Authorization being obtained the Party which is not the Sanctioned Party may, by notice to the other Party, terminate this Charter, whereupon this Charter shall terminate forthwith upon the Vessel being free of LNG, except for LNG Heel under Clause 8.1, without further liability of either party to the other (but without prejudice to Charterer's obligations under Clause 7.7).
- (c) Notwithstanding anything in this Clause to the contrary, Owner or Charterer shall not (and shall use reasonable efforts to ensure that no other Relevant Person will):
 - (i) take any action or make any omission or make use of the Vessel in a manner that:
 - (A) is in breach of Sanctions;
 - (B) causes (or will cause) a breach of Sanctions by any Relevant Person; and/or
 - (C) causes any Relevant Person to be involved in any complaint, claim, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or any Person not a Party to this Charter concerning any Sanctions.
 - (ii) be required to do anything which constitutes a violation of Sanctions or of any other laws and regulations of any State to which either of them is subject; or
 - (iii) take any action or make any omission that results, or is likely to result, in either of them becoming a Restricted Party or otherwise a target of Sanctions that is a target of laws, regulations or orders concerning any trade, economic or financial sanctions or embargoes by virtue of prohibition trade, economic or financial sanctions or embargoes by virtue of prohibitions and/or restrictions being imposed on any US Person or other legal or natural person subject to the jurisdiction or authority of a US Sanctions Authority which prohibit or restrict them from them engaging in trade, business or other activities with such target without all appropriate licenses or exemptions issued by all applicable US Sanctions Authorities.

- (d) Owner and Charterer shall (and shall use reasonable efforts to ensure that the other Relevant Persons will) maintain appropriate policies and procedures to:
 - (i) identify any risks to its business as a result of Sanctions; and
 - (ii) promote and achieve compliance with its obligations under paragraph (c) above.
- (e) Charterer shall procure that this Clause is incorporated into all subcontracts, sub-charters, contracts of carriage and bills of lading issued pursuant to this Charter or the OSA.

29.3 Application

Clauses 29.1 and 29.2 are not exclusive and may each operate by reference to the same set of circumstances.

30. **Drugs and Alcohol**

Owner warrants that it has in force an active policy covering the Vessel which meets or exceeds the standards set out in the “Guidelines for the Control of Drugs and Alcohol On-board Ship” as published by OCIMF dated June 1995 (or any subsequent modification, version, or variation of these guidelines), and that this policy will remain in force throughout the Charter Period, and Owner will exercise due diligence to ensure the policy is complied with.

31. **Pollution and Emergency Response**

- 31.1 Owner shall exercise all due diligence to ensure that no oil or harmful or hazardous substances of any description shall be discharged or escape accidentally or otherwise from the Vessel and that Owner, the Vessel, the Vessel’s officers and crew shall comply with all international, national and state oil and air pollution and environmental Law, conventions or regulations (“**Pollution Regulations**”) applying in the territorial waters of the Applicable Jurisdiction. Owner shall produce evidence satisfactory to Charterer demonstrating Owner’s compliance with any financial responsibility requirements that may exist under any Pollution Regulations. For the avoidance of doubt, should the Vessel or Owner breach any of the undertakings hereunder or commit any offence under any Pollution Regulations and as a result the Vessel is unavailable for service under this Charter, the Vessel shall be Off-Hire until the Vessel is again in a state to resume service under this Charter.
- 31.2 Owner warrants that it is a member of the International Tanker Owner’s Pollution Federation, or any successor body of the same, and that Owner will retain such membership during the Charter Period.
- 31.3 Owner shall advise Charterer of its organizational details and names of Owner’s personnel together with their relevant telephone/e-mail numbers, who may be

contacted on a twenty-four (24) hour basis in the event of oil spills or emergencies. Owner shall update such information and provide Charterer with such revised details on a regular basis so as to ensure that Charterer has up to date and correct information.

Notice to Owner's Pollution and Emergency Response Department:

Hoegh LNG Fleet Management AS
Drammensveien 134, P.O. Box 4
Skøyen, N-0212 Oslo, Norway

Attention: Head of Marine Operations & Assurance
Tel: +47 225 77 350 Emergency Line
Tel.: +47 975 57 306 Direct Head of Marine Operations & Assurance
Tel.: +47 900 11 070 24/7 number to CSO/Marine department
Email: hlfm.marine@hoeghlng.com

Notice to Charterer's Pollution and Emergency Response Department:
Attention: David Ackerman, Joseph Palliparambil and Asad Imran

David Ackerman,
Vice President HSSEQ
Email: dackerman@newfortressenergy.com
Tel: +1(516) 400-7327

With CC to:

Email: gallant@newfortressenergy.com

Danar Royal
Marine Operations Manager
Email: droyal@newfortressenergy.com
Tel: +1(876) 434-3767

Joseph Palliparambil
Senior Operations Manager
Email: jpalliparambil@newfortressenergy.com
Tel: +1(305) 962-9906
Email: aimran@newfortressenergy.com
Email: comship@newfortressenergy.com
Email: jpalliparambil@newfortressenergy.com
Email: droyal@newfortressenergy.com

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Email: legal@newfortressenergy.com

31.4 Accidental Escape

- (a) Owner shall indemnify, defend and hold Charterer and each Charterer Indemnified Party harmless from and against any and all Damages (whether based on applicable Law, contract, equitable cause or otherwise) that may be imposed on, incurred by, or asserted against Charterer or any Charterer Indemnified Party arising out of, attributable to or in connection with pollution emanating from the Vessel (or its equipment), including spills or leaks of fuel, lubricants, oils, paints, solvents, ballasts, bilge, garbage, or sewerage, Regardless of Cause; and
- (b) Charterer shall indemnify, defend and hold Owner and each Owner Indemnified Party harmless from and against any and all Damages (whether based on applicable Law, contract, equitable cause or otherwise) that may be imposed on, incurred by, or asserted against any Owner or any Owner Indemnified Party arising out of, attributable to or in connection with pollution in connection with this Charter and the performance of the Parties obligations hereunder other than as provided under Clause 31.4(a) above, including spills or leaks of fuel, lubricants, oils, paints, solvents, ballasts, bilge, garbage, sewerage, or from any other equipment or materials in the possession or control of any Charterer Indemnified Party, Regardless of Cause.
- (c) Nothing in this clause shall prejudice any right of recourse of either Party, or any defences or rights to limit liability under any applicable Law.
- (d) The rights of Owner and Charterer under this clause shall extend to and include an indemnity in respect of any reasonable legal costs and/or other reasonable costs and expenses incurred by or awarded against them in respect of any claim made or any proceedings instituted against them in respect of any liability hereunder, including any criminal fine or civil penalty, irrespective of whether any such liability is actually incurred or imposed.

31.5 Notice of Accident

Owner shall promptly notify Charterer, and in any event not later than ***** hours after such occurrence, in the event whether occurring at sea or in port, of any fire, explosion, accident, collision, grounding, cargo release or spill or any other reason that could result in a significant or serious damage to the Vessel, the Vessel's crew or cargo.

31.6 Annual Emergency Drill Plan

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Owner shall submit to Charterer on or before the ***** day of each Contract Year an annual emergency drill plan relating to emergency drills during operation and maintenance of the Vessel.

32. **Total Loss**

Should the Vessel be a Total Loss, this Charter shall terminate and payment of Hire shall cease at 12:00 hours local time (at the FSRU Site) on the day of her loss. Should the Vessel be a Constructive Total Loss, this Charter shall be deemed terminated as of 12:00 hours local time (at the FSRU Site) on the day on which the Vessel was damaged and the payment of Hire shall cease at such date and time. Where there is a Total Loss or a Constructive Total Loss of the Vessel that is not attributable to either Party, then either Party shall be entitled to terminate this Charter without liability to the other Party and Charterer's obligation to pay Hire shall cease on the day of the Vessel's loss or damage.

33. **ISPS Code**

This Clause 33 makes reference to the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS ("ISPS Code").

- (a) During the Charter Period, Owner shall procure that both the Vessel and "the Company" (as defined by the ISPS Code) shall comply with the requirements of the ISPS Code relating to the Vessel and "the Company". Upon request Owner shall provide documentary evidence of compliance with this Clause 33(a).
- (b) During the Charter Period, Charterer shall procure that it, the Terminal and all other applicable facilities of Charterer and any Charterer Indemnified Parties to which the ISPS Code applies, shall comply with the requirements of the ISPS Code relating thereto.
- (c) Except as otherwise provided in this Charter, loss, damage, expense or delay caused by failure on the part of Owner or "the Company" to comply with the requirements of the ISPS Code or this Clause 33 shall be for Owner's account and any loss, damage, expense or delay caused by failure on the part of Charterer to comply with its obligations under sub-clause (b) above shall be for Charterer's account.

33.2 Charterer shall provide Owner with its full contact details and shall ensure that the contact details of all sub-charterers are likewise provided to Owner. Furthermore, Charterer shall ensure that all sub-charter parties it enters into during the Charter Period contain the following provision: "The charterer shall provide the owner of the Vessel with its full contact details and, where sub-letting is permitted under the terms

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of the charter parties, shall ensure that the contact details of all sub-charterers are likewise provided to the owner of the Vessel.”

33.3 If either Party makes any payment, which is for the other Party’s account according to this Clause 33, the other Party shall indemnify, defend and hold harmless the paying Party in respect of the amount of that payment.

34. Law and Arbitration

34.1 Governing Law

The construction, validity and performance of this Charter and all non-contractual obligations arising from or connected with this Charter shall be governed by the laws of England and Wales.

34.2 Arbitration

- (a) Any dispute arising out of or in connection with this Charter, including any question regarding its existence, validity or termination, (a “**Dispute**”) shall be referred to and finally resolved by arbitration under the LCIA Rules (“**Rules**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference to this Clause 34.2(a).
- (b) The number of arbitrators shall be three (3). The claimant shall nominate one (1) co-arbitrator in its Request for Arbitration. The respondent shall nominate one (1) co-arbitrator in its Response to the Request for Arbitration. Within ***** days from the appointment of the co-arbitrators, the appointed co-arbitrators shall jointly nominate the third arbitrator, who shall be the presiding arbitrator.
- (c) The seat and location of arbitration shall be London, England.
- (d) The language to be used in the arbitral proceedings shall be English.
- (e) The governing law of this arbitral agreement shall be English law.
- (f) Where there are two or more pending arbitrations, one (or some) of which is (or are) commenced under this Clause 34.2 and the other is (or the others are) commenced under Clause 31.2 of the OSA, and none of these arbitrations has a fully constituted arbitral tribunal, the Parties hereby agree that the LCIA Court shall, upon the application by any party to any arbitration, consolidate these arbitrations into the arbitration which commenced first.
- (g) Where there are two or more pending arbitrations, one (or some) of which is/are commenced under this Clause 34.2, and the other is (or the others are) commenced under Clause 31.2 of the OSA, and only one of those arbitrations

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

has a fully constituted arbitral tribunal (the “**First Tribunal**”), the Parties hereby agree that the First Tribunal or the LCIA Court shall, upon the application by any party to any arbitration, consolidate these arbitrations into the arbitration under the First Tribunal.

34.3 Expert Determination

A Dispute between the Parties may be referred to an Expert where provided under the terms of this Charter, or otherwise agreed between the Parties, based on the following procedure:

- (a) Any Party may initiate an Expert reference under this Clause 34.3(a) in respect of a Dispute by proposing to the other Party the appointment of an Expert. If the Expert has been appointed, but is unable or unwilling to complete the reference, another Expert shall be appointed. The Expert shall act as an expert and not an arbitrator.
- (b) The Parties shall cooperate fully in the expeditious conduct of such Expert determination and provide the Expert with reasonable access to facilities, documents, information and personnel requested by the Expert to make a fully informed decision in an expeditious manner as so directed by such Expert.
- (c) The Expert shall be and remain at all times wholly impartial, and, once appointed, the Expert shall have no ex parte communications with either of the Parties concerning the Expert determination or the underlying Dispute.
- (d) Before issuing a final decision, the Expert shall issue a draft report and allow the Parties to comment on it.
- (e) The Expert shall endeavour to resolve the Dispute within ***** days (but no later than ***** days) after their appointment, taking into account the circumstances requiring an expeditious resolution of the matter in dispute.
- (f) The Expert’s decision shall be final and binding on the Parties.
- (g) If the Expert decides that a sum is due and payable by one Party to the other Party then:
 - (i) any such sum shall be due and payable within ***** days of receipt by the Parties of written notice of such decision, unless the Expert decides otherwise; and
 - (ii) interest shall accrue at the Interest Rate in respect of late payment.

- (h) The fees of the Expert and any other costs of and incidental to the reference to Expert determination shall be payable by the Parties in such amounts and on such terms as the Expert may determine (following the provisions of the Charter, where applicable) but, in the absence of any such determination, by the Parties in equal shares.

35. Confidentiality

35.1 The Parties agree to keep Confidential Information strictly confidential, except in the following cases when the receiving Party shall be permitted to disclose such information:

- (a) it is already known to the public or becomes available to the public other than through the act or omission of the receiving Party; or
- (b) it is required to be disclosed under Law or the requirements of any recognized stock exchange or the U.S. Securities and Exchange Commission or other securities and/or exchange entity having jurisdiction over a Party (or any shareholder or Affiliate thereof or any Affiliate of any such shareholder) in compliance with such entity's rules and regulations (provided that the receiving Party shall give notice of such required disclosure to the disclosing Party prior to the disclosure); or
- (c) in filings with a court or arbitral body in proceedings in which the Confidential Information is relevant and in discovery arising out of such proceedings; or
- (d) to any of the following Persons to the extent necessary for the proper performance of their duties or functions:
 - (i) a buyer or seller or potential buyer or seller of LNG shipped or to be shipped on the Vessel only to the extent that such information disclosed is necessary for the operational purposes of the Vessel under this Charter and does not contain any information relating to pricing or other similarly commercially sensitive information;
 - (ii) an Affiliate of the receiving Party;
 - (iii) employees, officers, directors and agents of the receiving Party;
 - (iv) professional consultants and advisors including insurers, underwriters and brokers retained by the receiving Party; and
 - (v) financial advisors, investment bankers, underwriters, brokers, lenders or other financial institutions advising on, providing or considering the provision of financing or re-financing to the receiving Party or any Affiliate thereof and their legal counsel,

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

- (vi) a prospective investor in or purchaser of Owner or Owner's Affiliates provided that such potential purchaser or investor first agrees to be bound by these confidentiality provisions and provided that any ultimate transaction is subject to such consent by Charterer as may be required elsewhere hereunder,

provided that the receiving Party shall exercise due diligence to ensure that no such Person shall disclose Confidential Information to any unauthorized party or Persons, including disclosure being subject to such Person undertaking (in a form reasonably acceptable to the Parties hereto) to keep Confidential Information confidential. Any disclosure to third parties under this Clause 35.1 shall be limited to information which is essential for such third party to undertake the scope of work assigned to it, provided always that the disclosing Party shall inform the other Party prior to any such disclosure.

- 35.2 Each Party acknowledges that the other Party is a subsidiary of a publicly traded company and that the Confidential Information is or may be share price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities laws related to insider dealings and market abuse. Each Party undertakes not to use any Confidential Information for any unlawful purpose.
- 35.3 The provisions of this Clause 35 shall survive for a period of ***** years after the termination or expiry of this Charter.

36. Construction

- 36.1 This Charter and other agreements and documents referred to in, or executed contemporaneously with, the Charter, constitutes the entire agreement between the Parties bound hereby and supersedes and replaces all other written or oral negotiations, representations, warranties, agreements and undertakings made or entered into by or between Owner and Charterer with respect to the subject matter herein prior to the date hereof.
- 36.2 No provision of this Charter shall be interpreted or construed against a Party because that Party or its legal representative drafted the provision.

37. Notices

- 37.1 Address for Notices and Invoices

Any notice given, or required to be given, by either Party to the other Party hereunder, shall be sent by registered mail, e-mail or registered airmail to the following addresses:

Notice to Owner:

Høegh LNG Partners LP
c/o Høegh LNG AS
Drammensveien 134
0277 Oslo, Norway
Att. Chief Development Officer
E-mail: richard.tyrrell@hoeghlng.com
Phone: + 47 97 55 74 00

With copy to:

Notice to Owner's Operations Department:

Høegh LNG Fleet Management AS
c/o Høegh LNG AS
Drammensveien 134
0277 Oslo, Norway
Att. SVP Head of Fleet Management
E-mail: nils.jakob.hasle@hoeghlng.com
Tel: +47 97 55 74 00

Notice to Charterer:

David Ackerman, Joseph Palliprapambi, Asad Imran

Attention:

David Ackerman,

Vice President HSSEQ

Email: dackerman@newfortressenergy.com

Ph: +1(516) 400-7327

With CC to:

Danar Royal

Marine Operations Manager

Email: droyal@newfortressenergy.com

Ph: +1(876) 434-3767

Joseph Palliparambil

Senior Operations Manager

Email: jpalliparambil@newfortressenergy.com

Ph: +1(305) 962-9906

Mobile: +1 (347) 213-0939
Email: aimran@newfortressenergy.com
Email: comship@newfortressenergy.com
Email: jpalliparambil@newfortressenergy.com
Email: droyal@newfortressenergy.com
Email: legal@newfortressenergy.com
Email: gallant@newfortressenergy.com

With Copy to:

Notice to Charterer's Operations Department:

Joseph Palliparambil and Asad Imran
Tel: Ph: +1(305) 962-9906

Email: aimran@newfortressenergy.com
Email: comship@newfortressenergy.com
Email: jpalliparambil@newfortressenergy.com
Email: droyal@newfortressenergy.com
Email: legal@newfortressenergy.com

or to such other addresses as the Parties may respectively from time to time designate by notice in writing. Any failure to transmit a copy of the notice to a Person listed as entitled to receive a copy shall not in any way affect the validity of any notice otherwise properly given as provided in this Clause 37.

37.2 Notices in Writing

Any notice required to be given pursuant to this Charter shall be deemed to be duly received:

- (a) in the case of a letter, whether delivered in course of the post or by hand or by courier, at the date and time of its actual delivery if within normal business hours on a Business Day at the place of receipt otherwise at the commencement of normal business on the next such Business Day; and
- (b) in the case of e-mail, at the time of transmission recorded on the message if such time is within normal business hours (09:00 - 17:00) in the country of receipt, otherwise at the commencement of normal business hours on the next Business Day at the place of receipt.

37.3 Communications

Unless otherwise expressly provided in this Charter, all notices, approvals, agreements, rejections, requests, consents, elections, instructions, designations, Authorizations, responses, and all other communications required to be given by

either Owner or Charterer to the other under or in connection with this Charter shall be in writing (including by email) and in the English language.

38. Miscellaneous

38.1 Rights of Third Parties

Owner and Charterer agree that, except as provided in Clause 18, the provisions of The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Charter, which rights may be amended, varied or waived at any time by agreement between the Parties without the approval of the relevant third party.

38.2 Banking Days

Any payment which is due to be made under this Charter on a day that is not a Banking Day shall be made on the next Banking Day in the same calendar month (if there is one) or the succeeding Banking Day (if there is not).

38.3 Partial Invalidity

If, at any time, any provision of this Charter 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 nor the legality, validity or enforceability of such provision under the Law of any other jurisdiction will in any way be affected or impaired. The Parties agree, in the circumstances referred to in this Clause 38.3 to attempt to substitute for any illegal, invalid or unenforceable provision a legal, valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the illegal, invalid or unenforceable provision.

38.4 Remedies and Waivers

No failure or delay by either Party in exercising any right or remedy provided by Law or under this Charter shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Charter are cumulative and not exclusive of any rights or remedies provided by Law.

38.5 Amendments

This Charter may only be amended by written instrument signed by both Parties.

38.6 Counterparts

This Charter may be executed in counterpart, and this has the same effect as if the signatures on each counterpart were on a single copy hereof.

38.7 Language

The official text of this Charter and any Schedules attached hereto and any notices given hereunder shall be in English. In the event of any dispute concerning the construction or interpretation of this Charter, reference shall be made only to this Charter as written in English and not to any translation into any other language.

38.8 Consent to be in writing

Any consent granted under this Charter shall be effective only if given in writing and signed by the consenting Party and then only in the instance and for the purpose for which it was given.

38.9 Further Assurance

The Parties shall at the requesting party's reasonable expense do and execute all such further acts, things and documents as are reasonably required to give full effect to the rights given and the transactions contemplated by this Charter.

38.10 Fuel Prices

Where, under this Charter, either Owner or Charterer are required to pay for or reimburse the other Party for the value of fuel oil or diesel oil, the transfer price shall be the last documented price paid for each item. Where, under this Charter, either Owner or Charterer are required to pay for or reimburse the other party for the value of LNG Heel or natural gas vapours, the transfer price shall be the price for such LNG in US\$ per mmBtu, as stipulated in the applicable LNG SPA to which such LNG or natural gas vapours relate; provided, however, that if such LNG or natural gas vapours do not relate to one of the LNG SPAs, then the price shall be the FOB price when such LNG or natural gas vapours are loaded on the Vessel (the "**LNG Price**").

38.11 Intellectual Property

It is expressly agreed that all intellectual property rights related to the Vessel and related regasification technology, including any intellectual property rights developed by or for Owner or Contractor in relation to the Vessel, shall be or remain the sole and exclusive property of Owner or Contractor (as the case may be).

38.12 Cooperation on Other Projects

Charterer and Owner shall cooperate and discuss in good faith to identify potential opportunities where Owner could provide FSRUs or other vessels to Charterer for use in Charterer's other projects.

38.13 Waiver of Immunity

To the extent that a Party is entitled in any jurisdiction to claim for itself or its property or assets any right of immunity, including immunity from submission to jurisdiction, service of any documents, recognition of an award or suit, judgment, enforcement, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process whatsoever or wheresoever, or to the extent that in any such jurisdiction there may be attributed to such Party or its assets or property such immunity (whether or not claimed), such Party hereby irrevocably agrees in respect of any Disputes or the enforcement of any judgment or arbitration award against any of its property or assets not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction and, without limitation, it is intended that the foregoing waiver of immunity shall have irrevocable effect for the purposes of the United States Foreign Sovereign Immunities Act 1976 in any Disputes to which that Act is applicable.

IN WITNESS WHEREOF, each Party has executed this Charter on the date first above written.

By Owner

By Charterer

By: /s/ Richard Tyrrell

By: /s/ Chris Guinta

Name: Richard Tyrrell

Name: Chris Guinta

Title: Attorney-In-Fact

Title: CFO

Date: September 23, 2021

Date: 9/23/2021

Schedule I

Particulars of Vessel

Section 1. Main Particulars and Specifications of the Vessel

General Information	
Name of Vessel	Høegh Gallant
Builder and Yard	Hyundai Heavy Industries, Ulsan
Hull no.	HN2550
Year Built	2014
Port of Registry and Flag	Oslo, NIS
IMO Number	9653678
Classification Society	ABS
Class Notation	A1, Liquefied Gas Carrier, AMS, ACCU, CPS, LNG(R), BWT, CRC(I), DFD, ENVIRO, IHM, NBLES, POT, RRDA, TCM, UWILD
Principal Particulars	
Length overall (LOA)	294.07 m
Length between Perpendiculars (LBP)	282 m
Breadth moulded	46 m
Depth moulded	26 m
Design draft	11.62 m
Design displacement	117 014 ton
Cargo Containment System	
Type of cargo containment system	GTT Mark III

Boil off rate (storage mode with no cargo nor regasification operations)	0.15% per day of Gross capacity of LNG tanks
Gross capacity of LNG tanks (100% capacity)	Tank 1: 26 539.157 m3 Tank 2: 47 839.738 m3 Tank 3: 47 844.951 m3 Tank 4: 47 827.159 m3 Total: 170 051.005 m3
Cargo measurement and tank calibration – certification agency	Intertek Kimsco
Primary system for measuring cargo level, temperature and pressure	KONGSBERG MARITIME AS K-GAUGE CTS SYSTEM GLA-100/5 Range: 0 – 50 m. Kongsberg PT-100 ohm MN3927 Range: -196°C to 400°C Accuracy: (+/-) 0.1°C (-165°C to -145°C) Kongsberg Absolute Pressure transmitter GT402 Range: 0.25 to 600bar Accuracy: 0.25 – 0.9%
Secondary measuring cargo level	WHESSOE TOTAL AUTOMATION LTD, Accuracy: +/- 7.5 mm
Gas Metering	
Gas metering at high pressure export	Two (2) ultrasonic Gas metres in series and one (1) online gas chromatograph The metering system located on the forward part of the main deck between the regasification units and high pressure manifold. The accuracy of the Gas metering shall be within zero point five per cent ($\pm 0.5\%$) of regasification Gas send-out for flowrates > 50 mmscf/d
Manifold parameters LNG & NG	
HP Gas Export Manifold Position (Port or Starboard or Both)	Port

Distance between HP gas export manifold and mid-point cargo manifold #1	<i>Pre-Arrival Modification: 35 m.</i>
Distance between HP gas export manifold and mid-point cargo manifold #2	<i>Pre-Arrival Modification: to 41 m.</i>
Size of HP Gas export manifolds	2 x 12" ANSI 600 RF <i>Pre-Arrival Modification: HP Spool Piece 20" to 2 x 12"</i>
HP Gas Export Maximum Pressure	66 bar g
HP Gas Export Minimum Pressure	32 bar g
LP Cargo Manifold Positions	Port and Starboard, 3.612 m distance from ships side
Size of LNG manifolds	5 x 16" ANSI 150 RF (L-L-V-L-L)
Distance bow to mid-point LNG manifold	144.5 m
Distance stern to mid-point LNG manifold	149.5 m
Height of LNG manifold above waterline at normal ballast	22.316 m
Regasification system	
Regasification Capabilities	<p>Period without destaging of booster pumps: Two (2) standard regasification trains (n+1 in service): Minimum flow 28* mmscfd at 42-61 bar g Minimum flow 50 mmscfd at 42-61 bar g Maximum flow 120 mmscfd at 42-61 bar g *with recycling to suction drum</p> <p>Two (2) standard regasification trains: Not in service</p> <p>Following period with destaged booster pumps installed: Two (2) standard regasification trains (n+1 in service):</p>

	<p>Minimum flow 28* mmscfd at 42-61 bar g Minimum flow 50 mmscfd at 42-61 bar g Maximum flow 120 mmscfd at 42-61 bar g *with recycling to suction drum</p> <p>Two (2) standard destaged regasification trains in service: Minimum flow 20 mmscfd at 42-61 bar g* Minimum flow 50 mmscfd at 42-61 bar g Maximum flow 120 mmscfd at 42-61 bar g *with recycling to suction drum</p>
Maximum steam output available	1 x 14,000 Kg/h (Auxiliary Boiler)
Vapour Handling	<ul style="list-style-type: none"> -Fuel to main Generators from LD compressor -2 x HD Compressor: 30,000 m3/hr -3 x LD Compressor: 4,400 m3/hr
Seawater Pump Inlet positions for engine room and regasification	<ul style="list-style-type: none"> -Sea chest Low E/R -Sea chest High E/R
Cryogenic Protection Systems	<ul style="list-style-type: none"> -ESD valves -Level alarms -Pressure safety valves
Regasification equipment (common)	<ul style="list-style-type: none"> - 1 off suction drum - 1 off propane storage tank - Control modules - Valves
Regasification equipment (per train)	<ul style="list-style-type: none"> - 1 off LNG booster pump - 1 off LNG/BOG heat exchanger (BOG cooler) type stainless steel compact Printed Circuit Heat Exchanger (PCHE) - 1 off LNG/propane heat exchanger (LNG vaporizer) type stainless steel compact Printed Circuit Heat Exchanger (PCHE) -2(1) off NG/propane heat exchanger (trim heater) type

	<p>stainless steel compact Printed Circuit Heat Exchanger (PCHE)</p> <ul style="list-style-type: none"> - 1 off propane/seawater semi welded plate heat exchangers in titanium (Propane evaporators) - 1 off propane/seawater semi welded plate heat exchangers in titanium (propane pre-heater) - 1 off propane pump - 1 off propane tank (internally on train) - Control modules - Valves
Design Regas Temperature at Vessel HP flange	<p>Initial period without Gas Heater onboard Vessel or during any period during which for any reason the Gas Heater fails, or performs below required standard or needs maintenance: 2 - 6 deg. C below actual sea water temperature depended on regasification flow and send out pressure.</p> <p>Period with Gas Heater installed onboard Vessel and where the conditions stated in the above paragraph above do not apply: 35 deg. C subject to a maximum send-out rate of 120MMscfd</p>
Maximum allowable relief valve setting (MARVS)	<p>70 kPa g in FSRU mode 25 kPa g in LNGC mode</p>
Ship to ship / shore equipment	
Ship to Shore Comms System (fibre optic, copper pin/aligned to PYLE national recommendations, or both?)	<p>Port and starboard manifold area:</p> <ul style="list-style-type: none"> - Optical fiber (ESD + Telephone): SeaTechnic, 6 core connector - Electric (ESD + Telephone): SeaTechnic, Pyle & Miyaki Receptable. 37-Way Electrical - Pneumatic (ESD): Kongsberg, SVHN8-8F (Male), SVHC8-8F-u (Female) <p>Additional shore side link boxes (port side gangway landing platform only):</p> <ul style="list-style-type: none"> - Optical fiber (ESD + Telephone): SeaTechnic, 6 core

	connector - Electric (ESD + Telephone): SeaTechnic, Pyle & Miyaki Receptable. 37-Way Electrical - 2 x Optical fiber (Jetty/FSRU signal interface): SeaTechnic, 6 core connector
LNG Transfer to Vessel	
Maximum transfer rate from LNG Carrier to Vessel with flexible cryogenic hoses	LNG transfer rate: 9,000 m3/hour (with a pressure of 5.5 bar gauge at the LNG Carrier presentation flange)
STS LNG Transfer Equipment	Six (6) x 10" Multi-LNG White (Gutteling), 18.6m long Four (4) pcs for straight reducer, One (1) pcs for Y pcs reducer. 16" x 10" (L-L-V-L-L) Six (6) x 10" double ball valve ERS
Nitrogen	
Nitrogen Generation	Membrane permeation type 125 m3/h x Two (2) set
Power Generation	
Generator Engine	Wartsila three (3) sets of 8L50 DF Wartsila one (1) set of 6L50 DF
Fuel type capability	Boil-Off Gas, Marine Gasoil (MGO) or Marine Diesel Oil (MDO)
Emergency Generator	One
Deck Machinery	
Windlass / Mooring Winches	10
Mooring Lines	HMPE, 44 mm diameter x 275 meter, MBL=approx.130 tons Nylon tails ropes: 125 mm diameter x 11 meter, MBL = 137% of Mooring Rope MBL (175 tons)
Cranes	TTS, STBD. MANIFOLD KNUCKLE BOOM: 10 t TTS, PORT MANIFOLD: 10 t

	TTS, CARGO COMPRESSOR ROOM KNUCKLE BOOM:6 t TTS, STBD. PROVISION CRANE: 10 t TTS, PORT PROVISION CRANE: 2 t
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Section 2. Guaranteed fuel consumption

The guaranteed fuel consumption tables for fuel gas for open loop, without loading/reloading operations, including hotel load are given below.

Fuel consumption table with LNG recirculation back to suction drum without destaging of booster pumps (which shall apply until destaged booster pumps are installed):

Open Loop					
Sendout rates	Without Loading				
MMScfd	BOG [ton/day]*	Consumption [ton/day]	Recondensed [ton/day]*	Loss [ton/day]*	
120	98,3	29,1	69,3	0,0	
100	99,6	28,8	70,8	0,0	
70	101,6	28,6	73,0	0,0	
60	102,3	28,6	73,7	0,0	
50	102,9	28,6	65,6	8,7	
36	103,8	28,6	42,0	33,2	
28	104,4	28,6	7,2	68,6	

Fuel consumption table following the installation of destaged booster pumps:

Open Loop					
Sendout rates	Without Loading				
MMScfd	BOG [ton/day]*	Consumption [ton/day]	Recondensed [ton/day]*	Loss [ton/day]*	
120	98,3	28,3	70,1	0,0	
100	99,6	28,1	71,6	0,0	
70	101,6	27,9	73,7	0,0	
60	102,3	27,9	73,9	0,4	
50	102,9	27,9	65,6	9,4	
36	103,8	27,9	51,6	24,3	
28	104,4	27,9	19,2	57,2	
20	120,4	27,9	0	92,5	

Consumption for hotel load without regasification and without loading/reloading operation is 13.3 ton /day.

Conditions:

Fuel Reference Conditions:

Based on fuel gas with HHV: 55000 kJ/kg, density: 0.425 ton/m³. Figures according to ISO 3046/1 and Wärtsilä's 5% engine tolerance is included.

Regasification send out pressures and temperatures according to Specifications and fuel gas Consumption for Gas Heater onboard the Vessel is included in figures.

Pilot diesel fuel for diesel/gas engines and boilers not included in figures and guarantee.

BOG: Boil off gas to be handled

Recondensed: Quantity of excess BOG recondensed to LNG in suction drum.

Consumption: Guaranteed fuel consumption

Loss: Boil off gas lost (sent to Gas combustion unit) or handled by increased cargo tank pressure over a period of time depended on reloading conditions.

No STS loading/reloading/gas up/cool down operations. BOG rates/Loss column during STS will depend on loading rates as well as LNG recycling back to suction drum for regasification rates below 50 mmscfd. Optimal loading rate based on the foreseen average regasification rate during STS loading to be discussed in order to reduce BOG.

*BOG, Recondensed and Loss columns are only for informational purposes, and not guarantee levels as these values will vary slightly with Vessel and LNGC cargo composition with different pressures/temperatures, design BOR on incoming LNG Carrier, ambient and surrounding sea water temperature, filling rate on the Vessel, recycling of LNG back to suction drum at low regasification rates etc.

Schedule II

Performance Warranties

1. Performance Warranties

Subject, in every case, to the terms of this Charter, the Performance Warranties for the Vessel are as detailed further below:

2. LNG Loading Rate Warranty

- (a) The Vessel shall be able to load LNG from an LNG Carrier through the low pressure cargo manifolds using liquid hoses at a rate up to maximum 9,000 m³/h (excluding ramp up and ramp down periods) with a pressure of at least five point five (5.5) barg at the unloading LNG Carrier's manifold flange. The LNG Loading Rate Warranty shall not apply when unloading from an LNG Carrier of a storage capacity of less than 120,000 Cubic Metres.
- (b) In calculating the LNG Loading Rate Warranty, the time for connecting, disconnecting, ramp up and ramp down, cooling down of piping and custody transfer measurement shall be excluded.

The above is subject to Charterer's and Customer's compliance with the requirements of, and the conditions set out in, Clause 15.2 and the following conditions:

- (i) minimum four (4) LNG liquid hoses and minimum two (2) vapour hoses connected to the LNG Carrier;
- (ii) all four (4) cargo tanks are available and top filling of Tank no. 1 is not required due to anti-rollover measures;
- (iii) sufficient vapour offtake for the LNG Carrier to avoid pressure build-up in the Vessel;
- (iv) equilibrium pressure, with corresponding LNG saturation temperatures, in the cargo tanks of the LNG Carrier at maximum 0.1 barg prior to unloading; and
- (v) if the regasification send out rate is below 110 MMscf/d during loading, the Vessel and LNG Carrier are allowed to burn excess Boil-Off in order

to achieve the warranted loading rate. The Fuel Consumption Warranty does not apply during LNG loading.

3. **LNG Reloading Rate Warranty**

- (a) Subject to (b) below, the Vessel shall be able to reload LNG through liquid hoses at a rate of up to 9,000 m³/h against a standard LNG Carrier manifold back pressure before strainers (standard 60 mesh strainers installed) of 240 kPa gauge based at the half cargo level in the Vessel's tanks. The cargo pumps and regas feed pumps to be operated for LNG reloading.
- (b) In the event that the Vessel is simultaneously reloading LNG to an LNG Carrier and regasifying LNG, the LNG Reloading Rate Warranty shall be reduced to 7,500 m³/h.
- (c) In calculating the LNG Reloading Rate Warranty, the time for connecting, disconnecting, and cooling down of piping, ramp up and ramp down and custody transfer measurement shall be excluded. The LNG Reloading Rate Warranty shall not apply when reloading to an LNG Carrier of a storage capacity of less than 120,000 Cubic Metres.

The above is subject to Charterer's and Customer's compliance with the requirements of, and conditions set out in, Clause 15.3 and the following conditions:

- (i) minimum four (4) LNG liquid hoses and minimum two (2) vapour hoses are connected to the LNG Carrier;
- (ii) all four tanks are available;
- (iii) sufficient vapour offtake for the LNG Carrier to avoid pressure build-up in the Vessel;
- (iv) equilibrium pressure, with corresponding LNG saturation temperatures, in the cargo tanks of the Vessel and LNG Carrier at maximum 0.1 barg prior to reloading;
- (v) for reloading to smaller LNG Carriers below 120,000 m³ in LNG storage volume, reloading rate and reloading conditions to be agreed for each type of vessel, and Owner to use reasonable endeavor to optimize the reloading time; and
- (vi) if the regasification send out rate is below 110 MMscf/d during reloading, the Vessel and LNG Carrier are allowed to burn excess Boil

Off in order to achieve the warranted loading rate. The Fuel Consumption Warranty does not apply during LNG reloading.

4. **Regasification Send-out Rate Warranty**

- (a) The Regasification Send-out Rate Warranty (without destaging of booster pumps):
 - (i) Two (2) standard regasification trains (one running at the time):
 - Minimum flow 28* mmscfd at 42-61 bar g
 - Minimum flow 50 mmscfd at 42-61 bar g
 - Maximum flow 120 mmscfd at 42-61 bar g
 - *with recycling to suction drum
 - (ii) Two (2) standard regasification trains: Not in service
- (b) The Regasification Send-out Rate Warranty (with destaged booster pumps):
 - (i) Two (2) standard regasification trains in service:
 - Minimum flow 28* mmscfd at 42-61 bar g
 - Minimum flow 50 mmscfd at 42-61 bar g
 - Maximum flow 120 mmscfd at 42-61 bar g
 - *with recycling to suction drum
 - (ii) Two (2) standard regasification train in service:
 - Minimum flow 20 mmscfd at 42-61 bar g
 - Minimum flow 50 mmscfd at 42-61 bar g Maximum flow 120 mmscfd at 42-61 bar g
 - *with recycling to suction drum

The above is subject to Charterer's and Customer's compliance with the requirements of, and conditions set out in, Clause 15.1 and the following:

- (A) standard regasification trains cannot be operated in parallel;
- (B) standard regasification trains with destaged booster pumps cannot be operated in parallel;
- (C) given pressures are at the high pressure manifold onboard the Vessel;

- (D) the Terminal is capable of receiving the warranted given regasification rates;
- (E) provided that the required regasification trains are in a cold and ready to use condition the actual Ramp-Up / Ramp-Down Time is to be up to 30 minutes for a change from 20/28 up to 120 mmscfd;
- (F) the Vessel shall discharge the Daily Nomination of Gas within +/- three per cent. (3%) range over each one-day period;
- (G) The Vessel is able to vary the regasification flow rate in accordance with the nominations provided through the nominations procedures. Pursuant to Schedule IV - *Gas Nomination and Delivery Provisions* in the OSA, the reaction times between various nominated flow rates shall always be within the ramp up and ramp down times above.

5. **Fuel Consumption Warranty**

The Vessel's fuel consumption is given in Schedule I - *Particulars of Vessel*. The Fuel Consumption Warranty is valid for periods with regasification send out with engines operating with fuel gas with no simultaneously cargo transfer/loading/reloading/gas up/ cool down/power to jetty operations. Pilot diesel fuel for engines and boilers are not part of the Fuel Consumption Warranty.

If the actual regasification flow rate is different from the point specified in the tables, the consumption shall be interpolated on a linear basis starting from the given minimum regasification flow rate. A five per cent. (5%) fuel margin on interpolation results should be allowed to account for changes in generator efficiency, unfavorable load points at different send out rates and higher actual consumption during ramp up and ramp down of the regasification rate.

The Fuel Consumption Warranty figures are based on the Fuel Reference Conditions with given heating value, and if the actual/estimated heating value of the fuel gas is different from the given value, the Fuel Consumption Warranty shall be adjusted proportionally to reflect the heating value difference.

Fuel consumption is to be measured by the metering devices for the engines and heating value for the fuel gas to be estimated based on LNG composition in the tanks and the gas chromatograph in the export send out meter.

The Boil Off rate is not part of the Fuel Consumption Warranty and the natural Boil Off design rate is 0.15% per day of the gross cargo tank storage volume with no cargo operations and no regasification operation. Excess Boil-Off rate not used for fuel consumption nor recondensed depended on regasification rates will have to be burned in the gas combustion unit. In addition, there will be extra Boil Off from loading/reloading/gas up/ cool down operation as well as recycling of LNG back to suction drum (with booster pumps in operation at flow below 50 mmscfd) and excess Boil Off not used for fuel consumption or recondensed or sent as vapour return to LNG Carrier will have to be burned in the gas combustion unit.

The above is subject to Charterer's and Customer's compliance with the requirements of, and conditions set out in, Clause 15.4.

Schedule III

Form of Certificate of Acceptance

The Parties agree that the Acceptance occurred at [time] on [insert date of signing this certificate] in accordance with Clause [7.4(f)][7.4(i)][7.6] of the International Charter Agreement dated [●] made between NFE International Shipping LLC as Charterer and [●] as Owner.

FOR CHARTERER:

FOR OWNER:

By: _____

By: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

Witnessed by: _____

Witnessed by: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

Schedule IV

Form of Certificate of Redelivery

The Vessel was redelivered to [●] on the [insert date and time of signing this certificate] (the “**Redelivery Date**”) under the International Charter Agreement dated [●], made between NFE International Shipping LLC as Charterer and [●] as Owner.

Quantity of marine fuel oil and marine diesel oil on board Vessel on Redelivery Date:

[Quantity]

Quantity of LNG on board Vessel on Redelivery Date:

[Quantity]

Place of redelivery of the Vessel:

Pilot Boarding Station

Redelivery Date:

[Date]

FOR CHARTERER:

By: _____

Title: _____

Date Signed: _____

FOR OWNER:

By: _____

Title: _____

Date Signed: _____

Witnessed by: _____

Title: _____

Date Signed: _____

Witnessed by: _____

Title: _____

Date Signed: _____

Schedule V

Minimum Test Requirements

1. Minimum Test Requirements

The below described tests shall be performed during the Commissioning Period in order to meet the Minimum Test Requirements.

2. LNG Loading Rate Warranty – minimum test

The LNG Loading Rate Warranty shall only be tested during the Commissioning Period with ship to ship loading of the Vessel from an LNG Carrier of size larger than 120,000 m³ in cargo storage volume. The loading rate shall be equal or greater than the loading rate of 9000 m³/hr for minimum 3 hours with conditions defined in Schedule II - *Performance Warranties*. In the event that the actual conditions are different and unfavorable to Owner or cannot be performed for reasons not attributable to Owner, the test shall be deemed as passed.

3. Regasification Send-out Rate – minimum test

The Regasification Send-out Rate shall be tested during commissioning period with the following minimum tests:

1. Minimum flow of each train in service for one (1) hour
2. Maximum flow of each train in service for one (1) hour

In the event, when testing minimum flow, that the actual available offtake capacity at the time of testing is higher than the defined minimum flow, the tests shall be performed with the actual offtake capacity as minimum flow. The tests are satisfied if the flow is equal or lower than minimum flow for each train.

In the event, when testing maximum flow, that the actual available offtake capacity at the time of testing is lower than the defined maximum flow, the tests shall be performed with the actual offtake capacity as maximum flow. The tests are satisfied if the flow is equal or greater than maximum flow.

The tests shall be performed with the conditions defined in Schedule II - *Performance Warranties*. In the event that the actual conditions described are different and unfavorable to Owner for reason not attributable to Owner, the test shall be deemed as passed.

Schedule VI

Required Performance Levels

1. Required Performance Levels

Owner shall ensure that the Vessels during the Performance Tests shall meet or exceed the warranted values listed in the tables below within the technical and operating conditions listed in Schedule I, II and IV:

Table with Required Performance Levels

	Tests	Test duration	Required Performance Levels
1	LNG Loading Rate Warranty	Max rate for 3 hours	95%
2	Regasification Send-out Rate Warranty – minimum flow for each train in service	1 hour	100%
3	Regasification Send-out Rate Warranty – maximum flow for each train in service	1 hour	100%
4	Ramp up from minimum flow to maximum flow	0.5 hour	100%

Schedule VII

Not Used

Schedule VIII

Not Used

Schedule IX
Form of Guarantees

Part A – Form of Owner/Contractor Guarantee

[INSERT PARENT GUARANTOR]

PARENT COMPANY GUARANTEE

dated [●]

in respect of obligations of

(1) [●]

(2) [●]

This deed of guarantee is dated [DATE] (the “**Guarantee**”)

PARTIES

- (1) [●], incorporated and registered in [JURISDICTION] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] as guarantor (the “**Guarantor**”).
- (2) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**Charter Agreement Beneficiary**”).
- (3) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**OSA Beneficiary**” and, together with the Charter Agreement Beneficiary, the “**Beneficiaries**”).

BACKGROUND

- (A) The Charter Agreement Beneficiary has agreed, pursuant to a charter agreement dated [●] September 2021 (the “**Charter Agreement**”), to hire from [●] (the “**Owner**”) a vessel for use as a floating storage and regasification unit, with an option for use as a liquefied natural gas carrier.
- (B) The OSA Beneficiary has agreed, pursuant to an operation and services agreement dated [●] September 2021 (the “**OSA**” and, together with the Charter Agreement, the “**FSRU Agreements**”), to receive certain services from [●] (the “**Contractor**”) and, together with the Owner, the “**Guaranteed Companies**” in relation to the operation of the vessel to be chartered pursuant to the Charter Agreement.
- (C) The Guarantor has agreed to enter into this Guarantee for the purpose of providing credit support to the Beneficiaries for the obligations of the Guaranteed Companies under the respective FSRU Agreements collectively.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Guarantee.

“**Business Day**” has the meaning given to such term in the Charter Agreement.

“**Charter Period**” has the meaning given to such term in the Charter Agreement.

“**Guaranteed Obligations**” means all present and future obligations of the Guaranteed Companies (except those obligations of Owner during any period when Owner and

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Guarantor are the same entity) due, owing or incurred under the FSRU Agreements to the Beneficiaries (including, without limitation, under any amendment, supplement or restatement of the FSRU Agreements).

“**Maximum Liability Amount**” means ***** US Dollars (US\$*****); *provided that*, on the final day of:

- (a) each of the first eleven (11) months of the final year of the Charter Period, the then-current Maximum Liability Amount shall be reduced by ***** US Dollars and ***** US Cents (US\$*****); and
- (b) the final month of the final year of the Charter Period, the then-current Maximum Liability Amount figure shall be reduced by ***** US Dollars and ***** US Cents (US\$*****).

“**Rights**” means any security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

“**Wilful Misconduct**” has the meaning given to such term in the Charter Agreement or the OSA (as the context may require).

1.2 Interpretation

In this Guarantee:

- (a) clause headings shall not affect the interpretation of this Guarantee;
- (b) a reference to a “**person**” shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to “**Beneficiary**” shall include the Beneficiary’s successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **“writing”** or **“written”** includes fax but not email;
- (i) a reference to **“this Guarantee”** (or any provision of it) or to any other agreement or document referred to in this Guarantee is a reference to this Guarantee, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Guarantee) from time to time;
- (j) unless the context otherwise requires, a reference to a clause is to a clause of this Guarantee;
- (k) any words following the terms **“including”**, **“include”**, **“in particular”**, **“for example”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (l) a reference to an **“amendment”** includes a novation, re-enactment, supplement or variation (and **“amended”** shall be construed accordingly);
- (m) a reference to **“assets”** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (n) a reference to an **“authorisation”** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (o) a reference to **“determines”** or **“determined”** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (p) a reference to a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

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2 GUARANTEE AND GUARANTEED AMOUNT

- 2.1 In consideration of the Beneficiaries entering into the FSRU Agreements, the Guarantor guarantees to the Beneficiaries the performance of the Guaranteed Obligations when the same are required to be performed by the relevant Guaranteed Company pursuant to the terms of the applicable FSRU Agreement within ***** Business Days of written demand from the relevant Beneficiary. Such written demand must be accompanied by a statement setting out in reasonable detail the Guaranteed Obligation(s) with respect to which the relevant Guaranteed Company has defaulted and the calculation of any amount claimed under this Guarantee.
- 2.2 The Guarantor as principal obligor and as a separate and independent obligation from its obligation under Clause 2.1 agrees to indemnify, defend and hold harmless each Beneficiary and keep each Beneficiary indemnified in full within ***** Business Days of written demand from and against all and any losses, debts, damages, interest, liability, costs and expenses suffered or incurred by that Beneficiary as a result of any failure by a Guaranteed Company to perform any Guaranteed Obligation applicable to it in circumstances where such Guaranteed Obligation is or becomes unenforceable, invalid or illegal and, but for such unenforceability, invalidity or illegality, such Guaranteed Obligation would have been required to be performed by the relevant Guaranteed Company under the relevant FSRU Agreement on the date specified therein; *provided, however, that* the amount payable by the Guarantor under the indemnity set forth in this Clause 2.2 will not exceed the amount it would have had to pay under this Guarantee if the amount claimed had been recoverable on the basis of the guarantee set forth in Clause 2.1.
- 2.3 For the purposes of this Guarantee, any money judgment, arbitrator's award or expert's decision against a Guaranteed Company in favour of a Beneficiary under or in connection with one or more of the FSRU Agreements shall be conclusive evidence of any liability of a Guaranteed Company to which that judgment, award or decision relates and the Guarantor agrees to satisfy and discharge any money judgment, arbitrator's award or adjudicator's decision made against the Guaranteed Company in favour of the Beneficiaries.
- 2.4 Notwithstanding any other provision of this Guarantee and the FSRU Agreements, the aggregate liability of the Guarantor hereunder shall in no circumstances exceed the Maximum Liability Amount other than with respect to liability caused by the Wilful Misconduct of a Guaranteed Company.

3 BENEFICIARY PROTECTIONS

3.1 This Guarantee is a continuing guarantee and shall remain in full force and effect until all

3.2 Guaranteed Obligations have been paid in full.

3.3 The liability of the Guarantor under this Guarantee shall not be reduced, discharged or otherwise adversely affected by:

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Guaranteed Obligations;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which a Beneficiary may now or after the date of this Guarantee have from or against a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (c) any act or omission by a Beneficiary or any other person in taking up, perfecting or enforcing any security, indemnity, or guarantee from or against a Guaranteed Company or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations;
- (e) any grant of time, indulgence, waiver or concession to a Guaranteed Company or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of a Guaranteed Company, a Beneficiary, or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or security held from, a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (h) any claim or enforcement of payment from a Guaranteed Company or any other person;
- (i) any act or omission which would not have discharged or affected the liability of the Guarantor had it been a principal debtor instead of a guarantor; or
- (j) any other act or omission except an express written release by deed of the Guarantor

by the Beneficiaries.

- 3.4** Notwithstanding any other provision of this Guarantee the obligations guaranteed by the Guarantor and the liability of the Guarantor under this Guarantee shall not exceed the liability of the Guaranteed Companies under the FSRU Agreements.
- 3.5** Subject to Clause 2.3, the Guarantor shall be entitled to exercise all of the contractual protections, limitations and exclusions of liability in respect of any claim made hereunder as are available to the Guaranteed Companies under the FSRU Agreements.
- 3.6** Neither Beneficiary shall be obliged, before taking steps to enforce any of its rights and remedies under this Guarantee, to:
- (a) take any action or obtain judgment in any court against the relevant Guaranteed Company or any other person;
 - (b) make or file any claim in a bankruptcy, liquidation, administration or insolvency of the relevant Guaranteed Company or any other person; or
 - (c) make, demand, enforce or seek to enforce any claim, right or remedy against the relevant Guaranteed Company or any other person.
- 3.7** The Guarantor warrants to each Beneficiary that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against either Guaranteed Company, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Guarantor under this Guarantee but:
- (a) if any of the Rights is taken, exercised or received by the Guarantor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Guarantor on trust for the Beneficiaries for application in or towards the discharge of the Guaranteed Obligations under this Guarantee; and
 - (b) on demand by a Beneficiary, the Guarantor shall promptly transfer, assign or pay to such Beneficiary all other relevant Rights and monies from time to time held on trust by the Guarantor under this Clause 3.6.
- 3.8** This Guarantee is in addition to and shall not affect nor be affected by or merge with any other judgment, security, right or remedy obtained or held by a Beneficiary from time to time for the discharge and performance of the relevant Guaranteed Company of the relevant Guaranteed Obligations.

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4 COSTS

The Guarantor shall, within ***** Business Days of written demand, pay to, or reimburse, each Beneficiary all taxes and reasonable and documented costs, charges, expenses of any kind (including, without limitation, reasonable and documented legal and out-of-pocket expenses) incurred by such Beneficiary in connection with the enforcement or preservation of its rights hereunder, *provided that*, subject only to Clause 2.4, in no event (save in respect of liability caused by the Wilful Misconduct of a Guaranteed Company) shall the Guarantor be liable for costs and expenses under this Clause 4 where payment of such sums would result in the Guarantor's liability under this Guarantee exceeding the Maximum Liability Amount.

5 REPRESENTATIONS AND WARRANTIES

The Guarantor hereby represents and warrants to each Beneficiary, as at the date of this Guarantee, that:

- (a) it is a company incorporated under the laws of [*JURISDICTION*] and possesses the capacity to sue and be sued in its own name and has the power to carry on its business and to own its property and other assets;
- (b) it has the power to execute, deliver and perform its obligations under this Guarantee and to carry out the transactions contemplated hereby, and all necessary corporate and other action will have been taken to authorise the execution, delivery and performance of the same;
- (c) the execution, delivery and performance by the Guarantor of this Guarantee does not and will not contravene any law or regulation to which the Guarantor is subject or conflict with the provisions of the Guarantor's constitutional documents; and
- (d) the Guarantor's obligations under this Guarantee are valid, binding and enforceable in accordance with the terms hereof.

6 ACCOUNTS

- 6.1 Each Beneficiary may place to the credit of a suspense account any monies received by it under or in connection with this Guarantee in order to preserve its rights to prove for the full amount of all its claims against the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations.
- 6.2 Each Beneficiary may at any time and from time to time apply all or any monies held in

any suspense account in or towards satisfaction of any of the monies, obligations and liabilities that are the subject of this Guarantee as such Beneficiary, in its absolute discretion, may conclusively determine.

- 6.3** If this Guarantee ceases for any reason whatsoever to be continuing, each Beneficiary may open a new account or accounts in the name of the relevant Guaranteed Company.
- 6.4** If a Beneficiary does not open a new account or accounts in accordance with Clause 6.3, it shall nevertheless be treated as if it had done so at the time that this Guarantee ceased to be continuing whether by termination, calling in or otherwise, in relation to the relevant Guaranteed Company.
- 6.5** As from the time of opening or deemed opening of a new account or accounts, all payments made to a Beneficiary by or on behalf of the relevant Guaranteed Company shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount for which this Guarantee is available at that time, nor shall the liability of the Guarantor under this Guarantee in any manner be reduced or affected by any subsequent transactions, receipts or payments.

7 DISCHARGE CONDITIONAL

- 7.1** Any release, discharge or settlement between the Guarantor and a Beneficiary in relation to this Guarantee shall be conditional on no right, security, disposition or payment to that Beneficiary by the Guarantor, the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations being avoided, set aside or ordered to be refunded under any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason.
- 7.2** If any right, security, disposition or payment referred to in Clause 7.1 is avoided, set aside or ordered to be refunded, each Beneficiary shall be entitled subsequently to enforce this Guarantee against the Guarantor as if such release, discharge or settlement had not occurred and any such right, security, disposition or payment had not been given or made.

8 PAYMENTS

- 8.1** All sums payable by the Guarantor under this Guarantee shall be paid in full to the Beneficiaries in the currency in which the relevant Guaranteed Obligations are payable:
- (a) without any set-off, condition or counterclaim whatsoever; and
 - (b) free and clear of any deduction or withholding whatsoever except as may be required

by law or regulation which is binding on the Guarantor.

- 8.2** If the Guarantor is required to make any deduction or withholding by any law or regulation from any payment due under this Guarantee, the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.
- 8.3** Following any deduction or withholding, or any payment required in connection with that deduction or withholding, the Guarantor shall promptly deliver or procure delivery to the relevant Beneficiary evidence reasonably satisfactory to such Beneficiary that either a withholding or deduction has been made or any appropriate payment paid to the relevant taxing authority (as applicable).
- 8.4** The Guarantor shall not and may not direct the application by a Beneficiary of any sums received by that Beneficiary from the Guarantor under any of the terms of this Guarantee.

9 BENEFICIARY ASSISTANCE

Subject to Clause 4, each Beneficiary undertakes, upon the Guarantor's request, to sign and execute such deeds or instruments as the Guarantor may reasonably require in order to give effect to a discharge of the Guarantor's obligations under this Guarantee.

10 TRANSFER

- 10.1** The Guarantor may not assign any of its rights and may not transfer any of its obligations under this Guarantee or enter into any transaction which would result in any of those rights or obligations passing to another person; *provided, however, that* the Guarantor may take any of the foregoing actions if each Beneficiary so consents, such consent not to be unreasonably withheld or delayed.
- 10.2** Charter Agreement Beneficiary and/or OSA Beneficiary may assign rights and/or, as applicable, transfer obligations to any person to whom such Beneficiary's rights and/or obligations under and in accordance with the terms of the FSRU Agreements are assigned or, as applicable, transferred, without having to obtain the consent of the Guarantor.

11 REMEDIES, WAIVERS, AMENDMENTS AND CONSENTS

- 11.1** No amendment of this Guarantee shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).
- 11.2** A waiver of any right or remedy under this Guarantee or by law, or any consent given under this Guarantee, is only effective if given in writing and signed by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only

applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

11.3 A failure or delay by a party to exercise any right or remedy provided under this Guarantee or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Guarantee. No single or partial exercise of any right or remedy provided under this Guarantee or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Guarantee by a Beneficiary shall be effective unless it is in writing and signed.

11.4 The rights and remedies provided under this Guarantee are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

12 SEVERANCE

If any provision (or part of a provision) of this Guarantee is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this Clause 12 shall not affect the legality, validity and enforceability of the rest of this Guarantee.

13 THIRD PARTY RIGHTS

A person who is not a party to this Guarantee shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Guarantee. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

14 COUNTERPARTS

14.1 This deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

14.2 Transmission of an executed counterpart of this Guarantee by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Guarantee.

14.3 No counterpart shall be effective until each party has executed at least one counterpart.

15 NOTICES

15.1 Delivery

Any notice or other communication given to a party under or in connection with this Guarantee shall be:

- (a) in writing;
- (b) delivered by hand by pre-paid first-class post or other next working day delivery service or sent by fax; and
- (c) sent to:

- (i) the Guarantor at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

- (ii) the Charter Agreement Beneficiary at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

- (iii) the OSA Beneficiary at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

or, in either case, to any other address or fax number as is notified in writing by one party to the other from time to time.

15.2 Receipt

Any notice or other communication given under or in connection with this Guarantee shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, at 9.00

am on the second Business Day after posting; and

(c) if sent by fax, when received in legible form.

A notice or other communication given as described in Clause 15.2(a) or Clause 15.2(c) on a day that is not a Business Day, or after normal business hours, shall be deemed to have been received on the next Business Day. For the purposes of this Clause 15.2, all references to time and business hour are to local time and business hours in the place of deemed receipt.

15.3 This Clause 15 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

15.4 A notice or other communication given under or connection with this Guarantee is not valid if sent by email.

16 LAW AND DISPUTE RESOLUTION

16.1 Governing Law

(a) This Guarantee and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the law of England and Wales.

(b) The Guarantor irrevocably consents to any process in any proceedings under Clause 16.2 being served on it in accordance with the provisions of this Guarantee relating to service of notices. Nothing contained in this Guarantee shall affect the right to serve process in any other manner permitted by law.

16.2 Dispute Resolution

Any dispute arising out of or in connection with this Guarantee, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause 16.2. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London, United Kingdom. The language to be used in the arbitral proceedings shall be English. The governing law of the contract shall be the substantive law of England and Wales.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED BY
[PARENT GUARANTOR]

Executed as a deed by [*PARENT GUARANTOR*] acting by [*NAME OF DIRECTOR*], a director

Director



Part B – Form of Charterer/Customer Guarantee

[INSERT PARENT GUARANTOR]

PARENT COMPANY GUARANTEE

dated [●]

in respect of obligations of

(1) [●]

(2) [●]

This deed of guarantee is dated [DATE] (the “**Guarantee**”)

PARTIES

- (1) [●], incorporated and registered in [JURISDICTION] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] as guarantor (the “**Guarantor**”).
- (2) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**Charter Agreement Beneficiary**”).
- (3) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**OSA Beneficiary**” and, together with the Charter Agreement Beneficiary, the “**Beneficiaries**”).

BACKGROUND

- (A) The Charter Agreement Beneficiary has agreed, pursuant to a charter agreement dated [●] September 2021 (the “**Charter Agreement**”), to charter to NFE Transport Partners LLC (the “**Charterer**”) a vessel for use as a floating storage and regasification unit, with an option for use as a liquefied natural gas carrier.
- (B) The OSA Beneficiary has agreed, pursuant to an operation and services agreement dated [●] September 2021 (the “**OSA**” and, together with the Charter Agreement, the “**FSRU Agreements**”), to provide certain services to NFE South Holdings Limited (the “**Customer**” and, together with the Charterer, the “**Guaranteed Companies**”) in relation to the operation of the vessel to be chartered pursuant to the Charter Agreement.
- (C) The Guarantor has agreed to enter into this Guarantee for the purpose of providing credit support to the Beneficiaries for the obligations of the Guaranteed Companies under the respective FSRU Agreements collectively.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Guarantee.

“**Business Day**” has the meaning given to such term in the Charter Agreement.

“**Charter Period**” has the meaning given to such term in the Charter Agreement.

“**Guaranteed Obligations**” means all present and future obligations of the Guaranteed Companies due, owing or incurred under the FSRU Agreements to the Beneficiaries

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

(including, without limitation, under any amendment, supplement or restatement of the FSRU Agreements).

“**Maximum Liability Amount**” means ***** US Dollars (US\$*****); *provided that*, on the final day of:

- (a) each of the first eleven (11) months of the final year of the Charter Period, the then-current Maximum Liability Amount shall be reduced by ***** US Dollars and ***** US Cents (US\$*****); and
- (b) the final month of the final year of the Charter Period, the then-current Maximum Liability Amount figure shall be reduced by ***** US Dollars and ***** US Cents (US\$*****).

“**Rights**” means any security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

“**Wilful Misconduct**” has the meaning given to such term in the Charter Agreement or the OSA (as the context may require).

1.2 Interpretation

In this Guarantee:

- (a) clause headings shall not affect the interpretation of this Guarantee;
- (b) a reference to a “**person**” shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to “**Beneficiary**” shall include the Beneficiary’s successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

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- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **“writing”** or **“written”** includes fax but not email;
- (i) a reference to **“this Guarantee”** (or any provision of it) or to any other agreement or document referred to in this Guarantee is a reference to this Guarantee, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Guarantee) from time to time;
- (j) unless the context otherwise requires, a reference to a clause is to a clause of this Guarantee;
- (k) any words following the terms **“including”**, **“include”**, **“in particular”**, **“for example”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (l) a reference to an **“amendment”** includes a novation, re-enactment, supplement or variation (and **“amended”** shall be construed accordingly);
- (m) a reference to **“assets”** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (n) a reference to an **“authorisation”** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (o) a reference to **“determines”** or **“determined”** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (p) a reference to a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

2 GUARANTEE AND GUARANTEED AMOUNT

- 2.1 In consideration of the Beneficiaries entering into the FSRU Agreements, the Guarantor guarantees to the Beneficiaries the performance of the Guaranteed Obligations when the same are required to be performed by the relevant Guaranteed Company pursuant to the terms of the applicable FSRU Agreement within ***** Business Days of written demand from the relevant Beneficiary. Such written demand must be accompanied by a statement

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setting out in reasonable detail the Guaranteed Obligation(s) with respect to which the relevant Guaranteed Company has defaulted and the calculation of any amount claimed under this Guarantee.

- 2.2** The Guarantor as principal obligor and as a separate and independent obligation from its obligation under Clause 2.1 agrees to indemnify, defend and hold harmless each Beneficiary and keep each Beneficiary indemnified in full within ***** Business Days of written demand from and against all and any losses, debts, damages, interest, liability, costs and expenses suffered or incurred by that Beneficiary as a result of any failure by a Guaranteed Company to perform any Guaranteed Obligation applicable to it in circumstances where such Guaranteed Obligation is or becomes unenforceable, invalid or illegal and, but for such unenforceability, invalidity or illegality, such Guaranteed Obligation would have been required to be performed by the relevant Guaranteed Company under the relevant FSRU Agreement on the date specified therein; *provided, however, that* the amount payable by the Guarantor under the indemnity set forth in this Clause 2.2 will not exceed the amount it would have had to pay under this Guarantee if the amount claimed had been recoverable on the basis of the guarantee set forth in Clause 2.1.
- 2.3** For the purposes of this Guarantee, any money judgment, arbitrator’s award or expert’s decision against a Guaranteed Company in favour of a Beneficiary under or in connection with one or more of the FSRU Agreements shall be conclusive evidence of any liability of a Guaranteed Company to which that judgment, award or decision relates and the Guarantor agrees to satisfy and discharge any money judgment, arbitrator’s award or adjudicator’s decision made against the Guaranteed Company in favour of the Beneficiaries.
- 2.4** Notwithstanding any other provision of this Guarantee and the FSRU Agreements, the aggregate liability of the Guarantor hereunder shall in no circumstances exceed the Maximum Liability Amount other than with respect to liability caused by the Wilful Misconduct of a Guaranteed Company.

3 BENEFICIARY PROTECTIONS

- 3.1** This Guarantee is a continuing guarantee and shall remain in full force and effect until all Guaranteed Obligations have been paid in full.
- 3.2** The liability of the Guarantor under this Guarantee shall not be reduced, discharged or otherwise adversely affected by:
- (a) any intermediate payment, settlement of account or discharge in whole or in part of

the Guaranteed Obligations;

- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which a Beneficiary may now or after the date of this Guarantee have from or against a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (c) any act or omission by a Beneficiary or any other person in taking up, perfecting or enforcing any security, indemnity, or guarantee from or against a Guaranteed Company or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations;
- (e) any grant of time, indulgence, waiver or concession to a Guaranteed Company or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of a Guaranteed Company, a Beneficiary, or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or security held from, a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (h) any claim or enforcement of payment from a Guaranteed Company or any other person;
- (i) any act or omission which would not have discharged or affected the liability of the Guarantor had it been a principal debtor instead of a guarantor; or
- (j) any other act or omission except an express written release by deed of the Guarantor by the Beneficiaries.

3.3 Notwithstanding any other provision of this Guarantee the obligations guaranteed by the Guarantor and the liability of the Guarantor under this Guarantee shall not exceed the liability of the Guaranteed Companies under the FSRU Agreements.

3.4 Subject to Clause 2.3, the Guarantor shall be entitled to exercise all of the contractual protections, limitations and exclusions of liability in respect of any claim made hereunder as are available to the Guaranteed Companies under the FSRU Agreements

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3.5 Neither Beneficiary shall be obliged, before taking steps to enforce any of its rights and remedies under this Guarantee, to:

- (a) take any action or obtain judgment in any court against the relevant Guaranteed Company or any other person;
- (b) make or file any claim in a bankruptcy, liquidation, administration or insolvency of the relevant Guaranteed Company or any other person; or
- (c) make, demand, enforce or seek to enforce any claim, right or remedy against the relevant Guaranteed Company or any other person.

3.6 The Guarantor warrants to each Beneficiary that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against either Guaranteed Company, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Guarantor under this Guarantee but:

- (a) if any of the Rights is taken, exercised or received by the Guarantor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Guarantor on trust for the Beneficiaries for application in or towards the discharge of the Guaranteed Obligations under this Guarantee; and
- (b) on demand by a Beneficiary, the Guarantor shall promptly transfer, assign or pay to such Beneficiary all other relevant Rights and monies from time to time held on trust by the Guarantor under this Clause 3.6.

3.7 This Guarantee is in addition to and shall not affect nor be affected by or merge with any other judgment, security, right or remedy obtained or held by a Beneficiary from time to time for the discharge and performance of the relevant Guaranteed Company of the relevant Guaranteed Obligations.

4 COSTS

The Guarantor shall, within ***** Business Days of written demand, pay to, or reimburse, each Beneficiary all taxes and reasonable and documented costs, charges, expenses of any kind (including, without limitation, reasonable and documented legal and out-of-pocket expenses) incurred by such Beneficiary in connection with the enforcement or preservation of its rights hereunder, *provided that*, subject only to Clause 2.4, in no event (save in respect of liability caused by the Wilful Misconduct of a Guaranteed Company) shall the Guarantor be liable for costs and expenses under this Clause 4 where payment of such sums would

result in the Guarantor's liability under this Guarantee exceeding the Maximum Liability Amount.

5 REPRESENTATIONS AND WARRANTIES

The Guarantor hereby represents and warrants to each Beneficiary, as at the date of this Guarantee, that:

- (a) it is a company incorporated under the laws of [*JURISDICTION*] and possesses the capacity to sue and be sued in its own name and has the power to carry on its business and to own its property and other assets;
- (b) it has the power to execute, deliver and perform its obligations under this Guarantee and to carry out the transactions contemplated hereby, and all necessary corporate and other action will have been taken to authorise the execution, delivery and performance of the same;
- (c) the execution, delivery and performance by the Guarantor of this Guarantee does not and will not contravene any law or regulation to which the Guarantor is subject or conflict with the provisions of the Guarantor's constitutional documents; and
- (d) the Guarantor's obligations under this Guarantee are valid, binding and enforceable in accordance with the terms hereof.

6 ACCOUNTS

- 6.1** Each Beneficiary may place to the credit of a suspense account any monies received by it under or in connection with this Guarantee in order to preserve its rights to prove for the full amount of all its claims against the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations.
- 6.2** Each Beneficiary may at any time and from time to time apply all or any monies held in any suspense account in or towards satisfaction of any of the monies, obligations and liabilities that are the subject of this Guarantee as such Beneficiary, in its absolute discretion, may conclusively determine.
- 6.3** If this Guarantee ceases for any reason whatsoever to be continuing, each Beneficiary may open a new account or accounts in the name of the relevant Guaranteed Company.
- 6.4** If a Beneficiary does not open a new account or accounts in accordance with Clause 6.3, it shall nevertheless be treated as if it had done so at the time that this Guarantee ceased to be continuing whether by termination, calling in or otherwise, in relation to the relevant

Guaranteed Company.

- 6.5** As from the time of opening or deemed opening of a new account or accounts, all payments made to a Beneficiary by or on behalf of the relevant Guaranteed Company shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount for which this Guarantee is available at that time, nor shall the liability of the Guarantor under this Guarantee in any manner be reduced or affected by any subsequent transactions, receipts or payments.

7 DISCHARGE CONDITIONAL

- 7.1** Any release, discharge or settlement between the Guarantor and a Beneficiary in relation to this Guarantee shall be conditional on no right, security, disposition or payment to that Beneficiary by the Guarantor, the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations being avoided, set aside or ordered to be refunded under any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason.
- 7.2** If any right, security, disposition or payment referred to in Clause 7.1 is avoided, set aside or ordered to be refunded, each Beneficiary shall be entitled subsequently to enforce this Guarantee against the Guarantor as if such release, discharge or settlement had not occurred and any such right, security, disposition or payment had not been given or made.

8 PAYMENTS

- 8.1** All sums payable by the Guarantor under this Guarantee shall be paid in full to the Beneficiaries in the currency in which the relevant Guaranteed Obligations are payable:
- (a) without any set-off, condition or counterclaim whatsoever; and
 - (b) free and clear of any deduction or withholding whatsoever except as may be required by law or regulation which is binding on the Guarantor.
- 8.2** If the Guarantor is required to make any deduction or withholding by any law or regulation from any payment due under this Guarantee, the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.
- 8.3** Following any deduction or withholding, or any payment required in connection with that deduction or withholding, the Guarantor shall promptly deliver or procure delivery to the

relevant Beneficiary evidence reasonably satisfactory to such Beneficiary that either a withholding or deduction has been made or any appropriate payment paid to the relevant taxing authority (as applicable).

- 8.4** The Guarantor shall not and may not direct the application by a Beneficiary of any sums received by that Beneficiary from the Guarantor under any of the terms of this Guarantee.

9 BENEFICIARY ASSISTANCE

Subject to Clause 4, each Beneficiary undertakes, upon the Guarantor's request, to sign and execute such deeds or instruments as the Guarantor may reasonably require in order to give effect to a discharge of the Guarantor's obligations under this Guarantee.

10 TRANSFER

- 10.1** The Guarantor may not assign any of its rights and may not transfer any of its obligations under this Guarantee or enter into any transaction which would result in any of those rights or obligations passing to another person; *provided, however, that* the Guarantor may take any of the foregoing actions if each Beneficiary so consents, such consent not to be unreasonably withheld or delayed.

- 10.2** Charter Agreement Beneficiary and/or OSA Beneficiary may assign rights and/or, as applicable, transfer obligations to any person to whom such Beneficiary's rights and/or obligations under and in accordance with the terms of the FSRU Agreements are assigned or, as applicable, transferred, without having to obtain the consent of the Guarantor.

11 REMEDIES, WAIVERS, AMENDMENTS AND CONSENTS

- 11.1** No amendment of this Guarantee shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).
- 11.2** A waiver of any right or remedy under this Guarantee or by law, or any consent given under this Guarantee, is only effective if given in writing and signed by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 11.3** A failure or delay by a party to exercise any right or remedy provided under this Guarantee or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Guarantee. No single or partial exercise of any right or remedy provided under this Guarantee or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Guarantee by a Beneficiary shall be effective unless it is in writing and signed.

11.4 The rights and remedies provided under this Guarantee are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

12 SEVERANCE

If any provision (or part of a provision) of this Guarantee is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this Clause 12 shall not affect the legality, validity and enforceability of the rest of this Guarantee.

13 THIRD PARTY RIGHTS

A person who is not a party to this Guarantee shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Guarantee. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

14 COUNTERPARTS

14.1 This deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

14.2 Transmission of an executed counterpart of this Guarantee by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Guarantee.

14.3 No counterpart shall be effective until each party has executed at least one counterpart.

15 NOTICES

15.1 Delivery

Any notice or other communication given to a party under or in connection with this Guarantee shall be:

- (a) in writing;
- (b) delivered by hand by pre-paid first-class post or other next working day delivery service or sent by fax; and

(c) sent to:

(i) the Guarantor at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

(ii) the Charter Agreement Beneficiary at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

(iii) the OSA Beneficiary at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

or, in either case, to any other address or fax number as is notified in writing by one party to the other from time to time.

15.2 Receipt

Any notice or other communication given under or in connection with this Guarantee shall be deemed to have been received:

(a) if delivered by hand, at the time it is left at the relevant address;

(b) if posted by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; and

(c) if sent by fax, when received in legible form.

A notice or other communication given as described in Clause 15.2(a) or Clause 15.2(c) on a day that is not a Business Day, or after normal business hours, shall be deemed to have been received on the next Business Day. For the purposes of this Clause 15.2, all references to time and business hour are to local time and business hours in the place of deemed receipt.

15.3 This Clause 15 does not apply to the service of any proceedings or other documents in any

legal action or, where applicable, any arbitration or other method of dispute resolution.

15.4 A notice or other communication given under or connection with this Guarantee is not valid if sent by email.

16 LAW AND DISPUTE RESOLUTION

16.1 Governing Law

- (a) This Guarantee and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the law of England and Wales.
- (b) The Guarantor irrevocably consents to any process in any proceedings under Clause 16.2 being served on it in accordance with the provisions of this Guarantee relating to service of notices. Nothing contained in this Guarantee shall affect the right to serve process in any other manner permitted by law.

16.2 Dispute Resolution

Any dispute arising out of or in connection with this Guarantee, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause 16.2. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London, United Kingdom. The language to be used in the arbitral proceedings shall be English. The governing law of the contract shall be the substantive law of England and Wales.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED BY
[PARENT GUARANTOR]

Executed as a deed by [PARENT
GUARANTOR] acting by [NAME OF
DIRECTOR], a director

Director

Schedule X

Form of Quiet Enjoyment Agreement

Part A – this is the form of Quiet Enjoyment Agreement to be provided pursuant to Clause 2.7(a)

To: NFE International Shipping LLC (“Lessee”)

Re: LNG floating storage and regasification vessel “HÖEGH GALLANT” with IMO No. 9653678 (the “Vessel”)

1. We refer to:

- (a) the international charter agreement dated [•] September 2021 between Höegh LNG Partners LP in capacity as owner (the “HMLP” or “Owner”) and yourselves as Lessee of the Vessel, under which HMLP has agreed to arrange for the Vessel to be leased to Lessee on the terms and conditions set out therein (the “Agreement”);
- (b) the agreement between HMLP and Lessee that:
 - (i) the Vessel shall be transferred from Hoegh LNG Cyprus Limited as current owner to a newly incorporated indirect (wholly owned) subsidiary of HMLP as new owner of the Vessel (the “New Owner”); and
 - (ii) at the same time, the Agreement shall be novated by HMLP to the New Owner,in each case prior to Arrival under the Agreement; and
- (c) the senior secured term loan credit facility originally dated 29 January 2019 (as amended and/or restated from time to time) between HMLP as borrower and ourselves as agent and security agent on behalf of certain lenders (the “Lenders”), under which the Lenders agreed to loan certain sums to the borrower (the “Credit Facility”).

2.

- (a) In consideration of Lessee signing the acknowledgement to the notice of assignment given by Owner to Lessee of Owner’s assignment to the Lenders by way of security of its rights under the Agreement, and subject always to Lessee complying in all respects with its commitments under the Agreement, we, as mortgagee of the Vessel and on behalf of the Lenders (the “Mortgagee”), hereby agree and undertake that we shall not, directly or through the actions of others,

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- (b) take any action which may interfere directly or indirectly with or otherwise disturb Lessee's exclusive, quiet and peaceful use, possession, employment and enjoyment of the Vessel in accordance with the terms of the Agreement and that Lessee will be allowed unfettered use of the Vessel in accordance with the terms of the Agreement.
 - (c) The commitments in Paragraph 2(a) do not extend to committing the Mortgagee to preserving Lessee's quiet enjoyment of the Vessel if: (i) Lessee has breached the terms of the Agreement; and (ii) such breach entitles Owner under the terms of the Agreement to withdraw the Vessel from service or otherwise terminate the Agreement, whether or not Owner has exercised its right to terminate the Agreement.
3. Further, the Mortgagee also hereby agrees and undertakes that if an Event of Default (as that term is defined in the Credit Facility) has occurred and is continuing, except in the circumstance described Paragraph 2(b) above, the Mortgagee will not exercise any rights it may have against the Vessel, except as provided below.

Lessee agrees that if:

- (a) the Mortgagee notifies Lessee that an Event of Default (as that term is defined in the Credit Facility) has occurred and is continuing and that either the Mortgagee or its designee wants to assume Owner's rights, obligations and liabilities under the Agreement and be substituted for Owner under the Agreement (the "Substitute Owner"), which notice shall give Lessee details of the Substitute Owner, and
 - (b) the Substitute Owner is an entity which has the financial and technical capacity to perform Owner's obligations under the Agreement, then if (x) Lessee approves of the Substitute Owner in writing, which approval may not be unreasonably withheld, and shall be deemed given if not disapproved in writing by Lessee within ***** days after such notice, and (y) the Substitute Owner agrees that the assumption of obligations and liabilities by the Substitute Owner shall include all of the Owner's obligations and liabilities under the Agreement to the fullest extent they remained unperformed or unpaid at the time of assumption and (z) the Substitute Owner accedes to this Quiet Enjoyment Agreement, the Lessee shall enter into a novation agreement (in form and substance satisfactory to Lessee) with Owner and Substitute Owner in relation to the Agreement and, following such novation, Lessee shall continue to perform Lessee's obligations under the Agreement in favour of the Substitute Owner.
4. Nothing in this letter shall create any additional obligations or liabilities on Lessee under the Agreement and nothing in this letter shall modify or limit any of Lessee's rights or benefits under the Agreement.

5. This letter and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this letter or its formation (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law, and any dispute relating to it shall be subject to arbitration in accordance with the procedures set forth in the Agreement.

For and on behalf of
Nordea Bank Abp, filial I Norge
as Agent and Security Agent/Mortgagee

Name:
Capacity:

In consideration for the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, we hereby agree to the terms set out above and hereby consent to, and agree to be bound by, the foregoing letter.

For and on behalf of
NFE International Shipping LLC

Name:
Capacity:

For and on behalf of
Høegh LNG Partners LP

Name:
Capacity:

**Part B – this is the form of Quiet Enjoyment Agreement referred to in all other cases
except in Clause 2.7(a)**

To: [•] (“Lessee”)

[Re: [LNG floating storage and regasification vessel with. (IMO No. [•]) (the “Vessel”)]

1. We refer to:
 - (a) the international leasing agreement dated [•] between [Owner] as owner of the Vessel (“Owner”) and NFE International Shipping LLC • as charterer of the Vessel (“Lessee”), under which Owner agreed to let the Vessel to Lessee on the terms and conditions set out therein (the “Agreement”); and
 - (b) the senior secured term loan credit facility dated [•] between [Owner] as borrower and [•] as lenders (the “Lenders”), under which the Lenders agreed to loan certain sums to [Owner] (the “Credit Facility”).
2.
 - (a) In consideration of Lessee signing the acknowledgement to the notice of assignment given by Owner to Lessee of Owner’s assignment to the Lenders by way of security of its rights under the Agreement, and subject always to Lessee complying in all respects with its commitments under the Agreement, we, as mortgagee of the Vessel and on behalf of the Lenders (the “Mortgagee”), hereby agree and undertake that we shall not, directly or through the actions of others, take any action which may interfere directly or indirectly with or otherwise disturb Lessee’s exclusive, quiet and peaceful use, possession, employment and enjoyment of the Vessel in accordance with the terms of the Agreement and that Lessee will be allowed unfettered use of the Vessel in accordance with the terms of the Agreement.
 - (b) The commitments in Paragraph 2(a) do not extend to committing the Mortgagee to preserving Lessee’s quiet enjoyment of the Vessel if: (i) Lessee has breached the terms of the Agreement; and (ii) such breach entitles Owner under the terms of the Agreement to withdraw the Vessel from service or otherwise terminate the Agreement, whether or not Owner has exercised its right to terminate the Agreement.
3. Further, the Mortgagee also hereby agrees and undertakes that if an Event of Default (as that term is defined in the Credit Facility) has occurred and is continuing, except in the circumstance described in Paragraph 2(b) above, the Mortgagee will not exercise any rights it may have against the Vessel, except as provided below.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

Lessee agrees that if:

- (a) the Mortgagee notifies Lessee that an Event of Default (as that term is defined in the Credit Facility) has occurred and is continuing and that either the Mortgagee or its designee wants to assume Owner's rights, obligations and liabilities under the Agreement and be substituted for Owner under the Agreement (the "Substitute Owner"), which notice shall give Lessee details of the Substitute Owner, and
 - (b) the Substitute Owner is an entity which has the financial and technical capacity to perform Owner's obligations under the Agreement, then if (x) Lessee approves of the Substitute Owner in writing, which approval may not be unreasonably withheld, conditioned or delayed, and shall be deemed given if not disapproved in writing by Lessee within ***** days after such notice; (y) the Substitute Owner agrees that the assumption of obligations and liabilities by the Substitute Owner shall include all of Owner's obligations and liabilities under the Agreement to the fullest extent they remained unperformed or unpaid at the time of assumption; and (z) the Substitute Owner accedes to this Quiet Enjoyment Agreement, the Lessee shall enter into a novation agreement (in form and substance satisfactory to Lessee) with Owner and Substitute Owner in relation to the Agreement and, following such novation, Lessee shall continue to perform Lessee's obligations under the Agreement in favour of the Substitute Owner.
4. Nothing in this letter shall create any additional obligations or liabilities on Lessee under the Agreement and nothing in this letter shall modify or limit any of Lessee's rights or benefits under the Agreement.
5. This letter and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this letter or its formation (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law, and any dispute relating to it shall be subject to arbitration in accordance with the procedures set forth in the Agreement.

For and on behalf of

[•]

as Agent and Security Agent/Mortgagee

Name:

Capacity:

In consideration for the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, we hereby agree to the terms set out above and hereby consent to, and agree to be bound by, the foregoing letter.

For and on behalf of

[LESSEE]

Name:

Capacity:

For and on behalf of

[OWNER]

Name:

Capacity:

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

Schedule XI

Insurance

Owner shall maintain the following valid and enforceable insurances on the Vessel:

- (a) Hull & Machinery and War Risk insurance (which includes terrorism coverage) with limits of not less than the full market value of the Vessel;
- (b) P&I insurance with Contractor named as a protective co-insured party as per the P&I Club standard clauses, covering:
 - (i) non-oil pollution from the Vessel with a maximum limit of US\$ ***** (United States Dollars *****) or such other higher maximum limit as may be available from P&I insurers throughout the Charter Period;
 - (ii) oil pollution from the Vessel with a maximum limit of US\$ ***** (United States Dollars *****) or such other higher maximum limit as may be available from P&I insurers throughout the Charter Period;
 - (iii) liability for collision and damage to fixed and floating objects to the extent not covered by the Hull & Machinery and War Risk insurance;
 - (iv) liability for loss or damage to inventory of LNG and gas; and
 - (v) insurance cover as per the Nairobi International Convention for Wreck Removal 2007; and
- (c) The Vessel will at all times carry a Blue Card Civil Liability Certificate issued by the International Maritime Organisation guaranteeing that the Vessel has sufficient insurance cover or other financial security to compensate for pollution damage in compliance with the International Convention on Civil Liability for Oil Pollution Damage (1969), as amended.

Owner shall, or shall procure that Contractor shall, ensure that the insurers of the aforementioned insurance coverage shall:

- (a) name Charterer as a protective co-insured party as per the P&I Club standard clauses; and
- (b) waive all rights of subrogation against Charterer and their respective officers, directors and employees, as applicable and subject to such being as per the insurers' standard terms.

Schedule XII

Form of Deed of Novation

This deed of novation (the “**Deed**”) is entered into as a deed on the [•] day of [•], 20[-] **BY AND BETWEEN:**

1. [•], a company organised and existing under the laws of [•], having its registered office at [•] (the “**Transferor**”); and
2. [•], a company organised and existing under the laws of [•], having its registered office at [•] (the “**Continuing Party**”); and
3. [•], a company organised and existing under the laws of [•], having its registered address at [•], (the “**Transferee**”).

(individually, a “**Party**, and collectively, the “**Parties**”).

WHEREAS:

- (A) The Transferor and the Continuing Party are parties to an international charter agreement dated [•] (the “**Charter**”) for the charter of an LNG floating storage and regasification vessel named Höegh Gallant with IMO number 9653678 (the “**Vessel**”).
- (B) The Transferor wishes to be released from all its obligations and liabilities and to transfer all its rights under the Charter to the Transferee, and the Continuing Party agrees to such release. The Transferee wishes to assume such obligations and liabilities.
- (C) The Parties have agreed to the novation of the Charter and to the substitution of the Transferee as a party to the Charter in the place of the Transferor, on the terms and subject to the conditions contained in this Deed.

In consideration of the mutual undertakings given by the Parties’ and set forth herein, **IT IS HEREBY AGREED:**

1. Definitions

Capitalised terms used in this Deed shall have the same meaning ascribed to them in the Charter.

2. Novation

With effect from the date of this Deed (such date to be the “**Novation Date**”):

- 2.1 the Continuing Party hereby releases and discharges the Transferor (including, without limitation, in respect of any breach of the Charter by the Transferor antecedent to the Novation Date) from all of the Transferor’s obligations and liabilities under or in

connection with the Charter, and from all claims and demands whatsoever arising under the Charter on or after the Novation Date, and the Transferor hereby ceases to be a party to the Charter;

- 2.2 the Transferor hereby assigns all of its rights under or in connection with the Charter to the Transferee (including, without limitation, in respect of any breach of the Charter by the Continuing Party antecedent to the Novation Date), and releases and discharges the Continuing Party from all of its obligations and liabilities to the Transferor under or in connection with the Charter;
- 2.3 the Transferee hereby agrees to assume and perform all of the obligations and liabilities from which the Transferor is released and discharged pursuant to Clause 2.1 of this Deed (including, without limitation, in respect of any breach of the Charter by the Transferor antecedent to the Novation Date) and to be bound by its terms in all respects as if the Transferee had been named as a party thereto in place of the Transferor; and
- 2.4 the Continuing Party hereby agrees with the Transferee to perform the Continuing Party's obligations and liabilities under or in connection with the Charter and to be bound by its terms in every way as if the Transferee had been named as a party thereto in place of the Transferor (including, without limitation, in respect of any breach of the Charter by the Continuing Party antecedent to the Novation Date).

3. Representations and warranties

Each of the Parties represents and warrants to each other that:

- 3.1 it is a legal entity duly organised and validly existing under the Laws of the jurisdiction of its formation and that has the corporate power and authority to enter into and to perform its obligations under this Deed and (in relation to the Continuing Party and the Transferee only) under the Charter;
- 3.2 its execution, delivery, and performance of this Deed have been authorised by all corporate action on its part, and do not and will not:
 - (a) contravene any Law of any Governmental Authority having jurisdiction over the Parties;
 - (b) violate its constitutional documents; or
 - (c) conflict with or result in any breach of any terms of, or constitute a default under, any agreement or other instrument to which any of the Parties are a party or their property is bound; and
- 3.3 this Deed and, in relation to the Continuing Party and the Transferee only, the Charter, is each its legal and binding obligation enforceable in accordance with its respective terms, except to the extent enforceability is modified by bankruptcy, reorganisation

and other similar Laws affecting the rights of creditors generally and/or by general principles of equity.

4. Miscellaneous

- 4.1 If any term or provision in this Deed is or becomes illegal, invalid or unenforceable in whole or in part, under any Law or any jurisdiction, then such term or provision or part shall to that extent be deemed not to form part of this Deed and the enforceability of the remaining provisions of this Deed shall not be affected or impaired in any way.
- 4.2 This Deed may be entered into in any number of counterparts, each of which when executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.
- 4.3 Confidentiality
 - (a) Clause 35 (Confidentiality) of the Charter shall form part of this Deed and shall be treated as if set out in full herein.
 - (b) The existence and terms of this Deed shall be treated as Confidential Information for the purposes of the Charter.

5. Guarantees

- 5.1 By signing this Deed, the Owner/Contractor Guarantor confirms that the Owner/Contractor Guarantee remains fully effective following such transfer or novation provided for in this Deed.
- 5.2 By signing this Deed, the Charterer/Customer Guarantor confirms that the Charterer/Customer Guarantee remains fully effective following such transfer or novation provided for in this Deed.

6. Notices

For the purposes of Clause 37 (Notices) of the Charter, the Transferee’s address for notices and other details shall be as follows:

- Address: [•]
- Tel: [•]
- Fax No.: [•]
- For the attention of: [•]

7. Governing Law

- 7.1 This Deed, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to it or its formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.
- 7.2 Any dispute arising under or in connection with this Deed, including the validity or enforceability hereof, shall be resolved in accordance with Clause 34 (Law and Arbitration) of the Charter which extends to and applies (*mutatis mutandis*) to this Deed.

IN WITNESS whereof this Deed has been executed and delivered as a deed on the date first above written.

Signed as a deed by.....)

for and on behalf of:)

in the presence of a witness:)

Name of witness:

Address of witness:

Signed as a deed by.....)

for and on behalf of:)

in the presence of a witness:)

Name of witness:

Address of witness:

Signed as a deed by.....)

for and on behalf of:)

in the presence of a witness:)

Name of witness:

Address of witness:

Schedule XIII

Charterer's Facilities and Rely Upon Data

Set out below is a more in-depth description of certain aspects of the Terminal's design. All of the information in this Schedule XIII – *Charterer's Facilities and Rely Upon Data* also constitutes the Rely Upon Data.

N°	Item	Value	Unit
1	Mooring & Berthing		
1.1	Mooring dolphin	6	#
1.2	Berthing dolphin	3	#
1.3	Quick release hooks	9 units / 26 hooks	#
1.4	Fenders	Reaction: 2672 kN @ 70% Deflection Energy: 3364kNm (Please see fender tests and M&B Analysis attachments for clarity)	-
2	CNG Transfer Arms		
2.1	CNG Loading arms	EMCO WHEATON	
2.1.1	Units	2	#
2.1.2	Diameter	12	Inch
2.1.3	Max Flow	162	MMSCFD
3	Communication		
3.1	Ship to shore link	TRELLEBORG GEN3 SSL SHORE SYSTEM	-
4	Aid to navigation		
4.1	Ship berthing aids	NONE	-

N°	Item	Value	Unit
4.2	Environmental station	Suited for monitoring wind speed and direction, sea current speed and direction, air temperature and humidity, barometric pressure, rainfall, waves (height, period and direction) and tidal elevation	-
5	Jetty (principal equipment)		
5.1	Fire Fighting	PORTABLE POWDER EXTINGUISHER 30KG & 50KG and FIRE DETECTORS	-
5.2	Small nitrogen plant	NONE	#
5.3	Potable Water Tank	NONE	m3
5.4	Diesel tank	5.4 (@ 98% FULL)	m3
5.5	Fresh fire water tank	NONE	m3
5.6	Gas Chromatograph	NONE	#
5.6.1	Main power supply	Ship Supply	125 KVA
5.6.2	Units	N/A	#
5.6.3	Emergency power supply	DIESEL GENERATOR	125 KVA
5.7	CNG Metering skid	NONE	#
5.8	ILI System Launcher	PIG LAUNCHER	#
5.9	Vent stack	OPEN AIR - NC	#
5.10	Control and administration building	YES – MAKER: SEABOARD	#
5.11	Gangway	YES – MAKER: VERHEOF	#

FSRU Alignment with Jetty:

Following information available for positioning the FSRU alongside the terminal:

- Ranger Offshore OHP Structures Asbuilt_1801040718_Final_Issue2.pfd [rev.2]

- BD2 layout Spec.1.pdf
 - o Offshore Structures Geometry Plan [Rev. 0, Date 05.08.17]
 - o BD2 EIC Dolphin Deck Plan [Rev. 4, Date 05.08.17]
 - o Enlarged BD2 EIC Dolphin Plan [Rev. 1, Date 01.06.17]

FSRU High Pressure Manifold – Modification

The High Pressure Loading Arms is located on Berthing Dolphin 1. This requires that the FSRU will be shifted forward and HP export pipe to be extended 20 meter forward from existing manifold position.

This is based on following interface documentation:

- Distance between MLAs.png
 - o Picture of BD1 layout drawing [snapshot of drawing, unknown rev. number]
- 10-6 - M3385708-002 MLA Ship side valve.pdf
 - o Emco Wheaton Spool Piece Assy. 12" [Date 29.08.17]
- FSRU CNG Valves.png
 - o Golar Freeze FSRU CNG Manifold Detail [snapshot from Golar Freeze SSCS]

Ship Shore Link

The FSRU is equipped with Trelleborg Seatechnik SSL located in manifold area.

Terminal is also equipped with Trelleborg SSL, and following documentation received:

- PJ2482-10000-VO-703 Integrated SSL / D&M / PPU Cabinet Electrical Hook-up drawing sheet 2 (Issue 2, Date 08.08.17)
- PJ2482-8187-V5-120-1 FO-EL-ESL Ship Shore Communication Link System. Cable Reels & Weather Cover for Old Harbour LNG (Issue 1, Date 29.08.17)
- PJ2482-8192-V1-101-1 Electric Cable Reel with 50m Electric Umbilical Cable for SSL system for Old Harbour LNG (Issue 1, Date 29.08.17)
- PJ2482-8199-V0-800-1 Fibre-Optic Cable Reel with 50m FO Umbilical Cable for SSL system for Old Harbour LNG (Issue 1, Date 29.08.17)
- Hotphone.png (picture)
- FSRU Jetty Network.png (picture)
- FSRU Jetty Data.png (Rev.A, Date 22.08.18)
- ModbusMapping NFE Metering Freeze.xls
- NFE OHP C_E.pdf
 - o Cause & Effect (Rev. 0, Date 19.07.18)

FSRU Jetty Power

The FSRU is equipped with Jetty Power Box located in manifold area.

Terminal is equipped with power connection on BD2. Following documentation received:

- FSRU to Jetty E-505_Umbilical Power Cable Details Rev.B06.pdf
 - o Umbilical Power Cable Details (Rev.0, Date 15.09.17)

Gangway

Following information available for gangway interface

- Gangway.pdf
 - o Verhoef - Column with Telescopic Access Ladder (Rev. C, Date 13.07.17)

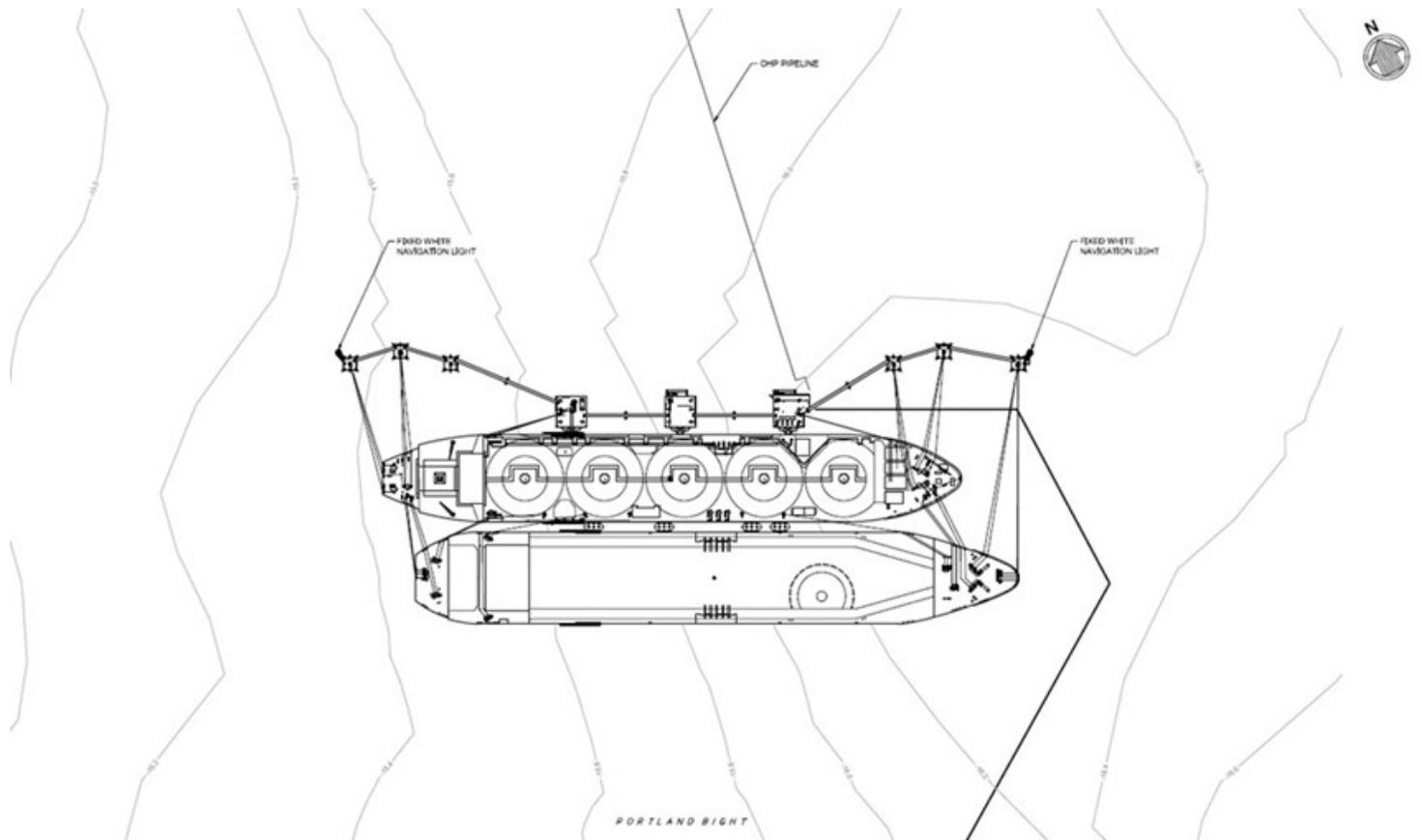
- (2017.07.06) Verhoef Gangway Standard Tech Spec VAI 9408 ECO Rev E Colum...pdf
 - o Verhoef – Standard Technical Specification rev.E
- Verhoef OHP Aluminum Deck Ladder Dwg AD3.0408-015.pdf (Date 01.09.17)
- Verhoef OHP Column w Telescopic Access Ladder GA Dwg AD5-28-D (1) (Rev.D, Date 17.08.17)

Marine Studies

Following information available for assessment of site

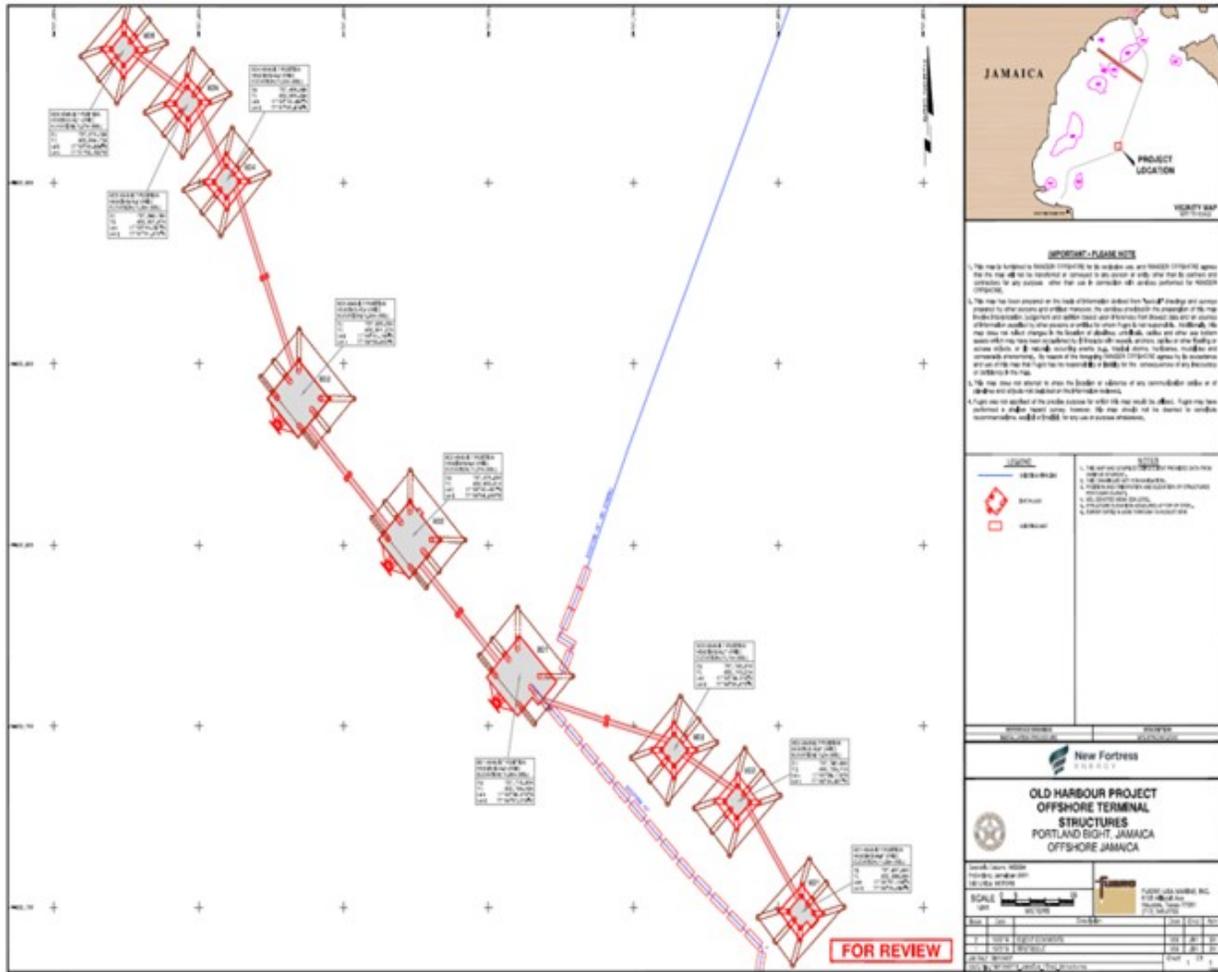
- OHP Mooring and Berthing Study.pdf
 - o Berthing and Mooring Analyses Report from Moffatt & Nichol (Rev. B, Date 17.10.17)
- OHP Navigation Assessment.pdf
 - o Navigation Assessment Report from Moffatt & Nichol (Rev. A, Date 04.10.2017)

Appendix I
Referential Terminal Design



Appendix II

Referential Jetty Layout



Schedule XIV
Conditions of Use



New Fortress
ENERGY

OLD HARBOUR LNG Terminal
Terminal Manual Annex

Annex 1.1
Conditions of Use

OHP-LNG-OPS-001-A1.1
Revision 1
09 January 2019

CONDITIONS OF USE – Old Harbour LNG Terminal

All Port Facilities, Port Services and other assistance of any kind whatsoever provided to an LNG Ship calling at the LNG Facility are provided subject to all Applicable Laws and to these Conditions of Use. These Conditions of Use shall (a) apply to each LNG Ship calling at the LNG Facility regardless of whether any such LNG Ship pays or owes amounts to Høegh or Buyer, and (b) be deemed to have been expressly accepted by each LNG Ship calling at the LNG Facility regardless of whether such acceptance has been acknowledged in writing or otherwise.

1. DEFINITIONS

For purposes of these Conditions of Use, the following definitions shall apply:

Affiliates means, in relation any person or entity, another person or entity who, either directly or indirectly, Controls, is Controlled by or is under the common Control of such first mentioned party. For the purposes of this definition, “Control” means the beneficial ownership of more than fifty percent (50%) of the issued share capital or the legal power to direct or cause the direction of the general management of the company, partnership or other person in question, and “Controlled” shall be construed accordingly;

Applicable Laws means any law, regulation, administrative and judicial provision, constitution, decree, judgment, legislation, order, ordinance, regulation, code, directive, statute, treaty or other legislative measure, in each case of any Governmental Authority from time to time in force, which is legally binding on a party;

Business Day means a day on which banks are open for business in Kingston and London;

Buyer means NFE International Shipping LLC and its Affiliates, and any Representative of Buyer;

Buyer’s Facilities means all fixed and moveable assets which Buyer uses and/or controls and operates from time to time for the purpose of performance of Buyer’s gas supply and delivery operations including, without limitation, compression and related facilities and transmission networks for the receipt and onward transport of natural gas by Buyer;

FSRU means the floating storage and regasification unit chartered by Høegh to Buyer under the International Charter Agreement dated [●], 2021;

Governmental Authority means in respect of any country, any national, federal, regional, state, municipal, or other local government, any subdivision, agency, department, commission, authority or any other executive, legislative or administrative entity thereof, or any instrumentality, ministry, agency or other authority, acting within its legal authority;

Hazard shall have the meaning given in condition 5 below;

Höegh means [●] and its Affiliates, and any Representative of Höegh;

Höegh's Facilities means the FSRU and any infrastructure and equipment on board the FSRU;

LNG means liquefied natural gas;

LNG Facility means Buyer's Facilities and Höegh's Facilities;

LNG Ship means the LNG carrier or carriers whether singular or plural named in the acknowledgement at the end of these Conditions of Use;

Limitation Amount shall have the meaning given in condition 7.1 below;

Master means, with respect to any LNG Ship, the duly licensed master, captain or other person lawfully in command of such LNG Ship;

Party and Parties means Buyer, Höegh and Ship Owner;

Person means any individual, firm, sole proprietorship, corporation, stock company, limited liability company, trust, partnership, voluntary association, joint venture, unincorporated organisation, institution, Governmental Authority or other legal entity

Port Facilities means all the infrastructure, facilities, equipment, installations, anchorages and approaches of and to Portland Bight, including, but not limited to, LNG Facility and any other channels, channel markings, buoys, jetties, berths, lines and gangways at Portland Bight;

Port Services means any service tendered or provided by Portland Bight or Buyer to an LNG Ship, including, but not limited to, pilotage, towage, tug assistance, mooring and other navigational services, whether for consideration or free of charge;

Representative of Buyer or Representative of Höegh means any director, officer, employee, contractor, and duly authorised servant, consultant, advisor, agent or representative of Buyer or Höegh as applicable in whatever capacity they may be acting, and their respective officers, directors, employees, contractors and agents, or any other person acting on behalf of Buyer or Höegh;

Reasonable and Prudent Transporter means a Person operating an LNG Ship seeking in good faith to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from time to time from a reasonable, skilled and experienced Person carrying out the same type of activity to that contemplated under these Conditions of Use and the Terminal Manual under the same or equivalent circumstances and conditions, and complying with all applicable Laws and International standards, and any reference to the standard of a Reasonable and Prudent Transporter shall be construed accordingly;

Ship Owner means the owner(s), disponent owner(s), and operator(s) of the LNG Ship;

Terminal means the plot necessary for mooring the FSRU at the jetty and all necessary infrastructure;

Terminal Manual means the terminal manual detailing Terminal guidelines, procedures and emergency response;

Third Parties means any person or entity other than Höegh and Buyer; and

Unloading Port means the port existing or close to Portland Bight, Jamaica at which the Terminal is located.

2. GENERAL

All LNG Ships calling on the LNG Facility must be capable of operating within the physical limitations of the Port Facilities and the LNG Facility's berth dimensions, unloading arm envelopes and mooring equipment as detailed in the Terminal Manual, or as advised from time to time by Buyer and all LNG Ships, the Ship Owner and the Master shall act as a Reasonable and Prudent Transporter. In addition to the requirements of Applicable Laws, the following conditions (3 to 9) shall apply to each LNG Ship calling at the LNG Facility.

3. SAFETY AND PROPER NAVIGATION

The Master of an LNG Ship shall at all times and in all circumstances remain solely responsible on behalf of the Ship Owner for the safety and proper navigation and operation of his LNG Ship and shall at all times comply with the Portland Bight regulations, all Applicable Laws and the Terminal Manual.

4. INDEMNITY, PROPERTY DAMAGE, PERSONAL INJURY AND STRIKES

4.1 Neither Buyer nor Höegh make any warranty (whether express or implied) with respect to Port Facilities or to the rendering of Port Services and any use thereof shall be at the sole risk of the Master and the Ship Owner. Neither Buyer nor Höegh shall be responsible for any loss or damage to an LNG Ship, actual or consequential (including loss of profit), or any loss or damage to the Ship Owner or the LNG Ship's cargo (while in the care custody and control of the Ship Owner) or any part thereof, or any loss or injury (including loss of life and industrial disease) suffered by the Master, officers or crew of the LNG Ship, which is related to Port Facilities or to Port Services provided to an LNG Ship.

4.2 Neither Buyer nor Höegh shall be responsible to any LNG Ship or to Ship Owner for any loss related to strikes or other labour disturbances, regardless of whether Buyer or Höegh are parties thereto, and regardless of any act, omission, fault or negligence of Buyer or Höegh.

4.3 The LNG Ship and the Ship Owner shall in all circumstances hold harmless and indemnify Buyer and Höegh as applicable against any and all losses, claims, damages, costs and expenses Buyer or Höegh may incur or has incurred arising out of or in connection with:

- (a) any damage to the LNG Facility or Port Facilities or loss of life and/or injury (including industrial disease) to its personnel related to the LNG Ship's use of the LNG Facility or Port Facilities and involving the fault, wholly or partially, of the Master, officers or crew of the LNG Ship, including negligent navigation;
- (b) any loss suffered by Third Parties with respect to damage to their property or injury to their personnel related to the LNG Ship's use of the LNG Facility or Port Facilities and involving the fault, wholly or partially, of the Master, officers or crew of the LNG Ship, including negligent navigation;
- (c) any Hazard under condition 5 hereof and involving the fault, wholly or partially, of the Master, officers or crew of the LNG Ship, including negligent navigation;
- (d) any loss or damage to the LNG Ship or its cargo while in the Portland Bight and/or while at or in the vicinity of the LNG Facility (including without limitation the jetty), including consequential losses and all claims, damages and costs arising therefrom; and
- (e) any personnel loss of life and/or injury (including industrial disease) or property loss suffered by the Master, officers or crew of the LNG Ship while in the Portland Bight and/or while at or in the vicinity of the LNG Facility (including without limitation the jetty), including consequential losses and all claims, damages and costs arising therefrom.

4.4 In the event of any escape or discharge of oil or oily mixture or contaminants from any LNG Ship or from any hose or other discharging device connected to such LNG Ship (from whatsoever cause such escape or discharge may arise and irrespective of whether or not such escape or discharge has been caused or contributed to by the negligence or default on the part of the LNG Ship or the ship owner and/or the LNG Ship operators), either of Buyer or Høegh by itself or by its subcontractors or by any other person whatsoever shall have the right to take any measures it deems fit to clean up the pollution resulting from such escape or discharge and to recover the full cost thereof from the ship owner and/or the LNG Ship operators, for which cost the ship owner and LNG Ship operators shall be jointly and severally liable to Buyer or Høegh (as the case may be).

4.5 Each of the Ship Owner and LNG Ship hereby waives any right it may have to limit its liability whether in conformity with any international maritime or shipping convention or any other statutory provision now or hereinafter enacted affording ship owners a right to limit their liability. The waiver herein contained applies to all persons claiming through ship owner or LNG Ship operators.

5. HAZARD

If the LNG Ship or any object on the LNG Ship becomes or is likely to become an obstruction, threat, or danger to navigation, operations, safety, health, environment or security of Portland Bight (a **Hazard**), the Master and the Ship Owner shall, at the option of Buyers and/or Høegh, take immediate action to clear, remove or rectify the Hazard as Buyers and/or Høegh may direct, and if the Master and/or Ship Owner fail to take such action, Buyers and/or Høegh shall be entitled to take such measures as it may deem

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appropriate to clear, remove or rectify the Hazard, and the Master and Ship Owner shall be responsible for all costs and expenses associated therewith.

6. INCIDENT REPORTING

Without prejudice to the limitation of liability of the Master and the Ship Owner at condition 7.1, the Master shall immediately report to Buyer and Höegh any accident, incident, claim, damage, loss or unsafe condition or circumstance (**Incident**) and take, at its own costs, such reasonable steps to control or eliminate any such Incident or the consequences thereof as may be directed by Buyer or Höegh. Any such report shall be made in writing and signed by the Master. Buyer and Höegh shall be entitled to inspect and investigate any such report but without prejudice to the foregoing.

7. LIMITATION OF LIABILITY

7.1 Subject to condition 7.2, any liability of the Master and the Ship Owner to Buyer and Höegh by virtue of the operation of these Conditions of Use shall be limited to USD ***** (USD***** (the **Limitation Amount**) in aggregate for all liabilities arising from any accident or occurrence. In the event that any loss or damage in respect of which the LNG Ship and the Ship Owner are liable to indemnify Buyer and/or Höegh exceeds the Limitation Amount then the Master and the Ship Owner shall indemnify Buyer and/or Höegh, in aggregate not exceeding the Limitation Amount, by paying each a sum, which equates to the ratio of loss or damage suffered by each to the total loss or damage suffered by each.

7.2 The limit of liability set out in condition 7.1 shall not limit, restrict or prejudice any claim or right that Buyer or Höegh has or may have against the Master or the Ship Owner under general principles of law or equity. For the avoidance of doubt, said limit of liability shall only apply with respect to, and to the extent of, a claim by Buyer or Höegh against the Master or the Ship Owner under these Conditions of Use.

8. CONFIRMATION OF INSURANCE

8.1 Prior to any call by the LNG Ship at the Terminal, or such other times as may be requested by Buyer or Höegh, Ship Owner shall provide sufficient written evidence:

- (a) that the LNG Ship's P&I Club has agreed to cover Ship Owner as a member of the P&I Club against the liabilities and responsibilities assumed by Ship Owner in these Conditions of Use, in accordance with the P&I Club's Rules and shall ensure that such insurances are maintained for the duration of the LNG Ship's calling at the Terminal; and
- (b) of waiver of rights of subrogation from the LNG Ship's marine, war and P&I Club insurers, such waivers to be in respect of rights against Buyer and Höegh.

9. MISCELLANEOUS

9.1 Any liability incurred by the Master, the ship owner or LNG Ship operators by operation of these Conditions of Use shall be joint and several.

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9.2 These Conditions of Use shall be construed, interpreted and applied in accordance with laws of England and Wales.

9.3 Dispute Resolution:

- (a) Any dispute, controversy, claim, counterclaim, demand, cause of action or any other controversy arising out of or relating in any way to these Conditions of Use, or the breach, termination, or invalidity thereof (each, a **Dispute**), shall be resolved by binding arbitration in accordance with this provision. A Dispute must be resolved through arbitration regardless of whether the Dispute involves claims that the Conditions of Use are unlawful, unenforceable, void, or voidable or involves claims under statutory, civil or common law. The validity, construction and interpretation of this agreement to arbitrate, and all other procedural aspects of the arbitration conducted pursuant hereto shall be decided by the arbitral tribunal.
- (b) Where a Party wishes to refer a matter to arbitration in accordance with this condition 9.3(a), it shall serve a written notice on the other Party to that effect and the Rules of Arbitration of the International Chamber of Commerce (the **ICC Arbitration Rules**), shall govern such arbitration save to the extent that the same are inconsistent with the express provisions of these Conditions of Use.
- (c) The number of arbitrators shall be three. The claimant (or if more than one claimant, the claimants jointly) shall nominate one arbitrator and the respondent (or if more than one respondent, the respondents jointly) shall nominate one arbitrator, in each case in accordance with the ICC Arbitration Rules. The third arbitrator, who will act as chairperson of the arbitral tribunal, shall be nominated jointly by the two arbitrators nominated by the Parties, provided that if the third arbitrator has not been so nominated within ***** Business Days of the date of nomination of the later of the two arbitrators appointed by the Parties, the third arbitrator shall be appointed by the International Chamber of Commerce.
- (d) The Emergency Arbitration procedures shall apply.
- (e) The seat, or legal place of the Arbitration shall be London, England.
- (f) The Arbitration shall be conducted in the English language.

9.4 These Conditions of Use shall remain in effect for so long as the Ship Owner causes the LNG Ship to call at the Portland Bight.

9.5 Where the context so requires, references to the singular shall include the plural, and vice versa. Headings used in these Conditions of Use are for reference purposes only. References to a condition are to a numbered condition of these Conditions of Use. References to a Governmental Authority shall include any successor authority, ministry, department, agency, office, or organisation (as applicable), and references to any Applicable Law shall include any amendment or modification thereof or thereto that is duly promulgated or enacted by the appropriate Governmental Authority.

ACKNOWLEDGEMENT

Name of LNG Ship: _____

As Master of the above-named LNG Ship, I acknowledge for and on behalf of the Ship Owner of the LNG Ship that the above Conditions of Use of the Unloading Port govern the use by such LNG Ship of the LNG Facility.

Signed: _____
By Master for and on behalf of the Ship Owner of LNG Ship

Date: _____

Signed: _____
By [●] for and on behalf of [full name of Höegh Owner entity]

Date: _____

Signed: _____
By [●] for and on behalf of NFE International Shipping LLC

Date: _____

Signed: _____
By [●] for and on behalf of NFE South Holdings Limited

Date: _____

Schedule XV

Form of Certificate of Arrival

The Vessel arrived at the Terminal and was delivered to NFE Transportation Partners LLC on the [*insert date and time of signing this certificate*] under the International Charter Agreement dated [●], made between NFE Transportation Partners LLC as Charterer and [●] as Owner.

Quantity of marine fuel oil and marine diesel oil on board Vessel on the Actual Arrival Date: [Quantity]

Quantity of LNG on board Vessel on the Actual Arrival Date: [Quantity]

Place of Arrival of the Vessel: Pilot Boarding Station

Actual Arrival Date: [Date]

FOR CHARTERER:

By: _____
Title: _____
Date Signed: _____

FOR OWNER:

By: _____
Title: _____
Date Signed: _____

Witnessed by: _____
Title: _____
Date Signed: _____

Witnessed by: _____
Title: _____
Date Signed: _____



Schedule XVI

Authorization Schedule

Part A – Owner Authorizations which Owner is required to obtain pursuant to Clause 2.6(b) and 9.1(g) of this Charter / Clause 4.6(h) of the OSA

1. Work permits and/or certificates of work permit exemption for the Master and crew of the Vessel, where required, throughout the Charter Period.

Part B – Owner Authorizations which Charterer / Customer is required to obtain on behalf of Owner / Contractor pursuant to Clause 2.6(b) and 9.1(g) of this Charter / Clause 4.6(h) of the OSA

The Local Trading Certification throughout the Charter Period.

Part C – Charterer / Customer Authorizations which Charterer / Customer is required to obtain pursuant to Clause 9.1(f) of this Charter / Clause 4.6(g) of the OSA

1. Environmental permit for construction and operation of facilities for hydrocarbon production, refining, storage and stockpiling.
2. Environmental permit for construction or installation and operation of underground cables, gas lines or other such infrastructure with a diameter of more than 10 cm for the transport of gas, oil or chemicals.
3. Beach licence for Placement and Maintenance of Two (2) pipelines (NG & ADO).
4. Beach licence for Placement and Maintenance of Seventy-Eight (78) Pylons- issued by the Natural Resources Conservation Authority.
5. The Crewing Exemption.

All references to Authorizations herein shall be to Authorizations as may be amended from time to time.

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Schedule XVII

Applicability of Charter provisions during LNGC Mode

The Parties shall agree this Schedule XVII within ***** days of the date of execution of this Charter.

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FSRU OPERATION AND SERVICES AGREEMENT

between

NFE SOUTH HOLDINGS LIMITED

as Customer

and

HÖEGH LNG PARTNERS OPERATING LLC

as Contractor

Dated: 23 September 2021

TABLE OF CONTENTS

1.	Definitions, Headings and Interpretation	4
2.	Term	30
3.	Shipboard Personnel and their Duties	31
4.	Contractor's and Customer's Obligations	32
5.	FSRU Services	38
6.	Performance Warranties	54
7.	Change in Law	55
8.	Service Fees	57
9.	Payment and Invoicing	57
10.	Off-Hire	62
11.	Maintenance and Repairs	63
12.	Super-numeraries	63
13.	Vessel Temperature and LNG Retention	64
14.	Port Services	65
15.	Fuels	66
16.	Business Principles	66
17.	Drugs and Alcohol	68
18.	Pollution and Emergency Response	68
19.	Force Majeure	70
20.	Default and Remedies	74
21.	Guarantees and Security	77
22.	Representations, Warranties and Covenants	78
23.	Indemnification	79
24.	Insurance	80
25.	Assignment by Contractor	81
26.	Assignment or Novation by Customer	82
27.	Liens	82
28.	Exclusions, Limitation of Liability	83
29.	Construction	84
30.	Notices	85
31.	Governing Law and Dispute Resolution	87
32.	Waiver of Immunity	89
33.	Confidentiality	89
34.	Sanctions	91
35.	Miscellaneous	94

SCHEDULES

Schedule I – Customer’s Facilities and Rely Upon Data

Schedule II – LNG Measurements, Specifications, Tests and Analysis

Schedule III – Gas Measurement and Quality

Schedule IV – Gas Nomination and Delivery Provisions

Schedule V – Form of Conditions of Use

Schedule VI – Form of Reload / GC Operation Orders

Schedule VII – Technical and Operational Parameters

Schedule VIII – Form of Guarantees

Schedule IX – HSSE Requirements

Schedule X – Form of Deed of Novation

This FSRU Operation and Services Agreement (this "**Agreement**") is executed the 23rd day of September 2021 by and between Höegh LNG Partners Operating LLC a limited partnership duly formed under the laws of Marshall Islands and with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 ("**Contractor**") and NFE South Holdings Limited, a company duly incorporated in the United States of America and with its registered office at Montego Bay Freeport, 1 Berth, Montego Bay 2 P.O, Saint James, Jamaica ("**Customer**").

WHEREAS pursuant to the International Charter Agreement entered into between Owner and Charterer (each as defined below) on or about the date of this Agreement (the "**Charter Agreement**"), Owner has agreed to charter the Vessel to Charterer for use as a floating storage and regasification unit, with an option for use as an LNG Carrier, for the purposes of the Project (as defined in the Charter Agreement); and

WHEREAS Contractor and Customer wish to enter into this Agreement for the provision by Contractor (which for the avoidance of doubt shall also where applicable and following such novation refer to the entity which becomes Contractor pursuant to the novation contemplated by Clause 25.2(b)) of certain services in relation to the operation of the Vessel, as further provided herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, Customer and Contractor hereby agree as follows:

1. DEFINITIONS, HEADINGS AND INTERPRETATION

1.1 Definitions

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

“Acceptable Credit Provider”	means the branch located in London, United Kingdom of a reputable international bank or financial institution which has a long term credit rating of at least A- by Standard & Poor’s or equivalent.
“Acceptance Date”	has the meaning given to it in the Charter Agreement.

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“Acceptable Guarantor”	Charterer/Customer	means NFE Atlantic Holdings LLC or any other entity that Customer may propose with a credit rating of at least BBB- by Standard & Poor’s (or equivalent).
“Adverse Weather Conditions”		has the meaning given to it in the Charter Agreement.
“Affiliate”		has the meaning given to it in the Charter Agreement.
“Allowed Discharge Laytime”		is defined in Clause 5.6(a).
“Allowed Reload Laytime”		is defined in Clause 5.6(d).
“Alternative FSRU Site”		has the meaning given to it in the Charter Agreement.
“Anti-Rollover Restrictions”		means Contractor’s anti-rollover procedures set out in the FSRU Operating Manual.
“Applicable Jurisdiction”		means the: jurisdiction of the then applicable FSRU Site; and for purposes of the definition of Applicable Jurisdiction Change in Law and Clause 9.7 shall always include any countries where Customer is incorporated, domiciled and/or located.
“Applicable Jurisdiction Change in Law”		has the meaning given to it in the Charter Agreement.
“Applicable Jurisdiction Change in Law Required Action”		has the meaning given to it in the Charter Agreement.
“Arrival”		has the meaning given to it in the Charter Agreement.
“Arrival Window”		means, with respect to a given Confirmed Cargo, the ***** hour period of time during which the LNG Carrier carrying such Confirmed Cargo is scheduled to give its Notice of Readiness at the FSRU Site pursuant to this Agreement.

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“Authorization”	has the meaning given to it in the Charter Agreement.
“Available LNG Inventory”	means the aggregate of (i) the Customer LNG Inventory; and (ii) the Deemed LNG Inventory, less the Minimum Heel Inventory.
“Banking Day”	means any day when banks in each of the Applicable Jurisdiction, Oslo, Norway, Singapore, Cayman Islands or New York, United States and the required place of payment or receipt (as the case may be) are open for business.
“Boil-Off”	means the vapour which results from vaporisation of LNG in the Vessel’s cargo tanks.
“Business Day”	means any day that is not a Saturday or Sunday or legal holiday in the Applicable Jurisdiction, Oslo, Norway, Singapore, Cayman Islands or New York, United States.
“Cargo Capacity”	means the maximum available safe LNG loading limit of the Vessel from time to time, which shall be ***** per cent. (*****%) of the Maximum Cargo Capacity less the inventory of LNG in the Vessel's cargo tanks at the relevant time.
“Cargo Operation”	means unloading of a Confirmed Cargo or any Reload Operation.
“Cargo Requirement Interval”	means an interval of minimum ***** hours between any two Cargo Operations, to ensure sufficient resting time for the Vessel’s crew.
“Change in Law”	has the meaning given to it in the Charter Agreement.
“Change in Law Required Actions”	is defined in Clause 7.1.
“Charter Agreement”	is defined in the Preamble.
“Charter Activities”	has the meaning given to it in the Charter Agreement.
“Charterer”	means an Affiliate of Customer acting as Charterer under the Charter Agreement (or its

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		successor or assign pursuant to the terms of the Charter Agreement).
“Charterer/Customer Guarantee”		is defined in Clause 21.2.
“Charterer/Customer Guarantee Cap”		is defined in Clause 21.2.
“Charterer/Customer Guarantor”		means NFE Atlantic Holdings LLC.
“Charterer/Customer Default”	Guarantor	means any of the following: Charterer/Customer Guarantor is in material breach of any of its obligations under the Charterer/Customer Guarantee and has failed to cure such breach within a reasonable period of time but in no event longer than ***** days after notice of such breach from Contractor pursuant to the Charterer/Customer Guarantee; or the Charterer/Customer Guarantee has ceased to be in full force and effect, save where validly terminated; or the event set forth in Clauses 20.2(a), 20.2(b) or 20.2(c) has occurred in respect of Charterer/Customer Guarantor (<i>mutatis mutandis</i>), unless, within ***** Banking Days of the occurrence of any of the above events, a replacement guarantee is issued to Contractor by an Acceptable Charterer/Customer Guarantor or any other Person acceptable to Contractor in the same terms as the original Charterer/Customer Guarantee (and in such case such replacement guarantee shall be the Charterer/Customer Guarantee).
“Class” or “Classification”		has the meaning given to it in the Charter Agreement.
“Classification Society”		has the meaning given to it in the Charter Agreement.

“Commissioning”	has the meaning given to it in the Charter Agreement.
“Commissioning Protocol”	has the meaning given to it in the Charter Agreement.
“Compliance Regulations”	is defined in Clause 16.2(a).
“Conditions of Use”	means the conditions of use, including rules and procedures, applicable to LNG Carriers calling at and unloading LNG at the Terminal that relate to safety, insurance, liability, and the technical and operational requirements for such LNG Carriers, and which is attached at Schedule V - <i>Form of Conditions of Use.</i>
“Confidential Information”	means the terms and conditions of this Agreement, the Charter Agreement and all other documents and agreements contemplated thereby, including any term sheet or preparatory materials, together with any and all data, reports, records, correspondence, notes, compilations, studies and other information relating to or in any way connected with this Agreement, the Charter Agreement, and all other documents and agreements contemplated thereby or relating to the Parties and their respective Affiliates, that is disclosed directly or indirectly by or on behalf of the disclosing Party or any of its Representatives to the receiving Party or any of its Representatives, whether such information is disclosed orally or in writing.
“Confirmed Cargo”	is defined in Clause 5.2(b).

“Consequential Damages”

means:

any indirect, incidental, consequential, exemplary or punitive loss or damages;

any loss of income or profits, anticipated profits, loss of use, (partial or total), loss of time, loss and/or deferral of production, loss of contracts, loss of revenues or loss of reputation; or

any losses incurred under third party contracts (including e.g. any downstream gas or power sales agreement including the Gas Offtake Agreements, LNG SPA, or LNG Carrier or tug charters),

in the case of (b) and (c) above, whether direct or indirect and whether or not foreseeable at the time of entering into this Agreement, provided however, that "Consequential Damages" shall not include (i) the Daily Service Fee or any profits from such Daily Service Fee payable (or which would have been payable) hereunder; (ii) any liquidated damages payable hereunder or any deduction of Daily Service Fee; and (iii) the value of LNG (including Boil-Off).

“Contractor Indemnified Party”

means Contractor, Owner, the HMLP Group, the HLNG Group and any of their respective Affiliates, and includes all contractors, servants and subcontractors, and any Representatives (including the Master, pilot, officers and crew of the Vessel) of any of the aforementioned entities and their respective Affiliates.

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“Contractor Letter of Credit”	means a standby letter of credit issued by an Acceptable Credit Provider in an aggregate amount equal to USD ***** in support of Contractor’s obligations under this Agreement and Owner’s obligations under the Charter Agreement and on terms reasonably acceptable to Customer, which shall include an obligation to keep the letter of credit renewed or replaced during the Term.
“Contractor Only Additional Authorization”	is defined in Clause 4.6(h).
“Contractor OSA Maximum Liability Cap”	is defined in Clause 28.2(a)(i).
“Contract Year”	means each annual period starting on January 1st and ending on December 31st during the Term provided, however, that: the first Contract Year shall commence on the Service Commencement Date and end on the immediately following 31 December; and the final Contract Year shall start from the 1 January immediately preceding the end of the Term and end on the last day of the Term.
“Crewing Exemption”	means an exemption issued by the Maritime Authority of Jamaica under Regulation 7(3) of the Jamaican Shipping (Local Trade) Regulations, 2003 exempting the Vessel from being required to engage Jamaican seafarers and permitting the Vessel to be 100% crewed by non-Jamaican seafarers.
“Cubic Metres”	means metric cubic metres.

“Customer's Facilities”	the Terminal (excluding the Vessel and any infrastructure and equipment on board the Vessel) and all infrastructure, facilities, equipment, installations, anchorages and approaches of and to the FSRU Site, including channels, channel markings, buoys, jetties, berths, lines and gangways at the FSRU Site, the gas pipeline connecting the Terminal to the receiving jetty, the receiving jetty, and all fixed and moveable assets which Customer and/or its Affiliates control and operate from time to time for the purpose of performance of their gas supply and delivery operations including compression and related facilities and transmission networks for the receipt and onward transport of natural gas and all shore side facilities and all infrastructure (including gas pipelines and power plants) downstream of the Delivery Point, with certain elements further described in Schedule I – <i>Customer's Facilities and Rely Upon Data</i> .
“Customer Indemnified Party”	means Customer, Charterer, its Affiliates, contractors, servants and subcontractors, (excluding any LNG Carriers and any gas offtakers) and any such Person's Representatives (including any Customer's Personnel).
“Customer LNG Inventory”	means, at any given time, the quantity in MMBtus that represents LNG and Gas held for Customer's account calculated in accordance with Schedule II – <i>LNG Measurements, Specifications, Tests and Analysis</i> .
“Customer OSA Maximum Liability Cap”	is defined in Clause 28.2(a)(ii).
“Customer's Personnel”	means those Persons designated by Customer for the purposes of undertaking, on Customer's behalf, the observation and inspection of the testing of the Vessel.
“Daily Service Fee”	is defined in Clause 8.1(b).
“Damages”	has the meaning given to it in the Charter Agreement.

“Deemed LNG Inventory”	means, at any time, the quantity in MMBtus that represents LNG and Gas that was not included in the Customer LNG Inventory at such time as a result of Contractor’s breach of this Agreement or Owner’s breach of the Charter Agreement, in each case resulting in a shortfall in the volume of LNG unloaded from an LNG Carrier.
“Delivery Point”	has the meaning given to it in the Charter Agreement.
“Dispute”	is defined in Clause 31.2(a).
“Effective Date”	has the meaning given to it in the Charter Agreement.
“Equity”	has the meaning given to it in the Charter Agreement.
“ETA”	is defined in Clause 5.3.
“Excusable Event”	has the meaning given in the Charter Agreement.
“Event of Charterer’s Default”	has the meaning given in the Charter Agreement.
“Event of Contractor’s Default”	is defined in Clause 20.1.
“Event of Customer’s Default”	is defined in Clause 20.2.
“Event of Owner’s Default”	has the meaning given in the Charter Agreement.
“Excess Cargo Limitations”	is defined in Clause 5.2(b).

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“Execution Date”	means the date of execution of this Agreement.
“Expert”	means an independent person with appropriate qualifications and experience agreed upon between the Parties or (failing agreement within ***** days of: (a) the initiation of the reference to Expert determination; or (b) the relevant Parties being notified that the Expert is unable or unwilling to complete the reference to Expert determination, as applicable) appointed upon the request of either of the Parties by the International Centre for Expertise of the ICC.
“First Tribunal”	is defined in Clause 31.3(b).
“Flag State”	has the meaning given to it in the Charter Agreement.
“Force Majeure”	is defined in Clause 19.1.
“Free Liquid Assets”	has the meaning given to it in the Charter Agreement.
“FSRU Agreements”	has the meaning given to it in the Charter Agreement.
“FSRU Operating Manual”	means the operating manual detailing the FSRU Services operations of the Vessel.

“FSRU Services”	<p>means the following services to be provided at the FSRU Site:</p> <p>receiving LNG from LNG Carriers at the Receipt Point;</p> <p>the storage of LNG on board the Vessel;</p> <p>the regasification of LNG on board the Vessel;</p> <p>the delivery of regasified LNG to the Delivery Point; and</p> <p>Reload / GC Operations,</p> <p>provided that the FSRU Services shall be limited to the services provided above and in particular shall not include inter alia (i) the supply of LNG or the transportation thereof to the Receipt Point; (ii) tug and pilot services for the LNG Carriers; (iii) the transportation of regasified LNG from the Delivery Points; or (iv) the marketing or sale of regasified LNG.</p>
“FSRU Site”	has the meaning given to it in the Charter Agreement.
“Gas”	means any hydrocarbon or a mixture of hydrocarbons (including regasified LNG) consisting predominantly of methane, and including other hydrocarbons and non-hydrocarbons, in a gaseous state.
“Gas Heater”	has the meaning given to it in the Charter Agreement.
“Gas Nomination and Delivery Provisions”	means the provisions set forth in Schedule IV – <i>Gas Nomination and Delivery Provisions</i> .
“Gas Offtake Agreements”	has the meaning given to it in the Charter Agreement.
“Gas Up / Cool Down Conditions and Procedures”	is defined in Clause 5.10(c).

“Gas Up / Cool Down Compatibility Requirements”	LNGC	means the compatibility requirements for Gas Up / Cool Down Operations set out in the Höegh LNG Ship-Ship Compatibility System (SSCS).
“Gas Up / Cool Down Operation”		means the berthing, mooring and the use of LNG stored in the Vessel in accordance with the Gas Up / Cool Down Conditions and Procedures to: (i) replace the inert gas in the cargo tanks of an LNG Carrier with warm LNG vapour; and (ii) spray the tanks of an LNG Carrier to reduce its tank temperature to the temperature necessary to receive LNG.
“Gas Up / Cool Down Order”		is defined in Clause 5.10(b).
“Gas Up / Cool Down Plan”		is defined in Clause 5.10(c)(viii).
“Governmental Authority”		means any (i) national, regional, state, municipal, local or other government, including any subdivision, agency, board, department, commission or authority thereof, including any harbour or marine authority, or any quasi-governmental organisation therein as well as any Tax and customs authority; and (ii) international organisation such as the IMO or ILO, in each case, having jurisdiction over Owner, Charterer, Contractor or the Vessel and acting within its legal authority (except that, for the purposes of Clause 19.1 (Force Majeure), “Governmental Authority” shall include such entities whether or not they are acting within their legal authority).
“Hire”		has the meaning given to it in the Charter Agreement.
“HLNG”		has the meaning given to it in the Charter Agreement.
“HLNG Group”		has the meaning given to it in the Charter Agreement.
“HMLP”		has the meaning given to it in the Charter Agreement.
“HMLP Group”		has the meaning given to it in the Charter Agreement.

“HSSE”	means health, safety, security and environment.
“HSSE System”	is defined in Clause 4.2(a).
“ICC”	means the International Chamber of Commerce.
“ILO”	means the International Labour Organization.
“Implementation Requirements”	is defined in Clause 7.2(a).
“IMO”	means the International Maritime Organization or any successor body of the same.
“Interest Rate”	is defined in Clause 9.5(b)(ii).
“International Standards”	means those standards and practices from time to time in force applicable to the ownership, design, construction, equipment, operation or maintenance of: LNG tankers (including tankers with LNG regasification facilities on-board); berthing and loading facilities; and mooring facilities, including, without limitation, those established by the International Maritime Organization, the International Organization for Standardisation (ISO), the Oil Companies International Marine Forum (OCIMF), or SIGTTO, (or any successor body of the same) and/or any other internationally recognized agency or organization, including the relevant Classification Society with whose standards and practices it is customary for international operators of such tankers or facilities to comply, including the POSMOOR mooring classification in respect of mooring systems.
“ISM Code”	is defined in Clause 4.2(b).
“ISO”	means the International Organisation for Standardisation.
“ISPS Code”	has the meaning given to it in the Charter Agreement.

“Issuing Party”	is defined in Clause 9.5(a).
“Law”	has the meaning given to it in the Charter Agreement.
“Lender”	means any commercial bank, export credit agency, multi-lateral institution, secured hedging counterparty, or other Person providing (or in negotiations to provide) debt finance, re-financing or other financial or price risk support (other than by way of equity investment or shareholder loans) to Customer and any agent or trustee appointed to act on behalf of any or all of the foregoing Persons.
“LIBOR”	has the meaning given to it in the Charter Agreement.
“LNG”	means natural gas liquefied by cooling and which is in a liquid state at or near atmospheric pressure.
“LNG Carrier”	means a vessel that Customer or an LNG supplier uses or proposes to use for transportation of LNG to or from the Terminal which complies with the provisions of Clause 5 of this Agreement.
“LNG Heel”	has the meaning given to it in the Charter Agreement.
“LNG Quality Specifications”	is defined in Clause 5.7(a).
“LNG SPA”	means a contract for the sale and purchase of LNG between a third party and Customer (or an Affiliate thereof) for the loading, reloading and/or discharge of LNG on or from the Vessel (as the case may be).
“LNGC Mode”	has the meaning given to it in the Charter Agreement.
“Local Trading Certification”	has the meaning given to it in the Charter Agreement.

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“Master”	means the designated master of the Vessel from time to time, as determined in accordance with the Charter Agreement.
“Material Subcontract”	means any subcontract (excluding any subcontract with an Affiliate of Owner or Contractor) entered into between Owner or Contractor (or any permitted subcontractor of either of them) on the one hand, and any third party on the other, which exceeds a value of at least ***** US Dollars (USD *****).
“Maximum Cargo Capacity”	means the maximum cargo capacity of the Vessel, being ***** Cubic Metres (***** m ³), subject to reductions for taking tanks out of service for any required Class surveys applicable during any extension of the Charter Period (as defined in and determined pursuant to the Charter Agreement).
“Maximum Daily Contract Quantity”	means ***** Standard Cubic Feet per day (***** MMscfd).
“Minimum Heel Inventory”	means a minimum amount of ***** Cubic Meters (***** m ³) of LNG Heel required to ensure that the Vessel is in a ready-to-load condition, with the average temperature profile of each LNG cargo tank being in accordance with the requirements of the tank and equipment manufacturers, but in any event the average tank temperature shall be no warmer than ***** centigrade (***** deg C).
“MMBtu”	means one million (1,000,000) British Thermal Units (“ BTU ”), a single BTU being the amount of heat equal to one thousand and fifty-five decimal zero six (1,055.06) joules.
MMscfd	means one million standard cubic feet per day.
“Monthly Cargo Confirmation”	is defined in Clause 5.2(b).
“Monthly Invoice Due Date”	is defined in Clause 9.1(b).
“Monthly Service Fee”	is defined in Clause 8.1(a).
“Monthly Service Fees Invoice”	is defined in Clause 9.1(a).

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“Mortgagee”	has the meaning given to it in the Charter Agreement.
“Nominated Volume”	is defined in Clause 6.1.
“Notice of Readiness”	is defined in Clause 5.4(a).
“OCIMF”	means the Oil Companies International Marine Forum or any successor body of the same.
“Off-Hire”	is defined in Clause 6.1(b).
“Off-Hire Threshold”	is defined in Clause 6.1(a).
“Off-Spec Cost Estimate”	is defined in Clause 5.7(e).
“Off-Specification LNG”	is defined in Clause 5.7(c).
“Owner/Contractor Guarantee”	is defined in Clause 21.1.
“Owner/Contractor Guarantee Cap”	is defined in Clause 21.1.
“Owner/Contractor Guarantor”	means HMLP.
“Owner/Contractor Guarantor Credit Test”	means: Free Liquid Assets equal to or exceeding the higher of: (i) ***** US Dollars (USD *****); and (ii) the product of ***** US Dollars (USD *****) and the number of vessels owned or leased by the Owner/Contractor Guarantor and the Owner/Contractor Guarantor’s (direct or indirect) pro rata ownership of such vessels, subject to a cap of ***** US Dollars (USD *****); and the Equity of the HMLP Group shall be equal to or greater than the higher of: ***** per cent. (*****%) of Total Assets; and ***** US Dollars (USD *****).
“Owner/Contractor Guarantor Default”	means:

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Owner/Contractor Guarantor is in material breach of any of its obligations under the Owner/Contractor Guarantee and has failed to cure such breach within a reasonable period of time but in no event longer than ***** days after notice of such breach from Customer pursuant to the Owner/Contractor Guarantee;

the Owner/Contractor Guarantee has ceased to be in full force and effect, save where validly terminated;

the Owner/Contractor Guarantor fails to meet the Owner/Contractor Guarantor Credit Tests and such default is not remedied within ***** days;

the event set forth in Clauses 20.1(a), 20.1(b) or 20.1(c) has occurred in respect of Owner/Contractor Guarantor (*mutatis mutandis*),

unless, within ***** Banking Days of the occurrence of any of the above events:

a replacement guarantee is issued to Customer by a Person acceptable to Customer in the same terms as the original Owner/Contractor Guarantee (and in such case such replacement guarantee shall be the Owner/Contractor Guarantee); or

in respect of an event described in paragraph (b) or (c) above, Contractor provides to Customer a Contractor Letter of Credit.

“Owner”

means Höegh LNG Partners LP (or its successor or assign pursuant to the terms of the Charter Agreement), as Owner under the Charter Agreement.

“Owner Financier”

means a Person(s) providing finance or re-financing (including financing or re-financing by way of sale/leaseback or similar financing and/or refinancing arrangements) of the Vessel and/or to Owner or an Affiliate of Owner in connection with the Vessel.

“Party”	means Contractor or Customer, as the case may be (and “Parties” will be construed accordingly).
“Payment Date”	is defined in Clause 9.5(a).
“Performance Tests”	has the meaning given to it in the Charter Agreement.
“Performance Warranties”	has the meaning given to it in the Charter Agreement.
“Permitted Gas Loss”	means Gas which is unavoidably vented or burned in the Gas combustion unit in accordance with Charterer's instructions under the Charter Agreement or Customer's instructions under this Agreement, or as a result of an act or omission by Charterer or Customer, including that the nominated regasification rate results in excess Boil-Off (as set out in the table in Schedule II – <i>Performance Warranties</i> of the Charter Agreement), and for any reason other than a reason attributable to the Vessel (except if such reason is due to a Service Excusable Event, Force Majeure or Adverse Weather Conditions).
“Permitted Lien”	has the meaning given to it in the Charter Agreement.
“Person”	means any individual, firm, corporation, stock company, limited liability company, trust, partnership, association, joint venture, or other business.
“Pollution Regulations”	is defined in Clause 18.1.
“Port Charges”	means all charges of whatsoever nature (including rates, tolls and dues of every description) in respect of the Vessel or any LNG Carriers entering, arriving or staying at or leaving the FSRU Site, including charges imposed by fire boats, tugs and escort vessels, any Governmental Authority, a pilot, or any other person assisting any LNG Carriers or the Vessel to enter, arrive at, or leave the FSRU Site and all towage, pilotage, and mooring expenses relating to loading,

	reloading, discharging and bunkering at the FSRU Site.
“Port Operator”	means the operator of the port at which the Terminal is located in the Applicable Jurisdiction, or any successor entity from time to time.
“Project”	has the meaning given to it in the Charter Agreement.
“Quality Notice”	is defined in Clause 5.3(f).
“Quarterly LNG Delivery Schedule”	is defined in Clause 5.2(a).
“Reasonable and Prudent Operator”	means a Person seeking in good faith to perform its covenants or obligations under this Agreement and in so doing and in the general conduct of its undertaking exercising that degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be expected from a skilled and experienced operator complying with all applicable Laws and engaged in the same type of undertaking under the same or similar circumstances.
“Receipt Point”	means the point at which the flange coupling of the discharge manifold of a relevant LNG Carrier (if a spool piece is used, the spool piece is deemed to be part of the LNG Carrier) connects with the flange coupling of the unloading line at the Vessel.
“Regardless of Cause”	means whether or not any Damages are asserted to have arisen by virtue of tort (including negligence of any degree), breach of statutory duty, breach of contract (including repudiation of this Agreement) or quasi-contract, strict liability, breach of representation of warranty (express or implied), breach of any Laws, regulations, rules or orders of any Governmental Authority having jurisdiction, on the part of the Party or other Person seeking indemnity or of any other Person.

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“Regasification Equipment”	means all machinery and equipment on board the Vessel relating to the capability of the Vessel to regasify LNG and discharge regasified LNG, including vaporisers, pumps and metering units.
“Registry”	means the maritime registry of the Flag State.
“Relevant Items”	has the meaning given to it in the Charter Agreement.
“Relevant Person”	means each of the Parties and their respective Affiliates, and any such Person's directors, officers, employees, agents or representatives.
“Reload Conditions and Procedures”	is defined in Clause 5.9(c).
“Reload LNGC Compatibility Requirements”	means the compatibility requirements for Reload Operations set out in the Höegh LNG Ship-Ship Compatibility System (SSCS).
“Reload / GC Arrival Window”	means a ***** hour window during which the LNG Carrier is required to give its notice of readiness to commence a Reload Operation or Gas Up / Cool Down Operation.
“Reload / GC Operation”	means either a Reload Operation pursuant to Clause 5.9 or a Gas Up / Cool Down Operation pursuant to Clause 5.10.
“Reload Operation”	means the pumping of LNG from the Vessel to the Reloading Point in accordance with the Reload Conditions and Procedures.
“Reload Order”	is defined in Clause 5.9(b).
“Reload Plan”	is defined in Clause 5.9(c)(vii).
“Reloading Point”	means the point of reloading of LNG to another vessel which shall be where the flange coupling of the discharge manifold of a relevant LNG Carrier (if a spool piece is used, the spool piece is deemed to be part of the LNG Carrier) connects with the flange coupling of the unloading line at the Vessel.

“Representatives”	means, with respect to any Party, such Party’s directors, officers, employees, agents, accountants, consultants, attorneys and advisors.
“Restricted Party”	has the meaning given to it in the Charter Agreement.
“Rules”	is defined in Clause 31.2(a).
“Sanctioned Party”	is defined in Clause 34.2(b).
“Sanctions”	has the meaning given to it in the Charter Agreement.
“Sanctions Authority”	has the meaning given to it in the Charter Agreement.
“Scheduling Representatives”	is defined in Clause 5.12.
“Senior Management”	has the meaning given to it in the Charter Agreement.
“Service Commencement Date”	means the day immediately following the Acceptance Date, as such term is defined in the Charter Agreement.
“Service Excusable Event”	means any of the following to the extent such event prevents Contractor from performing its obligations under this Agreement: insufficient Available LNG Inventory; Off-Specification LNG supplied by or for the account of Customer hereunder; lack of or insufficient natural gas off-take capacity; any delay in the importation of the Vessel and/or any Relevant Items and/or the Gas Heater; any matter or event related or attributable to Customer’s Facilities; breach of any obligations or undertakings by Customer under this Agreement;

any act or omission or instruction or breach of any obligation or undertaking of Customer, Customer's Affiliates, contractors (including any gas offtaker), servants and subcontractors, the gas pipeline operator, or any owner or operator of an LNG Carrier that directly or indirectly prevents or interferes with or delays Contractor's performance of this Agreement;

the Vessel or FSRU Site is closed or any part of either is prohibited from operating by applicable Law or the decision of any Governmental Authority;

any decision of any Governmental Authority of the Applicable Jurisdiction prevents Contractor from performing its obligations under this Agreement;

an Applicable Jurisdiction Change in Law;

the non-compliance by any LNG Carrier with any port regulations, applicable Laws, maritime concessions or environmental regulations;

any failure or delay by Customer or any Customer Indemnified Party to (A) complete, commission or operate the Terminal, Customer's Facilities or any infrastructure at the FSRU Site or any downstream facilities, including Customer having insufficient natural gas offtake capacity or pipeline pressure and including lack of available storage space in the Vessel's cargo tanks due to compliance with Customer's orders; (B) obtain or maintain in force any permit, license, consent or Authorization for which it is responsible under this Agreement (or failure by Contractor to obtain and maintain in force any Contractor Only Additional Authorization having used best endeavours to do so); or (C) to operate or maintain the Terminal and Customer's Facilities in accordance with the standards of a Reasonable and Prudent Operator;

any maintenance at the Terminal, Customer's Facilities or any facilities of Customer's or other downstream facilities, to the extent such

maintenance directly impacts the ability of Contractor to perform the FSRU Services;

any modification requested or required by Customer;

any decision by the Master that the Vessel may not safely undertake any aspect of the FSRU Services at any given time, including any decision to delay, abort or discontinue operations until such time as conditions become safe;

any inability of Owner and/or Contractor to inspect an LNG Carrier;

any failure by the Parties to agree the reloading reference conditions and any relevant operating assumptions;

any Excess Cargo Limitations and/or any reduction in the Available LNG Inventory for a reason other than Owner's breach of the Charter Agreement and/or Contractor's breach of this Agreement;

the imposition of requirements described in the final paragraph of Clause 4.1;

failure by Customer to obtain and/or maintain the Crewing Exemption; and

an "Excusable Event" as defined in the Charter Agreement,

in each unless caused by (i) an event of Force Majeure, in which case the provisions of Clause 19 shall apply; (ii) a failure by Contractor to perform in accordance with the terms of this Agreement or otherwise for reasons attributable to Contractor; or (iii) Owner's failure to perform in accordance with the terms of the Charter Agreement or otherwise for reasons attributable to Owner.

“SIGTTO”	means the Society of International Gas Tanker and Terminal Operators or any successor body of the same.
“SIRE”	means the Ship Inspection Report Programme implemented by OCIMF used to assist in the assurance of ship safety standards.
“Specifications”	means the particulars of the Vessel set forth in Schedule I – <i>Particulars of Vessel</i> of the Charter Agreement.
“Standard Cubic Feet” or “scf”	means the quantity of gas which, when saturated with water vapor at a temperature of sixty degrees Fahrenheit (60°F) and an absolute pressure of 14.73 pounds per square inch, occupies 1 cubic foot.
“STCW”	means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1995.
“STS Boil-Off”	means Boil-Off generated during LNG loading and returned vapour from Reload Operations that is not recondensed or used for power generation on the Vessel.
“Super-numerary”	means a duly qualified (such qualifications being commensurate with their tasks) representative of Customer or any of its Affiliates who may be on board the Vessel at any time in accordance with Clause 12.
“Supplemental Invoice”	is defined in Clause 9.2.
“Supplemental Invoice Due Date”	is defined in Clause 9.2.
“Tax” or “Taxes”	has the meaning given to it in the Charter Agreement.
“Technical and Operational Parameters”	means the technical parameters and operational conditions for: (i) Gas Up / Cool Down Operations; and (ii) Reload Operations, set out in Schedule VII – <i>Technical and Operational Parameters</i> hereto.

“Term”	is defined in Clause 2.1(a).
“Terminal”	has the meaning given to it in the Charter Agreement.
“Total Assets”	has the meaning given to it in the Charter Agreement.
“Vessel”	means the Vessel as defined in and subject to the Charter Agreement.
“United States” or “US”	means the United States of America.
“United States Dollars”, “\$” or “US\$”	means the lawful currency of the United States of America.
“Wilful Misconduct”	means: any act or omission (whether sole, joint or concurrent) by the relevant Party which was intended to cause, or which was in reckless disregard of, or wanton indifference to, harmful consequences such Party knew, or should have known, such act or omission would have on the safety or property or interests of another Party or on the environment; and any act or omission (whether sole, joint or concurrent) by the relevant Party which was a deliberate and intentional breach of such Party's obligations under either this Agreement or the Charter Agreement, and, in each such case, shall apply solely to the act or omission by Senior Management.

1.2 Interpretation

- (a) Unless the context otherwise requires, a reference to the singular shall include a reference to the plural and vice-versa, and a reference to any gender shall include a reference to the other gender.
- (b) The Schedules attached hereto shall form part of this Agreement. Unless the context otherwise requires, a reference to the preamble, any clause, schedule or section shall be to the preamble, Clause, Schedule or Section (forming part of a Schedule) of this Agreement.

- (c) The headings of the Clauses and Schedules in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.
- (d) References to a Party to this Agreement or any other agreement ancillary thereto shall be deemed to include its permitted successors and assigns.
- (e) The words 'written' and 'in writing' include facsimile, printing, engraving, lithography, photography, email or other means of visible reproduction.
- (f) Any reference to any ordinance or statute shall be deemed to be references to that ordinance or statute as from time to time amended or re-enacted and shall include subsidiary legislation made thereunder.
- (g) Any reference to an 'order' includes any judgment, injunction, decree, determination, declaration or award of any court or arbitral or administrative tribunal.
- (h) The words 'include' or 'including' shall be deemed to be followed by 'without limitation' or 'but not limited to' whether or not they are followed by such words.
- (i) Any reference to a 'day' shall be construed as: (i) when used in connection with the application of a specification or the measurement of the Vessel's performance, a period of twenty-four (24) consecutive hours beginning at the time such specification is to be applied or such performance measured, as the case may be; and (ii) when used in all other cases (except as the defined terms "Banking Day" or "Business Day"), a calendar day (including Saturdays, Sundays and legal holidays in the location of the party charged with the action to which the number of days expended is relevant).
- (j) Any reference to the calendar shall be construed as reference to the Gregorian calendar.
- (k) Any reference to a 'month' means a period commencing on a day in a calendar month and ending on the day before the corresponding day in the next calendar month or, if there is none, ending on the last day of the next calendar month.
- (l) Any reference in this Agreement to this Agreement or any other agreement or document is a reference to this Agreement or, as the case may be, the relevant other agreement or document as from time to time amended, supplemented or novated.
- (m) Any reference to the act or omission of Contractor shall include any act or omission of Owner under the Charter Agreement.

- (n) In the event of any conflict between the body of this Agreement and its Schedules, this Agreement shall be interpreted in accordance with the following priority:
 - (i) body of this Agreement; and
 - (ii) the Schedules to this Agreement.

2. **TERM**

2.1 **Commencement and Duration of Term**

- (a) The term of this Agreement shall commence upon the Effective Date and shall continue for so long as the Charter Agreement remains in full force and effect ("**Term**"). Without limiting the generality of the foregoing, any extension of the term of the Charter Agreement pursuant to the terms thereof shall automatically serve to extend the Term of this Agreement.
- (b) Without prejudice to Clause 2.1(a), and Clause 20, the Parties agree that neither Party shall terminate this Agreement unless the Charter Agreement is terminated by either party thereto in accordance with its terms.
- (c) For the avoidance of doubt, if the Charter Agreement is terminated pursuant to the terms thereof, then this Agreement shall automatically terminate upon the same day that the Charter Agreement terminates.

2.2 **Exclusivity**

Contractor shall have the exclusive right to provide FSRU Services at the FSRU Site for the Term.

2.3 **Alternative FSRU Site**

After an Alternative FSRU Site has been designated pursuant to the Charter Agreement, and following: (i) redelivery of the Vessel pursuant to the Charter Agreement at the then current FSRU Site; and (ii) delivery of the Vessel by Owner to Charterer at the Alternative FSRU Site, the Alternative FSRU Site shall be considered to be the FSRU Site for all purposes of this Agreement, but without prejudice to any rights and remedies pursuant to this Agreement which have accrued at such time, and the Parties shall promptly execute an amendment to this Agreement to record this and any other amendments which they are instructed to make pursuant to any agreement made under the Charter Agreement.

3. SHIPBOARD PERSONNEL AND THEIR DUTIES

3.1 On and from the Service Commencement Date until the end of the Term, Contractor shall provide shipboard personnel on the following terms:

- (a) the Vessel shall have a full and efficient complement of Master, officers and crew for a vessel of her tonnage undertaking the services contemplated hereunder, who shall in any event be not less than the number and nationality required by the laws of the Registry and who shall be trained to operate the Vessel and her equipment competently and safely;
- (b) all shipboard personnel shall hold valid certificates of competence in accordance with the requirements of the laws of the Registry and any requirements of any Law of the Applicable Jurisdiction necessary for the Vessel to operate therein according to the terms of this Agreement;
- (c) all shipboard personnel shall be trained and certified to a standard customary for a Reasonable and Prudent Operator and in accordance with the relevant provisions of STCW or any additions, modifications or subsequent versions thereof;
- (d) the Vessel has at all times a sufficient and appropriate Master, officers and crew with all the required ability, English language skills, experience, licenses, certifications, and training in accordance with the provisions of STCW and Contractor guarantees that such persons shall prosecute voyages with utmost dispatch, render customary assistance, and load and discharge LNG and gas as rapidly as possible, unless Customer directs otherwise; and
- (e) the terms of employment of the Vessel's staff and crew will always remain acceptable to the International Transport Worker's Federation and the Vessel will at all times carry a special agreement (or similar).

3.2 Contractor shall, at all times during the Term, comply with all applicable Laws and requirements of any Governmental Authority in respect of the provision of shipboard personnel, including all labour Laws of the Applicable Jurisdiction, under this Agreement, provided that:

- (a) where the Applicable Jurisdiction is Jamaica, Customer obtains and maintains the Crewing Exemption; and
- (b) any relocation to another Applicable Jurisdiction is subject to the Parties agreeing under the Charter Agreement the maximum applicable percentage of local shipboard personnel in that Applicable Jurisdiction for the purposes of this Clause 3.2 and the terms on which Contractor shall be reimbursed for the incremental costs of compliance thereof.

In the event that an Applicable Jurisdiction imposes a more onerous local crewing requirement applicable to the Vessel than that set forth in paragraphs (a) or (b) (as applicable), Contractor shall use reasonable endeavours to comply with any such obligation, subject to the remaining provisions of this Clause 3.2. Customer shall at all times use reasonable endeavours to obtain and maintain the Crewing Exemption (in Jamaica) or (in any other Applicable Jurisdiction) an exemption similar in form and substance to the Crewing Exemption in such Applicable Jurisdiction, in each case to the maximum extent possible. In all such cases, appropriate adjustments shall be made to the terms of this Agreement to reflect the additional cost of compliance with such requirements, including expenses associated with training and integration of such additional Applicable Jurisdiction crew requirement, as well as any associated Taxes. In this event, Contractor shall present all additional costs to Customer on an open-book basis and any amendments to this Agreement shall be negotiated in good faith on the basis that the Parties agree to use reasonable commercial efforts to minimize the implications of any changes.

- 3.3 Contractor must submit to Customer upon reasonable advance request by Customer, and/or any Governmental Authorities, such documentation as may be required to satisfy such Governmental Authority as to Contractor's compliance with Applicable Jurisdiction labour Law. Such obligation shall apply in respect of all employees and workers, whether of the Applicable Jurisdiction or foreign jurisdiction, who have an employment relationship with Contractor which is subject to Applicable Jurisdiction Law.
- 3.4 If Customer complains of the conduct of any of Contractor's employees or workers, Contractor shall promptly investigate the complaint. If the complaint proves to be well founded, Contractor shall, without delay, make a change in the appointments and Contractor shall in any event communicate the result of their investigations to Customer as soon as possible.
- 3.5 The Master is responsible for the safety of the Vessel and the crew. The Master shall have the final decision as to whether the Vessel may safely undertake any aspect of the FSRU Services at any given time or whether operations should be delayed, aborted or discontinued until such time as conditions become safe.

4. **CONTRACTOR'S AND CUSTOMER'S OBLIGATIONS**

4.1 **Contractor's Obligations**

Subject to the provisions of this Agreement, Contractor undertakes at its own risk and expense, as from the Service Commencement Date until the end of the Term:

- (a) to provide all provisions, wages (including all overtime payments), shipping and discharging fees and all other expenses of the Master, officers and crew of the Vessel;

- (b) to cooperate with Owner and take all such actions as are necessary to permit Owner (or its Affiliates) to procure and maintain the insurance policies required pursuant to the terms and conditions of the Charter Agreement;
- (c) to provide all deck, cabin and engine-room stores, water, spare parts and lubricating oil;
- (d) to provide all fumigation expenses and de-rat certificates;
- (e) to provide all radio traffic and communication equipment or charges, unless otherwise provided by Customer;
- (f) to provide deck and gangway watchmen or alternative access control;
- (g) to provide nitrogen gas and inert gas for inerting cargo spaces (provided that if such inerting is requested by Customer rather than carried out by Contractor in accordance with its responsibilities under this Agreement, such inert gas shall be provided at Customer's cost);
- (h) to submit applications for all visas, permits and licences in relation to the Master and crew of the Vessel and all employees and agents of Contractor;
- (i) to operate the Vessel and all equipment on board, including the Regasification Equipment and the LNG and Gas metering and quality measurement facilities;
- (j) to give Customer on-line access (but not control) to the listed operating variables of the Vessel: tank volume, export gas flow, temperature, pressure and composition;
- (k) to provide the FSRU Services when required by Customer in accordance with the terms of this Agreement, particularly, but not exclusively, according to the Performance Warranties and otherwise in accordance with industry standards no lower than standards generally applicable to prudent owners of first-class LNG FSRUs;
- (l) to provide Customer with the data reasonably required by Customer to make any calculations in respect of the performance of the Vessel or the services provided by Contractor hereunder, including any data/documents requested by any Governmental Authority;
- (m) to, in collaboration with Owner under the Charter Agreement, maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and International Standards;
- (n) to ensure the proper stowage of LNG and (to the extent practically possible) keep a strict account of all LNG loaded, Boil-Off and LNG discharged;

- (o) to comply with applicable requirements under the environmental and other licenses, permits and Authorizations of the Applicable Jurisdiction for operations related to the FSRU Services at the FSRU Site; and
- (p) save where these are the express responsibility of Charterer pursuant to the Charter Agreement or Customer pursuant to this Agreement, to pay all other costs and expenses related to the operation, safety management and maintenance of the Vessel whether acting as a FSRU or as an LNG Carrier,

save that notwithstanding anything to the contrary in this Agreement, if any Authorizations that Customer is obliged to obtain and maintain under the applicable laws of the FSRU Site impose requirements with respect to the Vessel with which the Vessel is not capable of compliance, or restricts the Vessel (or Contractor) from performing its obligations in accordance with the terms of this Agreement, then (A) Contractor shall notify Customer without delay and the Parties shall meet as soon as reasonably possible and agree (acting reasonably and in good faith) how to proceed and (B) Contractor shall not be liable to Customer under this Agreement or otherwise for any non-compliance with the relevant Authorizations, unless (i) the Vessel fails to comply with the requirements of such Authorization following Owner effecting any modification to the Vessel undertaken to remedy such non-compliance or restriction; (ii) such non-compliance or restriction results from non-compliance of the Vessel with the Specifications and therefore needs to be remedied by Contractor; or (iii) the failure to comply with the Authorizations is attributable to the act or omission of Contractor or its Affiliates including Contractor's failure to provide any required information which it is reasonably able to provide (taking into consideration the anticipated requirements of such Authorizations).

4.2 Safety and Quality Management

- (a) Contractor shall procure that its Affiliate implements and maintains a quality assurance and quality management system (the "**HSSE System**") which shall be completed and implemented by the Service Commencement Date, in accordance with Schedule IX – *HSSE Requirements* and Contractor shall provide Customer with its certification that such HSSE System is in place. The HSSE System shall cover all management activities in relation to the Vessel and its operation, and Contractor shall supply documentation on each anniversary date of the Service Commencement Date confirming such continued maintenance.
- (b) Contractor further undertakes that it, or its applicable subcontractor (as the case maybe) shall comply with the International Safety Management Code ("**ISM Code**") and establish and maintain:
 - (i) a safe working procedures system (including procedures for the identification and mitigation of risks);
 - (ii) an environmental management system; and

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(iii) an accident/incident reporting system compliant with the requirements of the Flag State.

- (c) Contractor shall submit to Customer a quarterly written report detailing all accidents, incidents and environmental reporting requirements in accordance with the "Safety and Environmental Quarterly Reporting Template" to be developed by the Parties prior to the Service Commencement Date.
- (d) Contractor shall maintain HSSE records sufficient to demonstrate compliance with the requirements of its HSSE system, applicable Law and this Agreement. Customer shall be entitled to confirm compliance with the HSSE system by undertaking an audit of Contractor's HSSE records applicable to this Project on Customer's reasonable request and the provision of reasonable prior written notice thereof.
- (e) Contractor shall keep Customer fully informed of all communications exchanged between Contractor and such Governmental Authorities.

4.3 Reasonable and Prudent Operator

Without limitation to its other obligations under this Agreement, Contractor shall carry out the FSRU Services acting as a Reasonable and Prudent Operator.

4.4 FSRU Operating Manual

- (a) The FSRU Operating Manual shall be agreed between the Parties no later than ***** days after the Effective Date or such later date as may be agreed between the Parties in writing. Contractor and Customer shall comply in every respect with the FSRU Operating Manual and with any amendments thereto made

pursuant to this Agreement in the performance of their respective rights and obligations under this Agreement. In case of any conflict between the terms of this Agreement and those of the FSRU Operating Manual, as it may be amended, the terms of this Agreement shall prevail.

- (b) Contractor shall provide to Customer a copy of all amendments to the FSRU Operating Manual upon completion thereof. No Contractor's amendment to the FSRU Operating Manual shall be binding upon Customer until it has been submitted by Contractor to Customer.

4.5 Spare Parts

Throughout the Term, Contractor undertakes to have and maintain Vessel spare parts as a Reasonable and Prudent Operator (subject to Charterer complying with its obligations pursuant to the Charter Agreement in respect of the import of such spare parts).

4.6 Customer's Obligations

Subject to the provisions of this Agreement, Customer undertakes, as from the Effective Date until the end of the Term:

- (a) subject to the provisions of Clause 15, to provide and pay for all fuel, marine gas oil and Boil-Off used as fuel required by the Vessel from Arrival until the end of the Term as well as bear the cost of any Boil-Off burned for dumping while operating at reduced output (if required);
- (b) to cause the FSRU Site and Customer's Facilities to be in all respects suitable at any given time for Contractor to (i) render the FSRU Services; and (ii) perform its obligations under this Agreement;
- (c) to procure and cause the installation and operation at the FSRU Site of the jetty and Customer's Facilities;
- (d) to provide and pay for pilotage services, fire boats, tugs, escort vessels, security measures (including guard vessels and in compliance with the ISPS Code) and any other assistance or measures required in order for: (i) the Vessel to reach and be properly moored, stay, operate at and leave the FSRU Site; and (ii) any LNG Carrier to reach and be properly moored, stay, operate at and leave the Vessel and the FSRU Site, including port services pursuant to Clause 14.1;
- (e) to make payments to Contractor in a timely manner as provided under the terms of this Agreement;
- (f) to provide sufficient LNG Heel to be maintained at the Vessel for purposes and during the performance of the FSRU Services;
- (g) to apply for, obtain and maintain at its own cost, at any time all Authorizations required for the performance of Customer's obligations hereunder, which shall be non-exclusively set out in Part C of Schedule XVI – *Authorization Schedule* of the Charter Agreement;
- (h) to apply for and obtain all Authorizations of any Governmental Authority in the Applicable Jurisdiction required for the performance of Contractor's obligations hereunder (including in relation to the importation of spare parts and environmental license) (which shall be non-exclusively set out in Part B of Schedule XVI – *Authorization Schedule* of the Charter Agreement) and, except if pursuant to applicable Law this can only be applied for and obtained by Contractor in its name in which case Contractor shall apply for and obtain such Authorizations (as set out in Part A of Schedule XVI – *Authorization Schedule* of the Charter Agreement) and Customer shall provide all reasonable assistance and information in connection with the application for or the renewal of such Authorizations in Contractor's name and reimburse Contractor for any reasonable costs related thereto. Notwithstanding the foregoing Contractor shall

be solely responsible for maintaining in full force and effect for the duration of the Term any and all Authorizations: (i) applied for and obtained by Contractor in its own name (as set out in Part A of Schedule XVI – *Authorization Schedule* of the Charter Agreement); and (ii) to the extent Contractor is permitted by applicable Law to fulfil such obligation to maintain such Authorization(s) for the duration of the Term, applied for and obtained by Customer in the name of Contractor (which shall be non-exclusively included and specified as such in Part B of Schedule XVI – *Authorization Schedule* to the Charter Agreement), in each case pursuant to this Clause 4.6(h). Notwithstanding anything to the contrary in this Clause 4.6(h): (i) regardless of whether it is included in Part B of Schedule XVI – *Authorization Schedule* of the Charter Agreement, Customer shall be solely responsible for all costs of obtaining, maintaining and renewing the Local Trading Certification throughout the Term; and (ii) any Authorizations not expressly set out in Schedule XVI – *Authorization Schedule* of the Charter Agreement shall be obtained and maintained by Customer at its cost and expense save that if such an Authorization can only be obtained and/or maintained by Contractor in its own name (“**Contractor Only Additional Authorization**”) then Contractor shall use best endeavours to obtain and/or maintain (as applicable) such Authorization, at Customer’s cost and expense;

- (i) to provide, in coordination with the operator of the LNG Carrier and at no cost to Contractor (or Owner), the necessary compatibility studies with respect to the LNG Carrier’s compatibility with the Vessel;
- (j) to provide Contractor with sufficient internet access on the Vessel from the jetty;
- (k) to provide, at the request of Contractor, reasonable assistance and information in connection with the application for or the renewal of Authorizations required of Contractor hereunder and reimburse Contractor for any reasonable costs it incurs in relation thereto;
- (l) to provide, at the request of Contractor, reasonable assistance and information in connection with the application for or the renewal of permits, Authorizations and certifications required of Contractor in relation to Contractor obtaining all visas, permits and licences in relation to the Master and crew of the Vessel and all employees and agents of Contractor;
- (m) to provide, at the request of Contractor, reasonable assistance for Owner and Contractor to keep the Vessel's Class fully up to date with the Classification Society and maintain all other necessary tonnage certificates and Classification certificates in force at all times;
- (n) to obtain local port Authorization to move the Vessel from the pilot boarding station at the Delivery Point inbound to the FSRU Site, unless by applicable Law or regulations only Owner or Contractor can seek and obtain such Authorization in which case Customer shall provide all reasonable assistance and reimburse

Contractor for any reasonable costs. If Customer is able to apply for such Authorizations, Contractor shall provide support to Customer to obtain such Authorization in a timely manner;

- (o) to pay all Port Charges;
- (p) to provide timely, suitable and sufficient LNG supply and gas off-take capacity for Contractor to timely complete Commissioning of the Vessel at the FSRU Site and to undertake the Performance Tests, in accordance with the Commissioning Protocol, as well as gas oil and marine diesel oil for the production of nitrogen gas and inert gas and for the diesel generators;
- (q) to manage all interface risks between the Vessel and the Terminal and any downstream facilities, subject to compliance by Owner with Clause 5.2(a) of the Charter Agreement;
- (r) to pay all costs and expenses relating to Vessel security at the FSRU Site required by the port facility or any relevant authority in accordance with the ISPS Code; and
- (s) to provide and pay for suitable and sufficient LNG in accordance with this Agreement.

5. **FSRU SERVICES**

5.1 **FSRU Services**

Contractor shall provide the FSRU Services at the FSRU Site from and after the Service Commencement Date.

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5.2 LNG Delivery Schedule

- (a) At least ***** days prior to the start of each calendar quarter after the Service Commencement Date, Customer shall deliver to Contractor a schedule of the LNG deliveries to the Receipt Point, anticipated to take place during such quarter (each such schedule a "**Quarterly LNG Delivery Schedule**"). The Quarterly LNG Delivery Schedule shall provide a reasonable estimate of the dates on which Customer intends or desires to unload cargoes at the Vessel in that calendar quarter. Customer will update such quarterly program from time to time. The Quarterly LNG Delivery Schedule program shall be for planning and discussion purposes only and shall not bind Customer. Where Charterer's proposed Quarterly LNG Delivery Schedule or any Confirmed Cargo or Reload Operation will cause Contractor to breach a Cargo Requirement Interval or Anti-Rollover Restrictions, the Parties should agree an alternative Quarterly LNG Delivery Schedule or schedule for such Confirmed Cargo or Reload Operation.

- (b) Customer shall, no later than the ***** day of each month, deliver to Contractor a confirmation ("**Monthly Cargo Confirmation**") confirming each cargo Customer intends to deliver in the following month (each, a "**Confirmed Cargo**"). The Monthly Cargo Confirmation shall set forth for each Confirmed Cargo: (i) the Arrival Window; (ii) Customer's reasonable estimate of the net delivered quantity of LNG (in MMBtu and cubic meters) that the LNG Carrier is expected to discharge; (iii) the anticipated loading port; (iv) the expected quality of LNG intended to be delivered, expressed (unless the Parties otherwise agree) in terms of gross heating value and in terms of molecular percentages of relevant constituents. The Monthly Cargo Confirmation shall also include a good faith, non-binding estimate of cargoes that Customer expects to deliver during each Arrival Window in the second following month. Notwithstanding the foregoing, Customer shall have the right to schedule additional cargoes of LNG during any month that are not described in the applicable Monthly Cargo Confirmation. Subject to any Service Excusable Event, Force Majeure or Adverse Weather Conditions, Contractor shall receive and unload all Confirmed Cargoes and all such unscheduled cargoes of LNG provided that: (i) such cargoes contain LNG which conforms to the LNG Quality Specifications; (ii) the discharge of LNG from the applicable LNG Carrier would not otherwise exceed the Cargo Capacity, and if there is insufficient Cargo Capacity, Contractor shall be entitled to reduce the LNG discharge rate from the LNG Carrier to the Vessel and/or the regasification rate of the Vessel to ensure the safe and efficient operation of the Vessel (the "**Excess Cargo Limitations**"); and (iii) the scheduling of such cargo does not breach the Cargo Requirement Interval or the Anti-Rollover Restrictions. Any such additional cargo of LNG which meets the requirements of (i) to (iii) above shall be a Confirmed Cargo for the purposes of this Agreement and the Charter Agreement.

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- (c) Customer shall have the right to cancel any Confirmed Cargo without any liability to Contractor under this Agreement or Owner under the Charter Agreement.
- (d) Title in all LNG cargos received by Contractor shall remain with Customer. Contractor shall have the custody of the LNG stored in the Vessel's storage tanks. Risk of LNG loss when onboard the Vessel, Regardless of Cause, with respect to LNG loaded on the Vessel at the Receipt Point shall pass to Contractor, provided that Contractor's liability for risk or loss for any LNG on board the Vessel shall be subject to the limits of its insurance coverage.
- (e) Any LNG Carrier must be in all respects be:
 - (i) compatible with the Vessel (which must be confirmed by Customer at least ***** days prior to the first day of the Arrival Window of the LNG Carrier);
 - (ii) compliant with Contractor's vetting requirements for LNG Carrier's from time to time, including in respect of a crewing matrix and having a sufficiently recent valid OCIMF SIRE report (unless the SIRE inspection cannot be obtained by the required date due to an event or circumstance which would constitute Force Majeure under this Agreement (and the Parties acknowledge that, as at the Execution Date, it is not reasonably possible, due to COVID-19, to obtain a valid OCIMF SIRE report) and this is generally accepted in the LNG shipping industry); and
 - (iii) in compliance with applicable Laws and International Standards.

5.3 Notices of Estimated Time of Arrival and LNG Composition

In relation to each Confirmed Cargo, Customer shall provide, or shall cause the LNG Carrier's master or the agent or any of them to provide, Contractor with notice of the date and the estimated time of arrival of an LNG Carrier at the FSRU Site (the "ETA") at the following times:

- (a) First notice shall be submitted promptly upon departure from the loading port. Such notice shall indicate the ETA, the time and date that the loading was completed and the volume, expressed in Cubic Meters, of LNG loaded on board the LNG Carrier. Customer or its agent shall arrange for the LNG Carrier's master to notify Contractor promptly regarding any change in the ETA of ***** hours or more.
- (b) Second notice shall be submitted not later than ***** hours prior to the ETA, as may be revised in accordance with Clause 5.3(a). If this ETA should change by more than ***** hours, Customer or its agent shall arrange for the master of the

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LNG Carrier or its agent to promptly give notice of the corrected ETA to Contractor.

- (c) Third notice shall be submitted not later than ***** hours prior to the ETA, as may be revised in accordance with Clause 5.3(b). If this ETA changes by more than ***** hours, Customer or its agent shall arrange for the LNG Carrier's master or its agent to promptly give notice of the corrected ETA to Contractor.
- (d) Fourth notice shall be submitted not later than ***** hours prior to the ETA, as may be revised in accordance with Clause 5.3(c). If this ETA changes by more than ***** hour, Customer or its agent shall arrange for the LNG Carrier's master or its agent to promptly give notice of the corrected ETA to Contractor.
- (e) Fifth notice shall be submitted not later than ***** hours prior to the ETA as may be revised in accordance with Clause 5.3(d). This final ETA notice shall be sent to Contractor confirming or amending the last ETA notice. If this ETA changes, the LNG Carrier's master or its agent shall promptly give notice of the corrected ETA to Contractor.
- (f) Not later than ***** hours following the departure of each LNG Carrier from its port of loading, Customer shall notify (or cause to be notified) Contractor of the following characteristics of the LNG comprising its cargo as determined at the time of loading (the "**Quality Notice**"): (i) the gross calorific value; (ii) the molecular percentage of hydrocarbon components and nitrogen; (iii) the average temperature; (iv) the hydrogen sulphide, sulphur, water, carbon dioxide, mercury and total sulphur content; and (v) the presence of any foreign or objectionable materials. Customer or its agent shall inform Contractor as soon as reasonably practicable if Customer is notified of any revision (as to molecular composition and gross calorific value of the LNG when loaded to the LNG Carrier) of the information provided in the Quality Notice.
- (g) Not later than ***** hours following the departure of each LNG Carrier from its port of loading and thereafter at twelve hundred hours (12:00 local time at the FSRU Site) each day, Customer shall notify (or cause to be notified) Contractor of the (i) temperature; and (ii) pressure of each cargo tank of such LNG Carrier. Customer or its agent shall further inform Contractor as soon as reasonably practicable if there is any material change in the (i) temperature; or (ii) pressure of each cargo tank of such LNG Carrier.

5.4 **Notice of Readiness**

- (a) Customer shall provide to Contractor, or shall cause the LNG Carrier's master or the agent or any of them to provide, notice of readiness to discharge (the "**Notice of Readiness**") when the LNG Carrier has arrived at the pilot boarding station at or near the FSRU Site, is ready to proceed to berth at the FSRU Site,

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and has received the necessary clearances and is otherwise in all respects (physically, legally and documentarily) ready to proceed to berth and unload a Confirmed Cargo of LNG. Notice of Readiness shall be effective: (i) if the LNG Carrier arrives within the Arrival Window, when given; or (ii) if the LNG Carrier arrives outside the Arrival Window, at the earliest time at which Contractor is to allow the LNG Carrier to unload as provided in Clause 5.4(b) below.

- (b) If an LNG Carrier arrives outside the Arrival Window, Contractor shall (subject to the Cargo Requirement Interval and Anti-Rollover Restrictions) allow the LNG Carrier to unload upon arrival or otherwise at the earliest time at which: (i) no other LNG Carrier is berthed at the FSRU Site; and (ii) there is sufficient Cargo Capacity to accept unloading of the LNG Carrier's cargo.
- (c) If Contractor anticipates that allowing the LNG Carrier to unload in accordance with Clause 5.4(b) above would impact Contractor's ability to adhere to the Monthly Cargo Confirmation, as such unloading would breach the Cargo Requirement Interval, then Contractor shall promptly inform Charterer of such limitation and the Parties shall meet and discuss how to proceed.

5.5 **Provision and Unloading of LNG Carriers**

- (a) LNG shall be pumped from the LNG Carrier to the Vessel at no cost to Contractor. Contractor shall cooperate with Customer, its agents and the LNG Carrier's master in the unloading of such cargoes.
- (b) During the unloading of LNG, Contractor shall return to the LNG Carrier return vapour in such quantities as is necessary for the safe unloading of the LNG at such rates and pressures as may be required by the LNG Carrier's design.
- (c) Customer shall be entitled to berth at the FSRU Site and unload an LNG Carrier which is part-loaded with a Confirmed Cargo; and to unload at the Vessel a part only of the Confirmed Cargo of the LNG Carrier.

5.6 **Laytime**

- (a) Subject to Clause 5.6(b), the period of time contemplated for Contractor to discharge a full Confirmed Cargo ("**Allowed Discharge Laytime**") shall be a number of consecutive hours equal to ***** plus A/***** where "A" is the LNG Carrier's cargo containment capacity for such Confirmed Cargo.
- (b) Allowed Discharge Laytime shall be extended by any period of delay which is caused by one or more of the following:

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- (i) any Service Excusable Event, Force Majeure or Adverse Weather Conditions;
- (ii) reasons solely attributable to Charterer, Customer and/or its Affiliates, or any contractor, subcontractors or Representatives thereof;
- (iii) an LNG discharge rate from the LNG Carrier to the Vessel of less than the rate specified in the Specifications (except if such reduced rate is solely attributable to the Vessel);
- (iv) the compliance or non-compliance by the LNG Carrier with any port regulations, applicable Laws, maritime concessions or environmental regulations, or other reasons solely attributable to the LNG Carrier(s);
- (v) non-compliance with any LNG Carrier loading reference conditions and any operating assumptions set out in the Charter Agreement including usage of any LNG Carrier with a cargo capacity of less than ***** Cubic Metres;
- (vi) any incremental STS Boil-Off which exceeds the maximum rate for STS Boil-Off which would be applicable to either the Vessel (or, as applicable, the LNG Carrier) and taking into account the regasification rate of the Vessel and the recondensing capacity of the Vessel (or, as applicable, reliquefaction capacity of the LNG Carrier);
- (vii) inability of the Vessel to receive LNG as a result of insufficient space in the Vessel's storage tanks (including as a result of insufficient natural Gas off-take capacity), save to the extent attributable to Owner or Contractor;
- (viii) the Vessel and/or Owner or Contractor is prohibited or otherwise prevented or delayed in discharging a full Confirmed Cargo by applicable Law or the decision of a Governmental Authority for a reason not attributable to a breach by Owner or Contractor of its obligations under the FSRU Agreements (including any unlawful, unauthorised or without justification revocation of, or refusal to grant, without valid cause, any permit, license, consent or authorisation required by Owner or Contractor to perform the relevant services under the FSRU Agreements);
- (ix) any out of service necessitated by such conditions or changes resulting from an Applicable Jurisdiction Change in Law which mandates standards beyond those recommended by International Standards (applicable at the as-built date of the Vessel), which occurs after the date of execution of this Agreement; or

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- (x) any act or omission by Customer or any Customer Indemnified Party which prevents Owner or Contractor from discharging a full Confirmed Cargo; or
- (xi) any restrictions imposed by the Terminal or Port Operator against night departures of the LNG Carrier but only for the period of such restrictions.
- (c) Allowed Discharge Laytime shall begin to count when an LNG Carrier starts connecting the Vessel's unloading hoses and vapour return line to the LNG Carrier, and shall continue to run until the Vessel's unloading hoses and vapour return line are disconnected from the LNG Carrier.
- (d) Subject to Clause 5.6(e), the period of time contemplated for Contractor to reload a volume of LNG equal to a full cargo to the Reloading Point of an LNG Carrier pursuant to Clause 5.9 ("**Allowed Reload Laytime**") shall be a number of consecutive hours equal to ***** plus either A/***** (where no regasification operation is in progress) or A/***** (where a regasification operation is in progress) where "A" is the LNG Carrier's cargo containment capacity for such full cargo and where the LNG Carrier has a storage capacity of at least ***** Cubic Metres, in which case Allowed Reload Laytime shall be calculated on the basis of A/*****.
- (e) Allowed Reload Laytime shall be extended by any period of delay which is caused by one or more of the following:
 - (i) any Service Excusable Event, Force Majeure or Adverse Weather Conditions;
 - (ii) reasons solely attributable to Charterer, Customer and/or its Affiliates, or any contractor, subcontractors or Representatives thereof;
 - (iii) an LNG receipt rate from the Vessel to the LNG Carrier of less than ***** Cubic Metres/h (where no regasification operation is in progress) or ***** Cubic Metres/h (where a regasification operation is in progress) and in each case where the LNG Carrier has a storage capacity of at least ***** Cubic Metres (except if such reduced rate is solely attributable to the Vessel);
 - (iv) the compliance or non-compliance by the LNG Carrier with any port regulations, applicable Laws, maritime concessions or environmental regulations, or other reasons solely attributable to the LNG Carrier(s);
 - (v) non-compliance with any LNG Carrier reloading reference conditions and any operating assumptions set out in the Charter Agreement

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including usage of any LNG Carrier with a cargo capacity of less than ***** Cubic Metres;

- (vi) inability of the LNG Carrier to receive LNG, save to the extent attributable to Owner or Contractor;
 - (vii) any incremental STS Boil-Off which exceeds the maximum rate for STS Boil-Off which would be applicable to either the Vessel (or, as applicable, the LNG Carrier) and taking into account the regasification rate of the Vessel and the recondensing capacity of the Vessel (or, as applicable, reliquefaction capacity of the LNG Carrier);
 - (viii) the Vessel and/or Owner or Contractor is prohibited or otherwise prevented or delayed in reloading the relevant LNG by applicable Law or the decision of a Governmental Authority for a reason not attributable to a breach by Owner or Contractor of its obligations under the FSRU Agreements (including any unlawful, unauthorised or without justification revocation of, or refusal to grant, without valid cause, any permit, license, consent or authorisation required by Owner or Contractor to perform the relevant services under the FSRU Agreements);
 - (ix) any out of service necessitated by such conditions or changes resulting from a Change in Law of Applicable Jurisdiction which mandates standards beyond those recommended by International Standards (applicable on the as-built date of the Vessel) which occurs after the date of execution of this Agreement;
 - (x) any act or omission by Customer or any Customer Indemnified Party which prevents Owner or Contractor from reloading the relevant LNG; or
 - (xi) any restrictions imposed by the Terminal or Port Operator against night departures of the LNG Carrier but only for the period of such restrictions.
- (f) Allowed Reload Laytime shall begin to count when an LNG Carrier starts connecting the Vessel's loading hoses to the LNG Carrier, and shall continue to run until the Vessel's loading hoses are disconnected from the LNG Carrier.
- (g) Any failure to: (i) load a Confirmed Cargo of LNG within the Allowed Discharge Laytime; or (ii) reload LNG within the Allowed Reload Laytime, shall be regulated in Clause 6 and Contractor shall have no other liability under or in connection with this Agreement, in respect thereof Regardless of Cause.

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- (h) Any incremental STS Boil-Off generated during any operations contemplated pursuant to this Clause 5.6 in excess of required fuel consumption and recondensing capacity shall be treated as a Permitted Gas Loss and Contractor shall have no liability therefor pursuant to this Agreement or otherwise.

5.7 LNG Quality

- (a) Contractor shall receive and unload from the LNG Carriers LNG that conforms to the LNG quality specifications set out in Schedule II – *LNG Measurements, Specifications, Tests and Analysis* ("**LNG Quality Specifications**").
- (b) Contractor shall not at any time be responsible for the quality of any LNG cargos tendered for delivery at the Receipt Point.
- (c) Contractor shall have the right to reject LNG that does not conform to the LNG Quality Specifications ("**Off-Specification LNG**") proposed to be unloaded by or on behalf of Customer or if, having been unloaded, due to the passage of time, or Customer's failure to nominate any quantity of regasified LNG, (save if due to a breach by Contractor of this Agreement) it ceases to conform to the LNG Quality Specifications, if in Contractor's opinion the LNG cannot be treated and brought on-specification despite using the exercise of reasonable endeavours to do so, provided that Contractor shall be entitled to reject any Off-Specification LNG if such Off-Specification LNG would, in Contractor's reasonable opinion, either (i) cause damage to the Vessel; (ii) endanger safety, the environment or life; or (iii) be of such nature that successful treatment or disposal including venting or flaring such volumes would be imprudent or unlawful.
- (d) Each Party shall notify the other as soon as it becomes aware that LNG delivered, or to be delivered, under this Agreement is Off-Specification LNG.
- (e) Contractor shall inform Customer as to whether it can (in accordance with the Cargo Requirement Interval and Anti-Rollover Restrictions) treat Off-Specification LNG in order to make it conform to the LNG Quality Specifications, to the extent Contractor is able to treat the LNG by blending with another LNG cargo. In such case, Contractor shall provide to Customer an estimate as to the anticipated cost of treating such Off-Specification LNG, including any costs incurred from any cleaning or remedying of the Vessel and/or any venting of the Off-Specification LNG ("**Off-Spec Cost Estimate**").
- (f) Customer shall reimburse Contractor for all costs incurred by Contractor (and Owner pursuant to the Charter Agreement) as a direct result of any Off-Specification LNG up to a maximum amount that is equal to (a) the Off-Spec Cost Estimate plus (b) an amount equal to ***** per cent. (*****%) of the Off-Spec Cost Estimate. Customer shall indemnify, defend and hold Contractor (and

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Owner) harmless from and against any claims, Damages or loss of whatsoever nature and howsoever caused that may result or arise in connection with Off-Specification LNG.

- (g) LNG shall be measured, and quality determined, in accordance with the provisions of Schedule II – *LNG Measurements, Specifications, Tests and Analysis*.

5.8 Gas Quality and Regasified LNG Delivery

- (a) Customer acknowledges that Permitted Gas Loss will occur at certain regasification rates as set out in the Performance Warranties, but Contractor shall use reasonable endeavours to notify Customer in advance of a Permitted Gas Loss if Contractor has reasons to believe that a daily nomination will lead to a Permitted Gas Loss. Customer shall indemnify, defend and hold Contractor harmless for any consequences of Permitted Gas Loss in respect of any emissions restrictions or otherwise, including Damages suffered by Contractor (and Owner) for breach of environmental Authorizations: (i) should Contractor notify Customer of a Permitted Gas Loss and Customer maintains the nomination; or (ii) due to an act or omission of Customer or Charterer.
- (b) Customer shall have title to all LNG delivered by LNG Carriers and to all regasified LNG. Risk of loss Regardless of Cause with respect to regasified LNG shall pass to Customer at the Delivery Point.
- (c) Provided that the LNG delivered by Customer conforms to the LNG Quality Specifications, Contractor shall deliver the duly nominated regasified LNG within the following parameters:

Minimum pressure	send out	***** bar g
Maximum pressure	send out	***** bar g
Send out temperature at Vessel HP flange		<p>Initial period without Gas Heater onboard Vessel or during any period during which for any reason the Gas Heater fails, performs below required standard or needs maintenance: ***** deg. C below actual sea water temperature depends on regasification flow and send out pressure.</p> <p>Period with Gas Heater installed onboard Vessel and where the conditions stated in the above paragraph above do not apply: ***** deg C subject to a maximum send-out rate of *****MMscfd</p>

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- (d) The vaporization and regasified LNG delivery shall be carried out by Contractor in accordance with the Gas Nomination and Delivery Provisions.
- (e) Delivered regasified LNG shall be measured, and its quality determined, in accordance with the provisions of Schedule III
– *Gas Measurement and Quality*.

5.9 **Reloading**

- (a) Where requested by Customer and with reasonable notice, Contractor shall, at no cost to Customer, carry out a Reload Operation by using reasonable endeavours to pump LNG from the Vessel to the Reloading Point of the applicable LNG Carrier, provided that the Technical and Operational Parameters are satisfied. Contractor shall use reasonable endeavours to ensure the continuous and efficient reloading of the LNG inventory in the Vessel according to Customer's reasonable instructions. Contractor shall only be required to conduct reloads if Customer has procured that the LNG Carrier is compatible in all respects with the Vessel for these purposes and subject to the Cargo Requirement Interval and the Anti-Rollover Restrictions.
- (b) On each occasion that Customer requests Contractor to provide a Reload Operation, then Contractor shall submit to Contractor a reload order in the form set out in Part A of Schedule VI
- *Form of Reload / GC Operation Orders* hereto, by uploading it to the Höegh STS web portal ("**Reload Order**").
- (c) Customer may request Reload Operations subject to the following conditions and procedures, and subject to the conditions set out in Clause 5.11 (together the "**Reload Conditions and Procedures**"):
 - (i) in order to schedule Reload Operations, Customer shall provide a draft Reload Order at least ***** days prior to the first (1st) day of the Reload / GC Arrival Window for Contractor's approval of the LNG Carrier and that such Reload Order is within the Cargo Requirement Interval;

- (ii) Customer shall in the Reload Order inform Contractor of the ETA and Customer shall arrange for the master of the LNG Carrier to notify Contractor of the ETA, provide notice of readiness and provide sufficient information in respect of the quality, quantity, temperature and pressure of each cargo tank of the LNG Carrier if the LNG Carrier has heel onboard and the same information in respect of the immediately preceding cargo carried by the LNG Carrier;
- (iii) the Parties shall have executed the Reload Order on or before acceptance of notice of readiness by Contractor and Contractor will carry out the Reload Operation in accordance with the Reload Order;
- (iv) the Reload Order shall be accompanied by the information in respect of the LNG Carrier required to demonstrate satisfaction of the Reload LNGC Compatibility Requirements applicable for (i) test operations; and (ii) returning of the LNG Carrier. Following a successful Reload Operation the LNG Carrier shall become an approved LNG Carrier which Customer may nominate and utilize for Reload Operations;
- (v) Customer shall include its estimated schedule of Reload Operations in its annual nomination and rolling monthly nominations provided to Contractor pursuant to Schedule IV
– *Gas Nomination and Delivery Provisions*;
- (vi) Customer shall require Contractor's prior written consent for the use of an LNG Carrier for a Reload Operation that does not satisfy the Reload LNGC Compatibility Requirements;
- (vii) Customer shall ensure that for each Reload Operation a Reload Plan is agreed by the master of the LNG Carrier and Contractor based on the technical parameters of the LNG Carrier and the Vessel (the “**Reload Plan**”). Contractor shall perform Reload Operations in accordance with the Reload Plan;
- (viii) Customer shall ensure that each LNG Carrier nominated for reloading shall meet the Reload LNGC Compatibility Requirements, provided that the Parties may from time to time agree in writing that specified LNG Carriers shall be pre-approved and deemed to meet the Reload LNGC Compatibility Requirements;
- (ix) During the reloading of LNG, the relevant LNG Carrier shall return to Contractor return vapour in such quantities as is necessary for the safe reloading of the LNG at such rates, pressures and temperatures as may be required. Any STS Boil-Off generated as a result of any Reload Operations shall be treated as a Permitted Gas Loss and Contractor shall have no liability therefor pursuant to this Agreement or otherwise; and

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- (x) Customer shall cause each LNG Carrier to be utilised for a Reload Operation to arrive at the Vessel cold and ready to load upon becoming all fast.

5.10 Gas Up / Cool Down Operations

- (a) Where requested by Customer and with reasonable notice, Contractor shall conduct Gas Up / Cool Down Operations for LNG Carriers on the terms and subject to the limitations set forth in this Clause 5.10 and Clause 5.11. Gas Up / Cool Down Operations shall be performed within the technical specifications and characteristics of the Vessel.
- (b) On each occasion that Customer requests Contractor to provide a Gas Up / Cool Down Operation, then Contractor shall submit to Contractor a gas up / cool down order in the form set out in Part B of Schedule VI - *Form of Reload / GC Operation Orders* hereto by uploading it to the Höegh STS web portal ("**Gas Up / Cool Down Order**").
- (c) Customer may request Gas Up / Cool Down Operations subject to the following conditions and procedures, and subject to the conditions set out in Clause 5.11 (together the "**Gas Up / Cool Down Conditions and Procedures**"):
 - (i) in order to schedule Gas Up / Cool Down Operations, Customer shall provide a draft Gas Up / Cool Down Order at least ***** days prior to the first (1st) day of the Reload / GC Arrival Window for Contractor's approval of the LNG Carrier;
 - (ii) Customer shall in the Gas Up / Cool Down Order inform Contractor of ETA and Customer shall arrange for the master of the LNG Carrier to notify Contractor of ETA, provide notice of readiness and provide sufficient information in respect of the quality, quantity, temperature and pressure of each cargo tank of the LNG Carrier if the LNG Carrier has heel onboard and the same information in respect of the immediately preceding cargo carried by the LNG Carrier;
 - (iii) the Parties shall have executed the Gas Up / Cool Down Order on or before acceptance of notice of readiness by Contractor and Contractor will carry out the Gas Up / Cool Down Operation in accordance with the Gas Up / Cool Down Order;
 - (iv) the Gas Up / Cool Down Order shall be accompanied by the information in respect of the LNG Carrier required to demonstrate satisfaction of the Gas Up / Cool Down LNGC Compatibility Requirements applicable for (i) test operations and (ii) returning of the LNG Carrier. Following a successful Gas Up / Cool Down Operation and, if applicable,

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immediately subsequent reloading under Clause 5.9, the LNG Carrier shall become an approved LNG Carrier which Customer may nominate and utilize for subsequent Gas Up / Cool Down Operations;

- (v) Customer shall include its estimated schedule of Gas Up / Cool Down Operations in its annual nomination and rolling monthly nominations provided to Contractor pursuant to Schedule IV – *Gas Nomination and Delivery Provisions*;
- (vi) Customer shall require Contractor's prior written consent for the use of an LNG Carrier for a Gas Up / Cool Down Operation that does not satisfy the Gas Up / Cool Down LNGC Compatibility Requirements;
- (vii) Any STS Boil-Off generated as a result of any Gas Up / Cool Down Operation shall be treated as a Permitted Gas Loss and Contractor shall have no liability therefor pursuant to this Agreement or otherwise; and
- (viii) Customer shall ensure that for each Gas Up / Cool Down Operation a Gas Up / Cool Down Plan is agreed by the master of the LNG Carrier and Contractor based on the technical parameters of the LNG Carrier and the Vessel including the extent to which venting into the atmosphere is permitted (the “**Gas Up / Cool Down Plan**”). Contractor shall perform each Gas Up / Cool Down Operation in accordance with the applicable Gas Up / Cool Down Plan.

5.11 **Common Conditions Applicable to Reload / GC Operations**

- (a) Contractor may conduct Reload / GC Operations for Customer only during periods when the Vessel is on-hire at the Terminal and only subject to the conditions set out in the remainder of this Clause 5.11.
- (b) Customer accepts, and will ensure that the master of the LNG Carrier accepts, that during any Reload / GC Operation, the Master of the Vessel shall be the designated POAC (person in overall advisory command). Contractor shall have no responsibility for the issuance of any bills of lading with respect to any Reload / GC Operation.
- (c) The Technical and Operational Parameters must be satisfied.
- (d) Customer shall procure that each LNG Carrier causes the master of the LNG Carrier to execute the Conditions of Use and deliver the same to the Master of the Vessel upon arrival.
- (e) Notwithstanding anything to the contrary in this Clause 5, Customer shall require Contractor's prior written consent if any Reload / GC Operation is

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scheduled to commence less than ***** hours after the estimated cast off of any previous LNG Carrier performing ship-to-ship operations (including Reload / GC Operations) at the Vessel, and Contractor shall be entitled to delay the commencement of any subsequent ship-to-ship operations (including Reload / GC Operations) until ***** hours after the cast off of the LNG Carrier following the completion of a ship-to-ship operation (including Reload / GC Operations).

- (f) Customer shall not be entitled to schedule Reload / GC Operations during any period when the Vessel is not available as a result of any Service Excusable Event, Force Majeure or Adverse Weather Conditions.
- (g) Customer shall not be entitled to schedule Reload / GC Operations during any period when the Vessel is not available as a result of any maintenance carried out pursuant to Clause 11.
- (h) Unless otherwise specifically required by this Agreement, the Reload / GC Operation shall be performed according to Contractor's ship-to-ship procedures, and Customer shall ensure that the master of the LNG Carrier adheres to any such procedures applicable to Reload / GC Operations.
- (i) Customer shall ensure that there is sufficient LNG on board the Vessel to perform the Reload / GC Operation, and Contractor shall have no liability if there is not sufficient LNG on board the Vessel to perform the Reload / GC Operation (or as a result of performing such Reload / GC Operation there will be insufficient LNG on-board the Vessel as required to ensure the safe and efficient operation of the Vessel).
- (j) Unless Contractor reasonably agrees that the LNG Carrier can satisfactorily manage Boil-Off produced during the Reload / GC Operation, Contractor shall not be obligated to cause the Vessel to perform any such Reload / GC Operation.
- (k) Customer shall be responsible for providing or procuring at its sole cost and expense all port services required for Reload / GC Operations, including tugs and other service vessels.
- (l) Contractor's obligations pursuant to Clause 5.9 and/or Clause 5.10 are subject to any applicable permits or authorisations required by any Applicable Jurisdiction port authority being obtained by Charterer or Customer.

5.12 Scheduling Representatives

Through written notice sent to each other pursuant to this Clause 5.12, each of Contractor and Customer shall appoint a representative to represent such Party regarding the scheduling of LNG deliveries and Gas send-out pursuant to this Agreement (each such representative a "**Scheduling Representative**"). All

communications and notices between the Parties hereunder related to the scheduling of LNG deliveries and Gas send-out shall be through the respective Scheduling Representative of each Party.

5.13 Cargo Measurement

Contractor shall ensure that the Vessel's cargo measuring equipment, including gauges, tank ullage tables and devices for sampling temperature, level and pressure, are accurate and reliable in their practical application and comply with any applicable Laws, International Standards (as at the as-built date of the Vessel) and the maximum permissible tolerances provided for in Schedule III - *Gas Measurement and Quality* and shall keep all certifications of the cargo measuring equipment as required by applicable Law, International Standards and acting as a Reasonable and Prudent Operator.

5.14 Subcontractors

Contractor shall have the right to subcontract the performance of FSRU Services hereunder and permit a subcontractor to further contract with any entity for effecting the performance of the subcontracted FSRU Services; provided, however, that:

- (a) any subcontractor under a Material Subcontract shall be approved by Customer, such approval not to be unreasonably withheld, delayed or conditioned; and
- (b) Contractor's subcontracting of the FSRU Services shall not relieve Contractor of any of its obligations or liabilities hereunder, and Contractor shall be responsible for the acts or omissions of any of its subcontractors as if they were the acts and omissions of Contractor itself.

5.15 Conditions of Use

- (a) Customer acknowledges and agrees that it will be bound by the Conditions of Use.
- (b) Customer shall cause the owner or operator or master of any LNG Carrier, as may be relevant, to sign the Conditions of Use before such LNG Carrier berths at the FSRU Site.

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5.16 **Inspection**

Subject to the terms of the relevant LNG SPA and if so requested by Contractor, Customer shall use reasonable endeavours to allow Contractor to inspect any scheduled LNG Carrier at Contractor's cost.

5.17 **Technical and Operational Parameters**

The Parties shall negotiate in good faith and agree the terms of Schedule VII - *Technical and Operational Parameters* no later than ***** days before the Service Commencement Date (or such later date to be agreed between the Parties).

6. **PERFORMANCE WARRANTIES**

6.1 **Regasification Send-out Rate Warranty**

Save to the extent that any deficiency is caused by a Service Excusable Event, Force Majeure or Adverse Weather Conditions, or in cases where any request for delivery of regasified LNG is not made by Customer in all material respects in accordance with the Gas Nomination and Delivery Provisions, Customer shall be compensated by a reduction in the Daily Service Fee in the event of a failure to deliver the required daily volume of regasified LNG nominated by Customer in accordance with the Gas Nomination and Delivery Provisions (the "**Nominated Volume**"). In such case, the reduction shall be calculated as set out below:

- (a) Subject to Clause 6.1(c), if the delivered quantity of LNG for the relevant day is greater than or equal to ***** per cent. (*****%) of the Nominated Volume for that day (the "**Off-Hire Threshold**"), the amount of the reduction shall initially be calculated as a reduction in the Daily Service Fee for that day, which shall be as calculated by the following formula:

$$A = SF - [(D) / (N)] * (SF)$$

where

A = the reduction in the Daily Service Fee for the applicable day;

N = the Nominated Volume (in Cubic Metres);

D = the delivered quantity (in Cubic Metres); and

SF = Daily Service Fee

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- (b) If the delivered quantity of LNG for the relevant day is less than the Off-Hire Threshold, the Vessel shall be treated as “**Off-Hire**” on the applicable day and Clause 14 of the Charter Agreement shall apply.
- (c) Provided that the delivered quantity of LNG for the relevant day is within plus or minus ***** per cent. (+/-*****%) of the Nominated Volume for that day, the Daily Service Fee should be paid in full for that day.

6.2 Exceptions to Contractor liability

- (a) Contractor’s liability under the Performance Warranties shall be subject to Clause 11.
- (b) The Parties acknowledge that the sole remedy for Customer under this Agreement in respect of any failure of the Performance Warranties shall be by way of reduction in the Daily Service Fee to the extent and in the manner set out in Clause 6.1.

7. **CHANGE IN LAW**

7.1 **Change in Law**

If, by reason of any Change in Law, any improvement, structural changes, change in specification or any other modification or new equipment become compulsory for the operation of the Vessel and/or the performance of the Charter Activities or Contractor or any Affiliate of Contractor is required to make any changes or take any actions in respect of insurance, equity ownership, Tax compliance and/or control of Owner or Contractor, financial responsibility in respect of the Vessel or management or operation of Owner, Contractor or the Vessel, in each such case to ensure that Owner and Contractor can continue to comply with their respective obligations under this Agreement or the Charter Agreement with no incremental liabilities being assumed from such Change in Law by either Owner or Contractor on the basis of the existing financial and risk position ("**Change in Law Required Actions**") Contractor shall make, implement or effect such Change in Law Required Actions or where applicable cause its Affiliate to do so, and the costs associated therewith shall be allocated as set forth in Clause 7.2.

7.2 **Cost and Service Fee Status**

- (a) The cost of work or other activities or actions required to implement or effect the Change in Law Required Actions (the “**Implementation Requirements**”) shall be the documented cost thereof (including any internal resources and associated expenses) and the time taken for such Implementation Requirements shall, if following the Acceptance Date, be deemed to include all time in which the Vessel is incapable of providing or commencing the FSRU Services in

connection with such Implementation Requirements and/or the reasons therefor (including any time spent away from the Terminal or out of service while the Implementation Requirements are effected).

- (b) Where the time taken and cost of any Change in Law Required Actions (including any Implementation Requirements) is the responsibility of Contractor under the terms of this Clause 7 or of Owner under the terms of the Charter Agreement, Contractor shall be entitled to payment thereof in accordance with Clause 7.2(c).
- (c) The direct cost of any Change in Law Required Actions (including any Implementation Requirements) required:
 - (i) by Customer; or
 - (ii) by any Applicable Jurisdiction Change in Law (and not due to the incorporation of applicable International Standards applicable at the as-built date of the Vessel into the Laws or regulations of the Applicable Jurisdiction) and any incremental Tax incurred by Contractor or any Affiliate of Contractor as a result of the Applicable Jurisdiction Change in Law (including by way of deduction or withholding),

shall, in each such case, be borne by Customer, and the Daily Service Fee shall be payable for any delay caused thereby, including the duration required to carry out any such Implementation Requirements.

- (d) The direct cost of any Change in Law Required Actions (including any Implementation Requirements) required:
 - (i) by the Classification Society;
 - (ii) by the Registry; or
 - (iii) by a Change in Law other than an Applicable Jurisdiction Change in Law; or

shall, in each such case, be borne by Contractor. In the event that such Change in Law Required Actions or Implementation Requirement occurs after the Acceptance Date, the Daily Service Fee shall not be payable for any delay caused thereby, including the duration required to carry out any such Implementation Requirements, and fuel consumed including Boil-Off, and the cost of cargo system warm-up, gas freeing, inerting and thereafter returning the Vessel to the ready-to-load condition, shall be for Contractor's account.

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7.3 **Notice and Consultation**

- (a) Where Change in Law Required Actions are required, Contractor shall provide details of such Implementation Requirements to Customer including:
 - (i) the nature of the Implementation Requirement to be performed;
 - (ii) the location for the performance of such Implementation Requirement;
 - (iii) the estimated duration of the Implementation Requirement;
 - (iv) the estimated cost of the Implementation Requirement; and
 - (v) the dates on which the Vessel will be taken out of service and is expected to return to service, if required.
- (b) The Parties shall consult each other in good-faith to determine the schedule for the Implementation Requirements constituting work which is required to be performed on the Vessel.

8. **SERVICE FEES**

8.1 **Service Fees**

- (a) Subject to the terms of this Agreement, unless the Vessel is Off-Hire, Customer shall pay Contractor a monthly all-inclusive fee for operating and maintaining the Vessel and providing the FSRU Services hereunder (the "**Monthly Service Fee**"), calculated at the Daily Service Fee in Dollars per day, and pro rata for any part of a day, from the Service Commencement Date until the end of the Term. The amount of the Monthly Service Fee payable by Customer for any calendar month shall be equal to the sum of the Daily Service Fee multiplied by the number of days in the relevant month on which the Daily Service Fee was payable.
- (b) The daily fee payable (the "**Daily Service Fee**") shall be equal to ***** US Dollars (USD *****) excluding general consumption tax or any replacement thereof.

9. **PAYMENT AND INVOICING**

9.1 **Monthly Invoices**

- (a) Contractor shall invoice Customer for the Daily Service Fee for a month on or before the last Banking Day of that month ("**Monthly Service Fees Invoice**"). Each Monthly Service Fees Invoice shall set forth:

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- (i) the dates and the number of days for which the Daily Service Fee is payable;
 - (ii) the applicable Daily Service Fee;
 - (iii) the gross amount payable (expressed in figures and in words);
 - (iv) the deductions, if any, allowed to Customer under the terms of this Agreement;
 - (v) the date and place of issue and serial number of the Monthly Service Fees Invoice;
 - (vi) the serial number and date of execution of this Agreement;
 - (vii) the name and code number of the bank, its address and the account number to which payment should be made; and
 - (viii) the name of a contact person and such person's address and email, in order that Customer may notify Contractor that payment has been made.
- (b) Each monthly invoice shall become due and payable ***** days after its receipt by Customer (“**Monthly Invoice Due Date**”).
 - (c) If the Monthly Invoice Due Date is not a Banking Day, payment shall be due and payable on the Banking Day immediately after such Monthly Invoice Due Date.

9.2 **Supplemental Invoices**

If any other monies are due from one Party to the other hereunder and if provision for the invoicing of that amount due is not made elsewhere in this Clause 9, then the Party to whom such monies are due shall furnish a statement therefor to the other Party, along with pertinent information showing the basis for the calculation thereof (a "**Supplemental Invoice**"). Each Supplemental Invoice delivered in accordance with this Clause 9.2, shall become due and payable on the first Banking Day falling not less than ***** days after its receipt by the relevant Party (“**Supplemental Invoice Due Date**”).

9.3 **Payment**

- (a) Customer shall pay or cause to be paid on the Monthly Invoice Due Date or the Supplemental Invoice Due Date all amounts that become due and payable by Customer on such date in immediately available funds to such account with such bank and in such location as shall have been designated by Contractor in such invoices. Each payment of any amount owing hereunder shall be in the full

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amount due without reduction or offset for any reason (except as expressly allowed under this Agreement), including exchange charges, or bank transfer charges.

- (b) Where payment is due by one Party to the other under this Agreement then, provided the Party making payment issues prompt, accurate and complete payment instructions to its bank or agent, any delay or failure on the part of the receiving Party's bank to credit the proceeds to the receiving Party shall not constitute a delay or failure on the part of the Party making such payments.
- (c) Each Party may set off against undisputed amounts payable to it (pursuant to a statement) under this Agreement any undisputed amounts payable to the other Party (pursuant to a statement) under this Agreement.

9.4 **Incomplete Invoices**

- (a) In the event that any invoice is issued which contains material errors or lacks the material information, it shall be returned to the Party that issued the invoice and such Party shall issue an amended invoice.
- (b) Payment of any such amended invoice shall become due and payable ***** Banking Days following receipt by the Party to whom the amended invoice is issued.

9.5 **Disputed Invoices**

- (a) If a Party disagrees with any invoice and, it shall pay the full amount of the invoice and shall immediately notify the other Party (the "**Issuing Party**") of the reasons for such disagreement, except that in the case of manifest error in computation the Party receiving the monthly invoice shall pay the correct amount after advising the Issuing Party of the error. An invoice may be contested by the Party that received it or modified by the Party that sent it, by notice delivered to the other Party within a period of ***** months after such receipt or sending, as the case may be. Where a Party issues a new invoice to take into account any such modification(s), the new invoice shall refer to the serial number of the disputed invoice. Promptly after resolution of any dispute as to an invoice, the amount agreed to be due shall be paid by Contractor or Customer (as the case may be) to the other Party, together with interest thereon at the Interest Rate from the date of payment (the "**Payment Date**") or the disputed invoice to the date of repayment of the due amount. In the event the Parties are unable to resolve the dispute as to an invoice the matter shall be referred to arbitration in accordance with Clause 31.2.
- (b) If a Party commits a breach of its obligation to pay any amount properly due pursuant to this Agreement:

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- (i) the other Party shall notify the defaulting Party of such default and, if Customer has defaulted on payment of the Daily Service Fee, then Contractor may suspend performance of its obligations under this Agreement until such default is cured, and during any such suspension period the Daily Service Fee shall continue to accrue; and
- (ii) such unpaid amounts shall bear interest from the due date until the date paid at a rate, compounded annually, equal to LIBOR plus ***** per cent. (*****%) per annum (the "**Interest Rate**"), which shall be the sole compensation of Party for the other Party's failure to make payments when due.

9.6 Final Settlement

Within ***** days after expiration of the Term, Contractor and Customer shall determine the amount of any final reconciliation payment. After the amount of the final settlement has been determined, Contractor shall send a statement to Customer, or Customer shall send a statement to Contractor, as the case may be, in US Dollars for amounts due under this Clause 9.6 and Contractor or Customer, as the case may be, shall pay such final statement if and to the extent the amounts are due and payable no later than ***** days after the date of receipt thereof.

9.7 Taxes

- (a) Except to the extent set out in this Clause 9.7, each Party shall bear its own Taxes.
- (b) Customer shall pay the full amount of the Daily Service Fee and other monies due under this Agreement without any deduction or withholding for or on account of present or future Taxes imposed by any Governmental Authority in the country in which the FSRU Site is located or the country in which Customer is domiciled (including such which may be imposed due to the Vessel being permanently moored in the country in which the FSRU Site is located). Notwithstanding the previous sentence, if Customer shall be required by law, regulation and/or any relevant Tax assessment to deduct or withhold any Taxes from the Daily Service Fee or other monies payable under this Agreement or if Contractor is required to pay any Taxes on the Daily Service Fee directly to any Governmental Authority then (i) Customer shall make the necessary deduction or withholding or Contractor shall pay withholding; (ii) Customer shall promptly pay the amount deducted or withheld to the relevant Governmental Authority or reimburse Contractor for any Taxes paid to any Governmental Authority; and (iii) Customer shall provide Contractor with evidence of payment of such deductions and withholdings, or Contractor shall provide Customer with evidence of such payments, in each case in the form of officially verifiable receipts of payment (such as by means of a bank authentication). In such case,

the Daily Service Fee, or any such other payment, shall be grossed up to reflect the Taxes so that Contractor shall receive the same Daily Service Fee as if no Taxes had been deducted or withheld or Contractor had not been required to make such payments. Customer shall indemnify, defend and hold harmless Contractor, and where applicable any member of the HLNG Group and HMLP Group, for and in respect of any Taxes the subject of this Clause 9.7(b). Notwithstanding anything to the contrary set forth in this Agreement, Customer's obligations pursuant to the preceding two sentences shall not apply with respect to any taxable periods for which Contractor (or in the case of an assignment or novation pursuant to this Agreement, such assignee or transferee) is domiciled in a jurisdiction other than Jamaica.

- (c) Contractor agrees and shall procure that all shipboard personnel on the Vessel shall be employed by the applicable Contractor organized in Jamaica (such Contractor "**Höegh Jamaica**") from time to time following a novation pursuant to Clause 25.2(b), including for purposes of obtaining work permits in Jamaica for such personnel. If any employee of Höegh Jamaica is paid through a member of the HMLP Group or HLNG Group other than Höegh Jamaica and Höegh Jamaica reimburses such member of the HMLP Group or HLNG Group for such expenses, Customer agrees to indemnify, defend and hold harmless Höegh Jamaica for (i) any withholding taxes imposed by the Government of Jamaica on any such reimbursement that accords with this clause; and (ii) any reasonable compliance costs incurred by any member of the HMLP Group or HLNG Group in this respect.
- (d) To the extent that Contractor receives a payment in respect of Taxes from Customer pursuant to Clause 9.7(b) that results in a refund in respect of such Taxes (by way of actual receipt, credit, set-off, or otherwise), then Contractor shall reimburse Customer an amount equal to the refund. If Contractor is entitled to a refund for any Taxes that gave rise to a payment from Customer pursuant to Clause 9.7(b), then Contractor shall use reasonable endeavours to secure the refund.
- (e) If, at any time following the Execution Date, there is any Applicable Jurisdiction Change in Law (including, without limitation, any change in the regulation, application, interpretation and/or enforcement thereof) and/or in the event that Customer and/or Contractor and its Affiliates are challenged by the Tax authorities of the Applicable Jurisdiction (either on an administrative or a judicial level) in relation to this Agreement, which may result in an increase in any Taxes imposed on Contractor or any of its Affiliates, such as (but not limited to) a deduction or withholding of any Taxes from the Daily Service Fee or other monies payable under this Agreement, the Parties undertake to adjust the Daily Service Fee rate to compensate for the amount of such Taxes imposed such that the net amount received by Contractor after imposition of such Taxes remains the same as it was before the imposition of such Taxes and/or duly compensates

any such increased Tax and any Damages incurred by virtue of any challenge, consistent with this Clause 9.7.

- (f) Customer and Contractor shall take all reasonable actions, and use all reasonable endeavours, to minimize each other's Tax liability, including with respect to Taxes subject to Customer's gross up obligations and including in response to any Change in Law relating to Taxes.
- (g) Customer shall not indemnify, defend or hold harmless Contractor or any Affiliate of Contractor, and shall not be liable for, any loss, liability or costs which have been or will be suffered by Contractor or any Affiliate of Contractor for or on account of Applicable Jurisdiction Taxes which have been or will be incurred as a result of (i) any activity of Contractor or an Affiliate of Contractor that does not relate to the performance of its obligations under this Agreement or the Charter Agreement; or (ii) Contractor or an Affiliate of Contractor being incorporated in or having a permanent or fixed establishment in the Applicable Jurisdiction for any purpose other than directly in relation to this Agreement or the Charter Agreement.

9.8 **Reporting Requirements**

Contractor shall comply with any and all requirements of any applicable Governmental Authority regarding the reporting, filing of returns, maintenance of books and records in connection with the payment of any Taxes due on Contractor's account.

9.9 **Evidence of Payment**

Contractor shall promptly upon request provide Customer with evidence of payment of all amounts required to be paid by Contractor under this Clause 9, including if appropriate access to originals of such evidence.

10. **OFF-HIRE**

- 10.1 If the Vessel is treated as Off-Hire pursuant to the Charter Agreement, no Daily Service Fee shall be payable by Customer during such period until the Vessel is again ready and in an efficient state to resume performance under this Agreement, and/or the Charter Agreement as applicable (or would be so ready and in an efficient state but for an intervening event of Force Majeure, Service Excusable Event or Adverse Weather Conditions or Applicable Jurisdiction Change in Law Required Action). For such time as the Vessel is Off-Hire but still able to provide some of the FSRU Services, Contractor shall have the option not to provide any of the FSRU Services to Customer to the extent

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reasonably required for the purposes of rectifying the deficiency and attempting to cause the Vessel to resume full performance of the FSRU Services.

10.2 **Sole Remedy**

Subject to Customer's rights pursuant to Clause 20.3 and without limitation to any rights or obligations arising under the Charter Agreement, in circumstances where the Vessel is Off-Hire pursuant to Clause 10.1, the non-payment of the Daily Service Fee shall be the sole and exclusive remedy of Customer against Contractor in respect of any of the events or circumstances described in Clause 10.1.

11. **MAINTENANCE AND REPAIRS**

11.1 **Duty to Maintain**

- (a) Contractor shall, during the Term, follow any notification received from Owner (derived from the Charter Agreement) in respect of dry-docking, maintenance and Class cargo tank inspections.
- (b) Customer acknowledges the relevant terms of the Charter Agreement in respect of dry-docking, maintenance and Class cargo tank inspections.
- (c) Contractor shall adhere to a maintenance programme throughout the Term which ensures that the Vessel is repaired and maintained to International Standards and can be operated safely, effectively and reliably hereunder throughout the Term and Customer shall provide all reasonable cooperation to enable Contractor to adhere to such maintenance programme, including providing access to all parts of the Vessel including the cargo tanks.
- (d) Contractor shall undertake maintenance on a continuing basis to ensure that the Vessel is in every way fit for service under this Agreement and the Charter Agreement. The Vessel will remain on-hire and in-service during any maintenance, provided that, for the avoidance of doubt, where maintenance or repairs constitute Change in Law Required Actions (including any Implementation Requirements) that are not Applicable Jurisdiction Change in Law Required Actions, Daily Service Fees shall not be payable at any time during the period of such maintenance or repairs.

12. **SUPER-NUMERARIES**

12.1 **Accommodation on board the Vessel**

At all times during the Term, Contractor shall allow entry to, and unrestricted access to any part of, the Vessel (except the cargo tanks) and provide accommodation for up to ***** Super-numeraries to inspect and witness all activities carried out by Contractor on the Vessel pursuant to this Agreement without undue interference with Contractor's

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operation of the Vessel, provided that there shall be no duplication of such persons in the performance of their tasks.

12.2 Reimbursement of costs

Contractor shall provide provisions and all accommodations and requisites as supplied to officers, including reasonable usage of telecommunications and catering services, except alcohol, and Customer shall reimburse Contractor the cost of such provisions or requisites for each Super-numerary while on board the Vessel in the amount of ***** Dollars (USD *****) per day.

13. VESSEL TEMPERATURE AND LNG RETENTION

13.1 LNG Heel

Contractor and Customer shall agree, from time to time based on current experience, the quantity of LNG Heel to be retained on board following regasification of LNG for the purpose of cooling, which shall not be less than the Minimum Heel Inventory.

LNG normally required for gassing up and cooling for loading LNG following lay-up of the Vessel shall be for Customer's account. In all cases, even where the cost of LNG for gassing up and cooling down is for Contractor's account, Customer will nonetheless procure the supply of all LNG required for gassing up and cooling down of the Vessel.

13.2 Cool-Down

- (a) Save as provided in Clause 13.2(b), Customer shall provide and pay for LNG required for cooling the Vessel's cargo tanks and other handling systems to the temperatures necessary to commence loading including in the following circumstances:
 - (i) in the event that the quantity of LNG Heel retained on board as agreed by Contractor and Customer pursuant to Clause 13.1 is not sufficient to enable the Vessel to receive a transfer of LNG from an LNG Carrier in a cold and ready to load condition unless such insufficiency is the result of an act or omission on the part of Owner or Contractor in breach of this Agreement or the Charter Agreement, or a fault of the Vessel;
 - (ii) when LNG is required due to:
 - (A) Customer delaying loading of the Vessel;
 - (B) a Service Excusable Event, Force Majeure or Adverse Weather Conditions;
 - (C) the length of time between LNG cargoes supplied to the Vessel;

- (D) Contractor's rejection of Off-Specification LNG in accordance with Clause 5.7(c);
 - (E) return of the Vessel to service after any lay-up ordered by Customer or after the Vessel has been withdrawn from service at the request or convenience of Customer as a result of which the Vessel has been warmed up and/or Gas freed;
 - (F) following Gas freeing of individual cargo tanks due to regular maintenance and/or Class inspections;
 - (G) the quantity of LNG Heel retained on-board being insufficient to enable the Vessel to receive a transfer of LNG from an LNG Carrier in a cold and ready to load condition unless such insufficiency is the result of an act or omission of Contractor, or any Contractor Indemnified Party, or a fault of the Vessel;
 - (H) breach of any obligation or undertakings by Customer or Charterer necessary for Contractor or Owner to render the FSRU Services hereunder or under the Charter Agreement or any other act or omissions of Customer or Customer Indemnified Parties that prevents Contractor or Owner from performing its obligations under the Charter Agreement or this Agreement; or
 - (I) where the Vessel is required to receive a transfer of LNG from an LNG Carrier, and such LNG Carrier did not arrive at the Vessel on schedule.
- (b) Contractor shall only pay for LNG at the LNG Price (as defined in the Charter Agreement) required for cooling the Vessel's cargo tanks in the following circumstances:
- (i) following periods of Off-Hire under this Agreement; and
 - (ii) where the LNG is required and caused by Contractor's breach of this Agreement or Owner's breach of the Charter Agreement.

14. **PORT SERVICES**

14.1 **Port Services**

Customer shall be responsible for procuring and paying for (i) provision of tugs, pilots, escorts and other support vessels for mooring the LNG Carriers to the Vessel; (ii) any Port Charges, including all towage, pilotage, and mooring expenses relating to loading, reloading, discharging and bunkering at the FSRU Site; and (iii) all costs and expenses relating to Vessel security at the FSRU Site required by the port facility or any relevant authority in accordance with the ISPS Code.

14.2 **Service of Contractor**

Any pilots, tugboats, stevedores, longshoremen or any other provider of port services referred to in Clause 14.1 shall, to the extent providing services to the Vessel, be the borrowed servants of Contractor and Contractor shall have control over and ultimate liability for the actions of the same to the extent only that such liability is covered by Contractor's insurance as provided in Clause 24.1(a) (or would have been so covered if Contractor has been in compliance with its obligations under Clause 24.1(a)). Customer shall have ultimate liability for the actions of such pilots, tugboats, stevedores, longshoremen or any other provider of port services to the extent not covered by Contractor's insurance.

15. **FUELS**

15.1 **Use of Marine Fuel as Fuel**

From the Arrival, Customer shall provide the required marine fuel at its own cost, including all marine fuel required for Commissioning.

15.2 **Use of LNG as Fuel**

From the Arrival, Customer shall provide, at its expense, sufficient LNG for use as fuel gas on the Vessel.

16. **BUSINESS PRINCIPLES**

16.1 **Compliance with Law**

The Parties agree to comply with all Laws, decrees, ordinances, directives and lawful regulations of any Governmental Authority applicable to this Agreement or applicable to any activities carried out under the provisions of this Agreement.

16.2 **Proper Practice**

Neither Party shall pay any fee, commission, rebate or anything of value to or for the benefit of any employee of the other Party, nor will either Party do business with any company knowing the results might directly benefit an employee of the other Party.

- (a) Customer acknowledges that Contractor is subject to the FCPA and may be subject to the UKBA (the UKBA and the FCPA being, together, the "**Compliance Regulations**"), and agrees that Contractor shall have the right to take such reasonable action as it may deem necessary to ensure compliance with the Compliance Regulations. In this regard, Customer also acknowledges that the selection of service providers, the implementation of this Agreement, and the terms on which service providers for this Agreement are engaged shall be subject to procedures or terms aimed at ensuring compliance with the Compliance Regulations.

- (b) Notwithstanding the generality of the foregoing:
 - (i) Customer hereby warrants and represents to Contractor that: (A) none of Customer, its employees, or its agents has taken in respect of this Agreement or shall take any action in violation of the Compliance Regulations; and (B) Customer is not aware of any offer or payment by any employee or agent of Contractor's or an Affiliate of Contractor of any gift or other amount to Customer or any employee, agent, director or officer of either, whether for purposes of inducing them to enter into this Agreement or otherwise, and shall promptly report any such effort or any such payment or gift promptly to Contractor should they ever discover that one was made or offered.
 - (ii) Contractor hereby warrants and represents to Customer that none of Contractor or its employees has taken or shall take any action in violation of the Compliance Regulations.
- (c) The Parties agree to take reasonable endeavours to ensure that, in connection with this Agreement and the activities contemplated herein, neither Party's directors, officers and employees, or those of their Affiliates, will take action, or omit to take any action, that would violate the Compliance Regulations.

16.3 Ethical Policy

Customer and Contractor may each from time to time advise the other Party of any ethical or business practices policy which apply to the relevant Party and the other Party shall use reasonable endeavours to adhere to such policy, provided it does not affect the safe or reliable operation of the Vessel or give rise to the other Party incurring any additional cost.

16.4 Liabilities

- (a) Customer shall assume liability for and shall indemnify, defend and hold harmless Contractor and any Contractor Indemnified Party against any loss and/or damage (excluding consequential and indirect loss and/or damage) and/or any expenses, fines, penalties and any other claims, including legal costs, arising from Customer's failure to comply with any of the provisions of this Clause 16.
- (b) Contractor shall assume liability for and shall indemnify, defend and hold harmless Customer and any Customer Indemnified Party against any loss and/or damage (excluding consequential and indirect loss and/or damage) and any expenses, fines, penalties and any other claims, including legal costs, arising from Contractor's failure to comply with any of the provisions of this Clause 16.
- (c) Notwithstanding the foregoing, a Party's right to make a claim under the indemnities contained in the above Clauses 16.4(a) and 16.4(b) shall be contingent on and subject to such Party having acted in good faith and in

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accordance with the applicable Laws and the principles established under this Clause 16 in connection with the subject matter or any such claim.

16.5 **Audit**

Each Party has the right, at its own cost and expense, to conduct an audit of the relevant books, records and accounts of the other Party to assess compliance with this Clause 16, by giving at least ***** Business Days' prior notice and subject to compliance with any reasonable confidentiality requirements in relation to the books, records and accounts being assessed (which shall require appointing an independent third party auditor from a major international accountancy firm to carry out the audit subject to executing a standard confidentiality agreement).

17. **DRUGS AND ALCOHOL**

Contractor warrants that it has in force an active policy covering the Vessel which meets or exceeds the standards set out in the "Guidelines for the Control of Drugs and Alcohol On-board Ship" as published by OCIMF dated June 1995 (or any subsequent modification, version, or variation of these guidelines) and that this policy will remain in force throughout the Term, and Contractor will exercise due diligence to ensure the policy is complied with.

18. **POLLUTION AND EMERGENCY RESPONSE**

- 18.1 Contractor shall exercise all due diligence to ensure that no oil or harmful or hazardous substances of any description shall be discharged or escape accidentally or otherwise from the Vessel and that Contractor, the Vessel, the Vessel's officers and crew shall comply with all international, national and state oil and air pollution and environmental Law, conventions or regulations ("**Pollution Regulations**") applying in the territorial waters of the Applicable Jurisdiction. Contractor shall produce evidence satisfactory to Customer demonstrating Contractor's compliance with any financial responsibility requirements that may exist under any Pollution Regulations. For the avoidance of doubt, should the Vessel or Contractor breach any of the undertakings hereunder or commit any offence under any Pollution Regulations and as a result the Vessel is unavailable for service under this Agreement, the Vessel shall be Off-Hire until the Vessel is again in a state to resume service under this Agreement.
- 18.2 Contractor warrants that it is a member of the International Tanker Contractor's Pollution Federation, or any successor body of the same, and that Contractor will retain such membership during the Term.
- 18.3 Contractor shall advise Customer of its organizational details and names of Contractor's personnel together with their relevant telephone/e-mail numbers, who may be contacted on a twenty four (24) hour basis in the event of oil spills or emergencies. Contractor shall update such information and provide Customer with such revised

details on a regular basis so as to ensure that Customer has up to date and correct information.

Notice to Contractor's Pollution and Emergency Response Department:

Hoegh LNG Fleet Management AS

Drammensveien 134, P.O. Box 4

Skoeyen, N-0212 Oslo, Norway

Attention: Head of Marine Operations & Assurance

Tel: +47 225 77 350 Emergency Line

Tel.: +47 975 57 306 Direct Head of Marine Operations & Assurance

Tel.: +47 900 11 070 24/7 number to CSO/Marine department

Email: hlfm.marine@hoeghlng.com

Notice to Customer's Pollution and Emergency Response Department:

Attention: Joseph Palliparambil

Mobile: +1(305) 962-9906

Email: jpalliparambil@newfortressenergy.com

With CC to:

Email: gallant@newfortressenergy.com

18.4 **Accidental Escape**

- (a) Contractor shall save, indemnify, defend and hold Customer and each Customer Indemnified Party harmless from and against any and all Damages (whether based on applicable Law, contract, equitable cause or otherwise) that may be imposed on, incurred by, or asserted against Customer or any Customer Indemnified Party arising out of, attributable to or in connection with pollution emanating from the Vessel (or its equipment), including spills or leaks of fuel, lubricants, oils, paints, solvents, ballasts, bilge, garbage, or sewerage, Regardless of Cause.
- (b) Customer shall save, indemnify, defend and hold Contractor and each Contractor Indemnified Party harmless from and against any and all Damages (whether based on applicable Law, contract, equitable cause or otherwise) that may be imposed on, incurred by, or asserted against any Contractor or any Contractor Indemnified Party arising out of, attributable to or in connection with

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pollution in connection with this Agreement and the performance of the Parties' obligations hereunder other than as provided under Clause 18.4(a) above, including any spills or leaks of fuel, lubricants, oils, paints, solvents, ballasts, bilge, garbage, sewerage, or from any other equipment or materials in the possession or control of any Customer Indemnified Party, Regardless of Cause.

- (c) Nothing in this Clause 18.4 shall prejudice any right of recourse of either Party, or any defences or rights to limit liability under any applicable Law.
- (d) The rights of Contractor and Customer under this Clause 18.4 shall extend to and include an indemnity in respect of any reasonable legal costs and/or other reasonable costs and expenses incurred by or awarded against them in respect of any claim made or any proceedings instituted against them in respect of any liability hereunder, including any criminal fine or civil penalty, irrespective of whether any such liability is actually incurred or imposed.

18.5 **Notice of Accident**

Contractor shall promptly notify Customer, and in any event not later than ***** hours after such occurrence, in the event whether occurring at sea or in port, of any fire, explosion, accident, collision, grounding, cargo release or spill or any other reason that could result in a significant or serious damage to the Vessel, the Vessel's crew or cargo.

18.6 **Annual Emergency Drill Plan**

Contractor shall submit to Customer on or before the ***** day of each Contract Year an annual emergency drill plan relating to emergency drills during operation and maintenance of the Vessel.

19. **FORCE MAJEURE**

19.1 **Force Majeure**

Neither Contractor nor Customer shall be responsible for any loss, Damages or delay arising from a failure, delay or omission in performing their obligations hereunder (excluding any obligation to make a payment due under the terms of this Agreement) arising or resulting from any event or circumstance:

- (i) which, whether foreseeable or unforeseeable, is beyond the Party's reasonable control to avoid, prevent or overcome and is not the result of the Party's fault or negligence;
- (ii) which results in the Party being unable to perform one or more of its obligations or undertakings under this Agreement; and

- (iii) the consequences of which the Party could not reasonably have avoided or overcome by the exercise of reasonable foresight, planning, and implementation,

(each an event of “**Force Majeure**”), including circumstances of the following kind provided that such circumstances satisfy the definition of Force Majeure:

- (a) fire, accidents, structural collapses or explosions,
- (b) atmospheric disturbance, lightning, earthquake, tidal wave, tsunami, typhoon, tornado, hurricanes or storms of a severe nature, flood, tidal waves, landslide, soil erosion, subsidence, washout, perils of the sea or other acts of nature;
- (c) war (whether declared or undeclared), blockade, civil war, act of terrorism, invasion, revolution, insurrection, acts of public enemies, mobilization, civil commotion, riots, sabotage, assailing thieves or seizures of power by military of other non-legal means;
- (d) subject to the provisions of Clause 6 of the Charter Agreement and Clause 7 of this Agreement, acts of any Governmental Authority, or compliance with such acts or Laws, that directly affect such Party’s ability to perform its obligations hereunder, including the failure by a Governmental Authority to issue, or withdrawal or expiration following issuance, of any license, approval, permit or other Authorization necessary for the Party claiming a Force Majeure or its subcontractors to perform its obligations or comply with any of its undertakings under this Agreement, to the extent not caused by (A) any violation of or breach of the terms and conditions of any existing approval, permit, license or consent or other requirement of applicable Law; or (B) the failure to apply for or follow the necessary procedures to obtain any approval, permit, license or consent or request, acquire or take all commercially reasonable actions to obtain the maintenance, renewal or reissuance of the same in each such case by the Party claiming Force Majeure or its subcontractors;
- (e) plague or other epidemics, pandemics or quarantines;
- (f) the Vessel and/or Contractor is prohibited or otherwise prevented or delayed in the performance of the relevant service or performance obligation by applicable Law or the decision of any Governmental Authority for a reason not attributable to Contractor's default or negligence, including any unlawful, unauthorised or without justification revocation of, or refusal to grant, without valid cause, by any Governmental Authority, any permit, license, consent or Authorization required by Contractor to perform its obligations under this Agreement;
- (g) Change in Law (other than an Applicable Jurisdiction Change in Law);
- (h) freight or other embargo or trade Sanctions;

- (i) strike, lockout or industrial disturbance at the FSRU Site;
- (j) chemical or radioactive contamination or ionizing radiation;
- (k) collisions, shipwrecks, navigational and maritime perils;
- (l) seizure of the Vessel or cargo under legal process where security is promptly furnished to release Vessel or cargo but the Vessel or cargo is not released;
- (m) requisition or seizure of the Vessel by any Governmental Authority (or the seizure of the Vessel by any Person, entity or Governmental Authority under any circumstances, whether equivalent to requisition of title or not);
- (n) nationalization, confiscation, expropriation, compulsory acquisition, expropriation, or restraint of any assets (including the Vessel) by any Governmental Authority; and
- (o) any of the events listed in paragraphs (a) to (n) above affecting any supplier or subcontractor of a Party.

19.2 Events Not Force Majeure

The Parties agree that the following circumstances do not amount to Force Majeure:

- (a) the occurrence of any manpower or equipment or materials shortages except where such occurrence results from an event or circumstance that would be considered Force Majeure under this Agreement;
- (b) any delay, default or failure (financial or otherwise) of any subcontractor or supplier, except where such delay, default or failure results from an event or circumstance in the Applicable Jurisdiction that would be considered Force Majeure under this Agreement;
- (c) any contractual commitment made to a Person other than the other Party which limits the ability of a Party to perform its obligations hereunder;
- (d) financial hardship or the inability of the Party to make a profit or receive a satisfactory rate of return from its revenues under this Agreement or to settle its debts as they fall due;
- (e) changes in market conditions, including changes that directly or indirectly affect the demand for vessels similar to the Vessel or for regasified LNG, operating costs or currency devaluation, default of payment obligations or other commercial, financial or economic conditions;
- (f) the breakdown or failure of machinery caused by normal wear and tear that should have been avoided by a Reasonable and Prudent Operator, the failure to

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comply with the manufacturer's recommended maintenance and operating procedures, or the unavailability at appropriate locations of standby equipment or spare parts in circumstances where a Reasonable and Prudent Operator would have had the equipment or spare parts available;

- (g) exchange control requirements or other similar restrictions that preclude payments to be made in the currency denominated for payment;
- (h) a Change in Law (other than an Applicable Jurisdiction Change in Law) to the extent it requires a modification to the Vessel, in which case such required modification will be effected pursuant to Clause 6.1 of the Charter Agreement; and
- (i) metocean and/or other weather conditions occurring at the FSRU Site which do not constitute Adverse Weather Conditions.

19.3 Notice, Resumption of Normal Performance

Promptly upon the occurrence of an event that a Party considers may result in an event of Force Majeure, and in any event within ***** days from the date of the occurrence of an event of Force Majeure, the Party affected shall give notice thereof to the other Party describing in reasonable detail:

- (a) the event giving rise to the potential or actual Force Majeure claim, including the place and time such event occurred;
- (b) to the extent known or ascertainable, the obligations which may be or have actually been delayed or prevented in performance and the estimated period during which such performance may be suspended or reduced, including the estimated extent of such reduction in performance;
- (c) the particulars of the programme to be implemented to ensure full resumption of normal performance hereunder; and
- (d) the volume of regasified LNG which it reasonably expects to be able to deliver during the period for which Force Majeure relief can be reasonably expected to be claimed.

Such notices shall thereafter be supplemented and updated at weekly intervals during the period of such claimed Force Majeure specifying the actions being taken to remedy the circumstances causing such Force Majeure and the date on which such Force Majeure and its effects end.

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19.4 Examination

- (a) The Party affected by an event of Force Majeure shall, at the request of the other Party, give or procure access if they are able so to do (at the expense and risk of the Party seeking access) at all reasonable times for a reasonable number of representatives of such Party (and of Customer's Personnel, in the case of Customer) to examine the scene of the event and the facilities affected which gave rise to the Force Majeure claim.
- (b) In the event of a Force Majeure affecting the Vessel, Terminal, Master, Contractor or Customer, the Party affected thereby shall take all measures reasonable in the circumstances to overcome or rectify the event of Force Majeure and its consequence and resume normal performance of this Agreement as soon as reasonably possible once the event of Force Majeure has passed or been remedied; provided, however, the Parties agree that the settlement of any strike, lockout or industrial disturbance shall be in the sole discretion of the Party affected by such event of Force Majeure.

19.5 Force Majeure Daily Service Fee

Notwithstanding the provisions of Clause 19.1, the Daily Service Fee shall remain payable during any period in which performance of the FSRU Services is prevented or interrupted by reason of Force Majeure except to the extent that such Force Majeure has caused accidental damage to the Vessel, in which case the Daily Service Fee shall not be payable for the first ***** days of such period of prevented or interrupted performance, subject to Customer paying a lump sum of ***** US dollars (US\$ *****) (grossed up for any withholding or equivalent Taxes) to Contractor.

20. DEFAULT AND REMEDIES

20.1 Event of Contractor's Default

Each of the following events shall, save in the case of paragraph (d) where caused by a Service Excusable Event or Force Majeure, be an event of Contractor's default ("**Event of Contractor's Default**"):

- (a) Contractor suspends payment of its debts or is unable to pay its debts or is otherwise insolvent;
- (b) Contractor passes a resolution, commences proceedings, or has proceedings commenced against it (which are not stayed within ***** days of service thereof), in the nature of bankruptcy or reorganisation resulting from insolvency, liquidation or the appointment of a receiver, trustee in bankruptcy or liquidator of its undertakings or assets, or similar or analogous events occur in Contractor's home jurisdiction;

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- (c) Contractor enters into any composition or scheme or arrangement with its creditors in circumstances where Clause 20.1(a) applies, or similar or analogous events occur in Owner's or Contractor's home jurisdiction;
- (d) Contractor fails to maintain any of the insurances it is obliged to maintain under this Agreement, unless such failure is remedied within ***** days of notice thereof from Customer;
- (e) Contractor fails to comply with the business principles set forth in Clause 16.2 of this Agreement;
- (f) an Owner/Contractor Guarantor Default occurs;
- (g) a Contractor Letter of Credit ceases to be in full force and effect, unless a replacement Contractor Letter of Credit is provided within ***** days thereafter;
- (h) the Charter Agreement is terminated by Charterer due to an Event of Owner's Default thereunder; or
- (i) Contractor fails to pay any amounts when due and payable under this Agreement, unless such failure is remedied within ***** days of notice thereof from Customer.

20.2 **Event of Customer's Default**

Each of the following events shall be an event of Customer's default ("**Event of Customer's Default**"):

- (a) Customer suspends payment of its debts or is unable to pay its debts or is otherwise insolvent;
- (b) Customer passes a resolution, commences proceedings or has proceedings commenced against it (which are not stayed within ***** days of service thereof), in the nature of bankruptcy or reorganization resulting from insolvency, liquidation or the appointment of a receiver, trustee in bankruptcy or liquidator of its undertakings or assets, or similar or analogous events occur in Customer's home jurisdiction;
- (c) Customer enters into any composition or scheme or arrangement with its creditors in circumstances where Clause 20.2(a) applies, or similar or analogous events occur in Charterer's home jurisdiction;
- (d) Customer fails to comply with the business principles set forth in Clause 16.2 of this Agreement;

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- (e) Customer fails to pay the Daily Service Fee or any other amounts when due and payable under this Agreement;
- (f) Customer fails to maintain any of the insurances it is obliged to maintain under this Agreement, unless such failure is remedied within ***** days of notice thereof from Contractor;
- (g) a Charterer/Customer Guarantor Default occurs; or
- (h) the Charter Agreement is terminated by Owner due to an Event of Charterer's Default thereunder.

20.3 Termination of the Charter Agreement for Charterer Default or Owner Default

The Parties hereby agree that:

- (a) if the Charter Agreement is terminated by Owner upon the occurrence of an Event of Charterer's Default thereunder, this Agreement shall automatically terminate for Event of Customer's Default pursuant to Clause 20.2(h); and
- (b) if the Charter Agreement is terminated by Charterer upon the occurrence of an Event of Owner's Default thereunder, this Agreement shall automatically terminate for Event of Contractor's Default pursuant to Clause 20.1(h).

20.4 Remedies

- (a) In addition to any other rights herein, in any other agreement or at Law (including to sue for loss of bargain subject to any limitations in this Agreement), upon the occurrence of an Event of Contractor's Default, Customer may terminate this Agreement by issuing a termination notice with immediate effect.
- (b) In addition to any other rights herein, in any other agreement or at Law (including to sue for loss of bargain subject to any limitations in this Agreement), upon the occurrence of an Event of Customer's Default (other than failure to pay the Daily Service Fee) Contractor may terminate this Agreement by issuing a termination notice with immediate effect.
- (c) If the Event of Customer's Default results from a failure by Customer to pay the Daily Service Fee or any other amount due under this Agreement by the due date for payment, then (without prejudice to Contractor's right to sue for recovery of any amounts due), Contractor shall notify Customer of such failure, and:
 - (i) within ***** days of receipt of such notification Customer shall pay to Contractor the amounts due and payable (including outstanding Daily Service Fee plus any interest), failing which Contractor shall have the

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right at any time thereafter by notifying Customer thereof to terminate this Agreement (without prejudice to any other rights or remedies including the right to sue for loss of bargain subject to any limitations in this Agreement); and

- (ii) notwithstanding any conduct of Contractor, such right to terminate under Clause 20.4(c)(i) above, shall remain effective until the earlier of the time (A) that the right is expressly waived by Contractor in writing; (B) that Customer pays Contractor in full any and all amounts due and payable (including outstanding Daily Service Fee plus any interest) at the relevant time; or (C) Contractor exercises its right to terminate this Agreement.
- (d) Where reference is made in this Clause 20.4 to “any limitations in this Agreement” such limitations shall include, for the avoidance of doubt, the Contractor OSA Maximum Liability Cap or, as applicable Customer OSA Maximum Liability Cap, but in each case not in respect of the events and circumstances in Clause 28.2(b).
- (e) Subject always to Clauses 28.1 and 28.2, the exercise by either Party of their respective rights under this Clause 20 shall be without prejudice to any other rights or remedies each may have accrued prior to the date thereof, and any provisions of this Agreement necessary for the exercise of such accrued rights and remedies shall survive termination of this Agreement to the extent so required.

21. GUARANTEES AND SECURITY

- 21.1 Contractor shall provide to Customer, not later than the Effective Date, a parent company guarantee from Owner/Contractor Guarantor in the form attached hereto as Schedule VIII – *Form of Guarantees* securing the payment and performance obligations of each of Contractor under this Agreement and Owner under the Charter Agreement (including in each case any applicable amendment agreement or side agreement) (the “**Owner/Contractor Guarantee**”). The Owner/Contractor Guarantee provided shall be in force until the end of the Term as applicable, or if later, until an arbitral award is obtained, provided that the Owner/Contractor Guarantor’s aggregate liability under the Owner/Contractor Guarantee shall not exceed ***** US Dollars (USD *****) (“**Owner/Contractor Guarantee Cap**”) save as expressly provided to the contrary in the Owner/Contractor Guarantee. During the final year of the Term, the Owner/Contractor Guarantee Cap shall be reduced by: (a) USD ***** at the end of each of the first eleven months of that year; and (b) USD ***** at the end of the final month of that year.
- 21.2 Customer shall provide to Contractor, not later than the Effective Date, a parent company guarantee from Charterer/Customer Guarantor in the form attached hereto as

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Schedule VIII – *Form of Guarantees* securing the payment and performance obligations of Customer under this Agreement and Charterer under the Charter Agreement (including in each case any applicable amendment agreement or side agreement) (the "**Charterer/Customer Guarantee**"). The Charterer/Customer Guarantee provided shall be in force until the end of the Term as applicable, or if later, until an arbitral award is obtained, provided that the Charterer/Customer Guarantor's aggregate liability under the Charterer/Customer Guarantee shall not exceed ***** US Dollars (USD *****) ("**Charterer/Customer Guarantee Cap**") save as expressly provided to the contrary in the Charterer/Customer Guarantee. During the final year of the Term, the Charterer/Customer Guarantee Cap shall be reduced by: (a) USD ***** at the end of each of the first eleven months of that year; and (b) USD ***** at the end of the final month of that year.

21.3 For the avoidance of doubt, only one Owner/Contractor Guarantee and only one Charterer/Customer Guarantee shall be issued to cover, in each case, both the Charter Agreement and this Agreement.

22. REPRESENTATIONS, WARRANTIES AND COVENANTS

22.1 Contractor's Representations

Contractor hereby represents and warrants to Customer, as at the date hereof and undertakes until expiration of this Agreement, as follows:

- (a) it is and shall remain a limited liability company (or other form of legal entity following a novation pursuant to Clause 25.2(b)), duly incorporated and validly existing and in good standing under the Laws of the country of its incorporation and has the corporate power and authority to enter into and perform its obligations under this Agreement and all necessary corporate, shareholder and other action has been taken to authorize the execution, delivery and performance of the same;
- (b) this Agreement constitutes legal, valid and binding obligations applicable to it and the obligations are in full force and effect in accordance with their terms, and the delivery and performance by Contractor of this Agreement will not contravene any Law of any Governmental Authority having jurisdiction over Contractor;
- (c) it has not taken nor to its knowledge has it omitted to take any actions which would adversely affect the enforceability of this Agreement against it or the rights of Customer under the terms of this Agreement;
- (d) this Agreement, its execution and delivery will not conflict with or result in any breach of any terms of, or constitute a default under, any agreement or other instrument to which Contractor is a party or its property is bound;

- (e) it shall not without Customer's prior written consent engage in any business or activity of any nature other than the provision of the services to Customer contemplated herein and activities directly related thereto, and similar or related business; and
- (f) throughout the Term, it shall (following the novation pursuant to Clause 25.2(b)) exist as a special purpose vehicle.

22.2 **Customer's Representations**

Customer hereby represents and warrants to Contractor, as at the date hereof and undertakes until expiration of this Agreement, as follows:

- (a) it is and shall remain a corporation duly incorporated and validly existing and in good standing under the Laws of the country of its incorporation and has the corporate power and authority to enter into and perform its obligations under this Agreement and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same;
- (b) this Agreement constitutes legal, valid and binding obligations applicable to it and the obligations are in full force and effect in accordance with their terms, and the delivery and performance by Customer of this Agreement will not contravene any Law of any Governmental Authority having jurisdiction over Customer;
- (c) it has not taken nor to its knowledge has it omitted to take any actions which would adversely affect the enforceability of this Agreement against it or the rights of Contractor under the terms of this Agreement; and
- (d) this Agreement, its execution and delivery will not conflict with or result in any breach of any terms of, or constitute a default under, any agreement or other instrument to which Customer is a party or its property is bound.

23. **INDEMNIFICATION**

23.1 **Indemnification by Contractor**

Contractor shall protect, defend, indemnify and hold Customer harmless from and against any and all Damages (save for any Consequential Damages) that may be imposed on, incurred by, or asserted against any Customer Indemnified Party arising out of, attributable to or in connection with:

- (a) physical loss of or damage to any property owned, leased, chartered or hired by any Contractor Indemnified Party (including the Vessel) and used in connection with the performance of this Agreement, in each case, Regardless of Cause; and

- (b) the sickness, death of, or personal injury suffered by, any Contractor Indemnified Party as a result of an event in connection with the performance of this Agreement, in each case, Regardless of Cause; and
- (c) the sickness, death of, or personal injury suffered by any third party or the physical loss of or damage to any third party property to the extent that such injury, loss or damage is caused by the negligence of a Contractor Indemnified Party,

save that Contractor's obligations under this Clause 23.1 shall not apply to the extent arising out of, attributable to, or in connection with any act or omission of any LNG Carrier or owner or operator thereof, including any damage caused by an LNG Carrier, or in respect of any act or omission for which such LNG Carrier or owner or operator thereof would be liable to either Party pursuant to the Conditions of Use.

23.2 Indemnification by Customer

Customer shall protect, defend, indemnify and hold Contractor harmless from and against any and all Damages (save for any Consequential Damages) that may be imposed on, incurred by, or asserted against any Contractor Indemnified Party arising out of, attributable to or in connection with:

- (a) physical loss or damage to the connecting pipeline and onshore receiving system and any property owned, leased, chartered or hired by any Customer Indemnified Party (except the Vessel) (including for the avoidance of doubt the Customer's Facilities) and used in connection with the performance of this Agreement, in each case, Regardless of Cause; and
- (b) the sickness, death of, or personal injury suffered by, any Customer Indemnified Party as a result of an event in connection with the performance of this Agreement, in each case, Regardless of Cause; and
- (c) the sickness, death of, physical or personal injury suffered by any third party or the physical loss of or damage to any third party property to the extent that such sickness, death, injury, loss or damage is caused by the negligence of a Customer Indemnified Party.

24. INSURANCE

24.1 Insurance Requirements

- (a) Contractor shall maintain valid and enforceable insurances on the Vessel as mandatorily required by applicable Law of the Applicable Jurisdiction, to the extent not covered in any insurance placed by Owner pursuant to the Charter Agreement.

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- (b) Customer shall procure and maintain at its own cost valid and enforceable insurances at reasonable commercial levels to cover its obligations under Clause 23.2. On or before the date falling ***** days after the Effective Date, and thereafter on each renewal of such insurances, Customer shall provide Contractor with a true copy of the insurance certificates, cover notes or certificates of entry, showing that such insurance cover will be effective on and from such date. Customer and Contractor shall be noted and named as the co-assured under such insurances for their respective rights and interests as they may appear.

24.2 **No Subrogation**

No Customer Indemnified Party or insurers under the insurances referred to in Clause 24.1(b) shall have any right of recovery or subrogation against any Contractor Indemnified Party on account of any loss or claim for which Customer is required to indemnify a Contractor Indemnified Party in accordance with Clause 23.2.

25. **ASSIGNMENT BY CONTRACTOR**

- 25.1 Except as set forth in Clause 25.2, Contractor may not assign, in whole or in part, novate or transfer any of its rights or obligations hereunder without the prior written consent of Customer, such consent not to be unreasonably withheld, delayed or conditioned.
- 25.2 Notwithstanding the foregoing provisions of Clause 25.1, Contractor may, without prior written consent of Customer, from time to time:
 - (a) assign its rights under this Agreement by way of security to a Mortgagee or other Owner Financier; and
 - (b) novate or transfer its rights and obligations hereunder to any assignee or transferee that is a member of the HLNG Group or HMLP Group subject to Contractor providing Customer with ***** days prior written notice and (ii) confirmation from the Owner/Contractor Guarantor that the Owner/Contractor Guarantee shall remain fully effective be following such transfer or novation.
- 25.3 In each case Customer undertakes to provide all reasonable cooperation to give effect to such assignment, novation or other transfer including the execution of such acknowledgements as the relevant Mortgagee or Owner Financier may require under any assignment and of a novation agreement in substantially the form attached at Schedule X – *Form of Deed of Novation*.
- 25.4 Contractor shall, at all times during the term of this Agreement, remain a member of the HLNG Group and/or HMLP Group.

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26. ASSIGNMENT OR NOVATION BY CUSTOMER

- 26.1 Except as set forth in Clause 26.2, Customer may not assign, in whole or in part, novate or transfer any of its rights or obligations hereunder without the prior written consent of Contractor.
- 26.2 Notwithstanding the foregoing provisions of Clause 26.1, Customer may (i) assign its rights under this Agreement, or novate its rights and obligations under this Agreement, to an Affiliate of Customer; and (ii) assign its rights under this Agreement to its Lenders, without the prior written consent of Contractor.
- 26.3 Any novation or other transfer of this Agreement by Customer pursuant to this Clause 26 shall be subject to Customer first providing Contractor with (a) ***** days' prior written notice; and (b) confirmation from the Charterer/Customer Guarantor that the Charterer/Customer Guarantee shall remain fully effective following such transfer or novation.
- 26.4 Customer shall, at all times during the term of this Agreement, remain a wholly owned subsidiary of New Fortress Energy, Inc.

27. LIENS

27.1 Contractor's Liens

Except for Permitted Liens, Contractor shall not have, or allow others (claiming through Contractor) to have, a lien on LNG, fuel, freights, sub-freights or sub-hires or any sums payable to Customer or others or with respect to sales of cargoes stored on the Vessel, except to the extent such lien arises by operation of Law.

27.2 Customer's Liens

Customer shall not have, or allow others (in their dealings with Customer) to have, a lien against the Vessel, except to the extent such lien arises by operation of Law.

27.3 Release of Lien

In the event that any lien shall attach by operation of law or in violation of this Clause 27, Contractor or Customer, as the case may be, shall take such steps as reasonably necessary to ensure that the lien does not interfere with the Vessel's operations or with Customer's right to the Vessel and its cargo and to effect prompt release of such lien prior to the enforcement thereof.

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28. EXCLUSIONS, LIMITATION OF LIABILITY

28.1 No Consequential Damages

Except as otherwise expressly provided in this Agreement, neither Party shall be liable to the other Party, nor shall either Party be indemnified by the other Party in respect of any Consequential Damages suffered by the other Party, whether or not foreseeable at the time of entering into this Agreement and Regardless of Cause.

28.2 Cumulative cap on Liability

- (a) Subject to Clause 28.2(a)(i), but notwithstanding any other provision of this Agreement or the Charter Agreement:
 - (i) the maximum aggregate liability of Contractor to Customer arising out of, relating to, or connected with this Agreement, Regardless of Cause, shall not exceed an amount equal to ***** US Dollars (USD *****) (the "**Contractor OSA Maximum Liability Cap**") which shall be reduced by any amounts from time to time paid by Owner to Charterer covered by the Owner Maximum Liability Cap under the Charter Agreement which shall reduce the future liability of Contractor to Customer under this Agreement; and
 - (ii) the maximum aggregate liability of Customer to Contractor arising out of, relating to, or connected with this Agreement, Regardless of Cause, shall not exceed an amount equal to ***** US Dollars (USD *****) (the "**Customer OSA Maximum Liability Cap**") which shall be reduced by any amounts from time to time paid by Charterer to Owner covered by the Charterer Maximum Liability Cap under the Charter Agreement which shall reduce the future liability of Customer to Contractor under this Agreement.
- (b) The provisions of Clause 28.2(a) shall not apply to:
 - (i) any payments made under the indemnity provisions in Clauses 18.1, 18.2, 18.3, 19.3, 23.5 (in respect of the events and circumstances in Clause 19.2(b)), 28.4 (in respect of breaches of Clause 28.2 only), 29.1, 31.4 and 33.3 of the Charter Agreement and/or Clauses 5.7(f), 5.8, 16.4 (in respect of breaches of Clause 16.2 only), 18.4, 23, 28.3 and 34.1(d) of this Agreement;
 - (ii) the payment of Hire (including for the avoidance of doubt any Taxes payable pursuant to Clause 11.7(b) of the Charter Agreement) earned by Owner under the Charter Agreement;

- (iii) any reduction of Hire or periods of Off-Hire under the Charter Agreement;
- (iv) the payment by Charterer and/or Customer of any amounts in respect of any Change in Law Required Actions;
- (v) the payment of the Daily Service Fee earned by Contractor under this Agreement (including for the avoidance of doubt any Taxes payable pursuant to Clause 9.7);
- (vi) any reduction of Daily Service Fee or period of Off-Hire under this Agreement;
- (vii) the payment or reimbursement by Charterer or Customer (as the case may be) of any increased Taxes due to Change in Law under this Agreement or the Charter Agreement and/or any Taxes payable pursuant to Clause 6.3 and/or Clause 11.7(b) of the Charter Agreement and/or any Taxes payable pursuant to Clause 7.2 and/or Clause 9.7 of this Agreement; or
- (viii) in respect of any liability caused by Wilful Misconduct.

28.3 **Liability for Fines**

The Parties hereby agree that for the purposes of this Agreement, Contractor will have no liability to Customer as a result of any occasional fines, claims or assessments imposed by Governmental Authorities on Customer or its Affiliates in view of stoppage, delay or interruption of operations of Customer's Facilities, Customer shall indemnify, protect, defend and hold Contractor and/or Owner harmless from and against any and all fines, claims or assessments imposed by Governmental Authorities in connection with this Agreement, or the FSRU Services, the operations of the Terminal or the supply of gas to any offtakers (save where caused by Owner's breach of the Charter Agreement or Contractor's breach of this Agreement). The foregoing shall not apply to any fines levied against Contractor directly from applicable Governmental Authorities due to breach by Contractor of the terms of any licences or permits applicable to the Vessel, arising from Contractor's negligence, provided that (i) such fine relates to an obligation attributed to Contractor either by Law or by this Agreement; and (ii) the terms of such license or permit have been fully disclosed to Contractor by Customer as soon as practicably possible after issue or renewal thereof.

29. **CONSTRUCTION**

29.1 **Entire Agreement**

This Agreement comprises the full and complete agreement of the Parties with respect to the subject matter hereof and supersedes all prior communications, understandings and agreements between the Parties, whether written or oral, expressed or implied, with

regard to said subject matter. Notwithstanding the foregoing, the parties acknowledge and agree that the terms of this Agreement may be supplemented or amended by way of an amendment agreement or a side agreement entered into by both Parties.

29.2 Independent Construction

No provision of this Agreement shall be interpreted or construed against a Party because that Party or its legal representative drafted the provision.

29.3 Sole Remedy

For the avoidance of doubt, when under the terms of this Agreement a particular remedy is described as the "sole and exclusive remedy" of a Party for a particular event, circumstance or breach, such remedy shall, save for any specified exceptions, be the sole and exclusive remedy of such Party to the exclusion of any other remedy whatsoever which may otherwise have been available to it whether under this Agreement, in tort (including negligence) or otherwise arising at law.

30. NOTICES

30.1 Address for Notices and Invoices

Any notice given, or required to be given, by either Party to the other Party hereunder, shall be sent by registered mail, e-mail or registered airmail to the following addresses:

Notice to Contractor:

Höegh LNG Partners LP
c/o Höegh LNG AS
Drammensveien 134
0277 Oslo, Norway
Att. Chief Development Officer
E-mail: richard.tyrrell@hoeghlng.com
Phone: + 47 97 55 74 00

With copy to:

Notice to Contractor's Operations Department:

Höegh LNG Fleet Management AS
c/o Höegh LNG AS
Drammensveien 134
0277 Oslo, Norway
Att. SVP Head of Fleet Management
E-mail: nils.jakob.hasle@hoeghlng.com
Tel: +47 97 55 74 00

Notice to Customer:

Attn: Joseph Palliparambil
Mobile: +1(305) 962-9906
Email: jpalliparambil@newfortressenergy.com

Email: gallant@newfortressenergy.com

Notice to Customer's Operations Department:

Attn: Danar Royal
Mobile: +1 (876) 434-3767
Email: droyal@newfortressenergy.com

or to such other addresses as the Parties may respectively from time to time designate by notice in writing. Any failure to transmit a copy of the notice to a Person listed as entitled to receive a copy shall not in any way affect the validity of any notice otherwise properly given as provided in this Clause 30.1.

30.2 Notices in Writing

Any notice required to be given pursuant to this Agreement shall be deemed to be duly received:

- (a) In the case of a letter, whether delivered in course of the post or by hand or by courier, at the date and time of its actual delivery if within normal business hours on a Business Day at the place of receipt otherwise at the commencement of normal business on the next such Business Day; and

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- (b) In the case of e-mail, at the time of transmission recorded on the message if such time is within normal business hours (09:00 - 17:00) in the country of receipt, otherwise at the commencement of normal business hours on the next Business Day at the place of receipt.

30.3 **Communications**

Unless otherwise expressly provided in this Agreement, all notices, approvals, agreements, rejections, requests, consents, elections, instructions, designations, Authorizations, responses, and all other communications required to be given by either Contractor or Customer to the other under or in connection with this Agreement shall be in writing (including by email) and in the English language.

31. **GOVERNING LAW AND DISPUTE RESOLUTION**

31.1 **Governing Law**

The construction, validity and performance of this Agreement and all non-contractual obligations arising from or connected with this Agreement shall be governed by the laws of England and Wales.

31.2 **Arbitration**

- (a) Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, (a “**Dispute**”) shall be referred to and finally resolved by arbitration under the LCIA Rules (the “**Rules**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference to this Clause 31.2.
- (b) The number of arbitrators shall be three (3). The claimant shall nominate one (1) co-arbitrator in its Request for Arbitration. The respondent shall nominate one (1) co-arbitrator in its Response to the Request for Arbitration. Within ***** days from the appointment of the co-arbitrators, the appointed co-arbitrators shall jointly nominate the third arbitrator, who shall be the presiding arbitrator.
- (c) The seat and location of arbitration shall be London, England.
- (d) The language to be used in the arbitral proceedings shall be English.
- (e) The governing law of this arbitral agreement shall be English law.

31.3 **Consolidation**

- (a) Where there are two or more pending arbitrations, one (or some) of which is (or are) commenced under Clause 31.2 of this Agreement, and the other is (or the

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others are) commenced under Clause 34.2 of the Charter Agreement, and none of these arbitrations has a fully constituted arbitral tribunal, the Parties hereby agree that the LCIA Court shall, upon the application by any party to any arbitration, consolidate these arbitrations into the arbitration which commenced first.

- (b) Where there are two or more pending arbitrations, one (or some) of which is/are commenced under Clause 31.2 of this Agreement, and the other is (or the others are) commenced under Clause 34.2 of the Charter Agreement, and only one of these arbitrations has a fully constituted arbitral tribunal (the “**First Tribunal**”), the Parties hereby agree that the First Tribunal or the LCIA Court shall, upon the application by any party to any arbitration, consolidate these arbitrations into the arbitration under the First Tribunal.

31.4 **Expert Determination**

A Dispute between the Parties may be referred to an Expert where provided under the terms of this Agreement, or otherwise agreed between the Parties, based on the following procedure:

- (a) Any Party may initiate an Expert reference under this Clause 31.4 in respect of a Dispute by proposing to the other Party the appointment of an Expert. If the Expert has been appointed, but is unable or unwilling to complete the reference, another Expert shall be appointed. The Expert shall act as an expert and not an arbitrator.
- (b) The Parties shall cooperate fully in the expeditious conduct of such Expert determination and provide the Expert with reasonable access to facilities, documents, information and personnel requested by the Expert to make a fully informed decision in an expeditious manner as so directed by such Expert.
- (c) The Expert shall be and remain at all times wholly impartial, and, once appointed, the Expert shall have no ex parte communications with either of the Parties concerning the Expert determination or the underlying Dispute.
- (d) Before issuing a final decision, the Expert shall issue a draft report and allow the Parties to comment on it.
- (e) The Expert shall endeavour to resolve the Dispute within ***** days (but no later than ***** days) after their appointment, taking into account the circumstances requiring an expeditious resolution of the matter in dispute.
- (f) The Expert’s decision shall be final and binding on the Parties.

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- (g) If the Expert decides that a sum is due and payable by one Party to the other Party then:
 - (i) any such sum shall be due and payable within ***** days of receipt by the Parties of written notice of such decision, unless the Expert decides otherwise; and
 - (ii) interest shall accrue at the Interest Rate in respect of late payment.
- (h) The fees of the Expert and any other costs of and incidental to the reference to Expert determination shall be payable by the Parties in such amounts and on such terms as the Expert may determine (following the provisions of the Charter Agreement, where applicable) but, in the absence of any such determination, by the Parties in equal shares.

32. WAIVER OF IMMUNITY

To the extent that a Party is entitled in any jurisdiction to claim for itself or its property or assets any right of immunity, including immunity from submission to jurisdiction, service of any documents, recognition of an award or suit, judgment, enforcement, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process whatsoever or wheresoever, or to the extent that in any such jurisdiction there may be attributed to such Party or its assets or property such immunity (whether or not claimed), such Party hereby irrevocably agrees in respect of any Disputes or the enforcement of any judgment or arbitration award against any of its property or assets not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction and, without limitation, it is intended that the foregoing waiver of immunity shall have irrevocable effect for the purposes of the United States Foreign Sovereign Immunities Act 1976 in any Disputes to which that Act is applicable.

33. CONFIDENTIALITY

- 33.1 The Parties agree to keep Confidential Information strictly confidential, except in the following cases when the receiving Party shall be permitted to disclose such information:
- (a) it is already known to the public or becomes available to the public other than through the act or omission of the receiving Party; or
 - (b) it is required to be disclosed under Law or the requirements of any recognized stock exchange or the U.S. Securities and Exchange Commission or other securities and/or exchange entity having jurisdiction over a Party (or any shareholder or Affiliate thereof or any Affiliate of any such shareholder) in compliance with such entity's rules and regulations (provided that the receiving

Party shall give notice of such required disclosure to the disclosing Party prior to the disclosure); or

- (c) in filings with a court or arbitral body in proceedings in which the Confidential Information is relevant and in discovery arising out of such proceedings; or
- (d) to any of the following Persons to the extent necessary for the proper performance of their duties or functions:
 - (i) a buyer or seller or potential buyer or seller of LNG shipped or to be shipped on the Vessel only to the extent that such information disclosed is necessary for the operational purposes of the Vessel under this Agreement and does not contain any information relating to pricing or other similarly commercially sensitive information;
 - (ii) an Affiliate of the receiving Party;
 - (iii) employees, officers, directors and agents of the receiving Party;
 - (iv) professional consultants and advisors including insurers, underwriters and brokers retained by the receiving Party;
 - (v) financial advisors, investment bankers, underwriters, brokers, lenders or other financial institutions advising on, providing or considering the provision of financing or re-financing to the receiving Party or any Affiliate thereof and their legal counsel; and
 - (vi) a prospective investor in or purchaser of Contractor or Customer's Affiliates provided that such potential purchaser or investor first agrees to be bound by these confidentiality provisions and provided that any ultimate transaction is subject to such consent by Customer or Contractor as may be required elsewhere hereunder,

provided that the receiving Party shall exercise due diligence to ensure that no such Person shall disclose Confidential Information to any unauthorized party or Persons, including disclosure being subject to such Person undertaking (in a form reasonably acceptable to the Parties hereto) to keep Confidential Information confidential. Any disclosure to third parties under this Clause 33.1 shall be limited to information which is essential for such third party to undertake the scope of work assigned to it, provided always that the disclosing Party shall inform the other Party prior to any such disclosure.

- 33.2 Each Party acknowledges that the other Party is a subsidiary of a publicly traded company and that the Confidential Information is or may be share price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities laws related to insider dealings and market

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abuse. Each Party undertakes not to use any Confidential Information for any unlawful purpose.

33.3 The provisions of this Clause 33 shall survive for a period of ***** years after the termination or expiry of this Agreement.

34. **SANCTIONS**

34.1 **Operation of the Vessel and Sanctions**

- (a) Contractor shall not be obliged to (i) make available the Vessel or (ii) comply with any orders for the employment of the Vessel in any carriage, trade or on a voyage; which, in the reasonable judgment of Contractor, would: (A) be contrary to Sanctions, whether directly or indirectly; (B) be by or for the benefit of a Restricted Party; or (C) otherwise expose the Vessel (including any Owner Financier, the Vessel's crew and/or insurers) to enforcement proceedings arising from Sanctions.
- (b) If the Vessel is already operating in a manner to which Sanctions are subsequently applied, Contractor shall have the right to require the cessation of such operations and to require that any LNG on board the Vessel be discharged and redelivered to Customer. The Vessel shall remain on-hire during such discharge and Customer shall remain responsible for all additional costs and expenses incurred in connection with such discharge.
- (c) If the Vessel is already performing a voyage in LNGC Mode, to which Sanctions are subsequently applied, Contractor shall have the right to refuse to proceed with the employment and Customer shall be obliged to issue alternative voyage orders within ***** hours of receipt of Contractor's notification of their refusal to proceed. If Customer does not issue such alternative voyage orders Contractor may discharge any cargo already loaded at any safe port (including the port of loading). The Vessel shall remain on-hire pending completion of Customer's alternative voyage orders or delivery of cargo by Contractor and Customer shall be responsible for all additional costs and expenses incurred in connection with such orders/delivery of cargo. If in compliance with this Clause 34.1(c) anything is done or not done, such shall not be deemed a deviation.
- (d) Customer shall indemnify, defend and hold harmless Contractor against any and all claims whatsoever brought by any parties to whom regasified LNG is to be sold by Customer and/or by any subcontractor against Contractor or Owner by reason of Contractor's compliance with this Clause 34.1.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

34.2 Sanctioned Parties

- (a) Contractor and Customer respectively warrant for themselves, their Affiliates and their respective directors, officers and employees, that at the date of this Agreement and throughout the duration of this Agreement:
 - (i) it is not in breach of Sanctions;
 - (ii) it is not a Restricted Party;
 - (iii) as regards Customer, it is not requiring the Vessel to be operated in any matter which is contrary to Sanctions; and
 - (iv) it is not subject to or involved in any inquiry, complaint, claim, suit, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or any Person not a Party to this Agreement concerning any Sanctions.
- (b) If at any time during the performance of this Agreement either party becomes aware that the other party (the "**Sanctioned Party**") is in breach of the warranty in Clause 34.2(a):
 - (i) performance of the obligations of Contractor and Customer under this Agreement shall be suspended without liability of either Party unless and until it resumes in accordance with sub-clause (ii) below or this Agreement is terminated pursuant to sub-clause (iii) below; the circumstances giving rise to such suspension shall be treated as an event of Force Majeure for the purposes of Clause 19 provided that, notwithstanding the operation of this sub-clause, Customer shall continue to be obliged to pay the Daily Service Fee during the period of suspension if Customer is the Sanctioned Party subject to such payment of Daily Service Fee, and its receipt by Contractor, not being in breach of Sanctions;
 - (ii) Contractor and Customer shall use all reasonable endeavours to apply for and obtain any applicable licence or Authorization which will enable this Agreement to continue notwithstanding the circumstances giving rise to the operation of this Clause 34.2(b) and upon the obtaining of such license or Authorization performance of the obligations of Contractor and Customer under this Agreement shall resume;
 - (iii) if no licence or Authorization as referred to in sub-clause (ii) above is obtained within ***** days of the start of the suspension of the obligations of Contractor and Customer referred to in sub-clause (i) above or if it shall at any earlier time be apparent to the party which is

not the Sanctioned Party that there is no reasonable prospect of any such licence or Authorization being obtained the Party which is not the Sanctioned Party may, by notice to the other Party, terminate this Agreement, whereupon this Agreement shall terminate forthwith upon the Vessel being free of LNG, except for LNG Heel under Clause 8.1 of the Charter Agreement, without further liability of either party to the other (but without prejudice to Charterer's obligations under Clause 7.7 of the Charter Agreement).

- (c) Notwithstanding anything in this Clause 34.2 to the contrary, Contractor or Customer shall not (and shall use reasonable efforts to ensure that no other Relevant Person will):
 - (i) take any action or make any omission or make use of the Vessel or the FSRU Services in a manner that:
 - (A) is in breach of Sanctions;
 - (B) causes (or will cause) a breach of Sanctions by any Relevant Person; and/or
 - (C) causes any Relevant Person to be involved in any complaint, claim, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or any Person not a Party to this Agreement concerning any Sanctions.
 - (ii) be required to do anything which constitutes a violation of Sanctions or of any other laws and regulations of any State to which either of them is subject; or
 - (iii) take any action or make any omission that results, or is likely to result, in either of them becoming a Restricted Party or otherwise a target of Sanctions that is a target of laws, regulations or orders concerning any trade, economic or financial sanctions or embargoes by virtue of prohibition trade, economic or financial sanctions or embargoes by virtue of prohibitions and/or restrictions being imposed on any US Person or other legal or natural person subject to the jurisdiction or authority of a US Sanctions Authority which prohibit or restrict them from them engaging in trade, business or other activities with such target without all appropriate licenses or exemptions issued by all applicable US Sanctions Authorities.
- (d) Contractor and Customer shall (and shall use reasonable efforts to ensure that the other Relevant Persons will) maintain appropriate policies and procedures to:
 - (i) identify any risks to its business as a result of Sanctions; and

- (ii) promote and achieve compliance with its obligations under paragraph (c) above.
- (e) Customer shall procure that this Clause 34 is incorporated into all subcontracts, sub-charters, contracts of carriage and bills of lading issued pursuant to this Agreement.

34.3 **Application**

Clauses 34.1 and 34.2 are not exclusive and may each operate by reference to the same set of circumstances.

35. **MISCELLANEOUS**

35.1 **Rights of Third Parties**

Contractor and Customer agree that, except as provided in Clause 23, the provisions of The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement, which rights may be amended, varied or waived at any time by agreement between the Parties without the approval of the relevant third party.

35.2 **Banking Days**

Any payment which is due to be made under this Agreement on a day that is not a Banking Day shall be made on the next Banking Day in the same calendar month (if there is one) or the succeeding Banking Day (if there is not).

35.3 **Partial Invalidity**

If, at any time, any provision of this Agreement 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 nor the legality, validity or enforceability of such provision under the Law of any other jurisdiction will in any way be affected or impaired. The Parties agree, in the circumstances referred to in this Clause 35.3 to attempt to substitute for any illegal, invalid or unenforceable provision a legal, valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the illegal, invalid or unenforceable provision.

35.4 **Remedies and Waivers**

No failure or delay by either Party in exercising any right or remedy provided by Law or under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by Law.

35.5 Amendments

This Agreement may only be amended by written instrument signed by both Parties.

35.6 Counterparts

This Agreement may be executed in counterpart, and this has the same effect as if the signatures on each counterpart were on a single copy hereof.

35.7 Language

The official text of this Agreement and any Schedules attached hereto and any notices given hereunder shall be in English. In the event of any dispute concerning the construction or interpretation of this Agreement, reference shall be made only to this Agreement as written in English and not to any translation into any other language.

35.8 Consent to be in Writing

Any consent granted under this Agreement shall be effective only if given in writing and signed by the consenting Party and then only in the instance and for the purpose for which it was given.

35.9 Further Assurance

The Parties shall at the requesting party's reasonable expense do and execute all such further acts, things and documents as are reasonably required to give full effect to the rights given and the transactions contemplated by this Agreement.

35.10 Intellectual Property

It is expressly agreed that all intellectual property rights related to the Vessel and related regasification technology, including any intellectual property rights developed by or for Owner or Contractor in relation to the Vessel, shall be or remain the sole and exclusive property of Owner or Contractor (as the case may be).

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IN WITNESS WHEREOF, each Party has executed this Agreement on the date first above written.

By Contractor

By Customer

By: /s/ Richard Tyrrell

By: /s/ Chris Guinta

Name: Richard Tyrrell

Name: Chris Guinta

Title: Attorney-In-Fact

Title: CFO

Date: September 23, 2021

Date: 9/23/2021

Schedule I

Customer's Facilities and Rely Upon Data

Set out below is a more in-depth description of certain aspects of the Terminal's design.

N°	Item	Value	Unit
1	Mooring & Berthing		
1.1	Mooring dolphin	6	#
1.2	Berthing dolphin	3	#
1.3	Quick release hooks	9 units / 26 hooks	#
1.4	Fenders	Reaction: 2672 kN @ 70% Deflection Energy: 3364kNm (Please see fender tests and M&B Analysis attachments for clarity)	-
2	CNG Transfer Arms		
2.1	CNG Loading arms	EMCO WHEATON	
2.1.1	Units	2	#
2.1.2	Diameter	12	Inch
2.1.3	Max Flow	162	MMSCFD
3	Communication		
3.1	Ship to shore link	TRELLEBORG GEN3 SSL SHORE SYSTEM	-
4	Aid to navigation		
4.1	Ship berthing aids	NONE	-
4.2	Environmental station	Suited for monitoring wind speed and direction, sea current speed and direction, air temperature and humidity. barometric pressure, rainfall, waves (height, period and direction) and tidal elevation	-

N°	Item	Value	Unit
5	Jetty (principal equipment)		
5.1	Fire Fighting	PORTABLE POWDER EXTINGUISHER 30KG & 50KG and FIRE DETECTORS	-
5.2	Small nitrogen plant	NONE	#
5.3	Potable Water Tank	NONE	m3
5.4	Diesel tank	5.4 (@ 98% FULL)	m3
5.5	Fresh fire water tank	NONE	m3
5.6	Gas Chromatograph	NONE	#
5.6.1	Main power supply	Ship Supply	125 KVA
5.6.2	Units	N/A	#
5.6.3	Emergency power supply	DIESEL GENERATOR	125 KVA
5.7	CNG Metering skid	NONE	#
5.8	ILI System Launcher	PIG LAUNCHER	#
5.9	Vent stack	OPEN AIR - NC	#
5.10	Control and administration building	YES – MAKER: SEABOARD	#
5.11	Gangway	YES – MAKER: VERHEOF	#

FSRU Alignment with Jetty:

Following information available for positioning the FSRU alongside the terminal:

- Ranger Offshore OHP Structures Asbuilt_1801040718_Final_Issue2.pfd [rev.2]
- BD2 layout Spec.1.pdf
 - o Offshore Structures Geometry Plan [Rev. 0, Date 05.08.17]
 - o BD2 EIC Dolphin Deck Plan [Rev. 4, Date 05.08.17]
 - o Enlarged BD2 EIC Dolphin Plan [Rev. 1, Date 01.06.17]

FSRU High Pressure Manifold – Modification

The High Pressure Loading Arms is located on Berthing Dolphin 1. This requires that the FSRU will be shifted forward and HP export pipe to be extended 20 meter forward from existing manifold position.

This is based on following interface documentation:

- Distance between MLAs.png
 - o Picture of BD1 layout drawing [snapshot of drawing, unknown rev. number]
- 10-6 - M3385708-002 MLA Ship side valve.pdf
 - o Emco Wheaton Spool Piece Assy. 12” [Date 29.08.17]
- FSRU CNG Valves.png
 - o Golar Freeze FSRU CNG Manifold Detail [snapshot from Golar Freeze SSCS]

Ship Shore Link

The FSRU is equipped with Trelleborg Seatechnik SSL located in manifold area.

Terminal is also equipped with Trelleborg SSL, and following documentation received:

- PJ2482-10000-VO-703 Integrated SSL / D&M / PPU Cabinet Electrical Hook-up drawing sheet 2 (Issue 2, Date 08.08.17)
- PJ2482-8187-V5-120-1 FO-EL-ESL Ship Shore Communication Link System. Cable Reels & Weather Cover for Old Harbour LNG (Issue 1, Date 29.08.17)
- PJ2482-8192-V1-101-1 Electric Cable Reel with 50m Electric Umbilical Cable for SSL system for Old Harbour LNG (Issue 1, Date 29.08.17)
- PJ2482-8199-V0-800-1 Fibre-Optic Cable Reel with 50m FO Umbilical Cable for SSL system for Old Harbour LNG (Issue 1, Date 29.08.17)
- Hotphone.png (picture)
- FSRU Jetty Network.png (picture)
- FSRU Jetty Data.png (Rev.A, Date 22.08.18)
- ModbusMapping NFE Metering Freeze.xls
- NFE OHP C_E.pdf

- o Cause & Effect (Rev. 0, Date 19.07.18)

FSRU Jetty Power

The FSRU is equipped with Jetty Power Box located in manifold area.

Terminal is equipped with power connection on BD2. Following documentation received:

- FSRU to Jetty E-505_Umbilical Power Cable Details Rev.B06.pdf
 - o Umbilical Power Cable Details (Rev.0, Date 15.09.17)

Gangway

Following information available for gangway interface

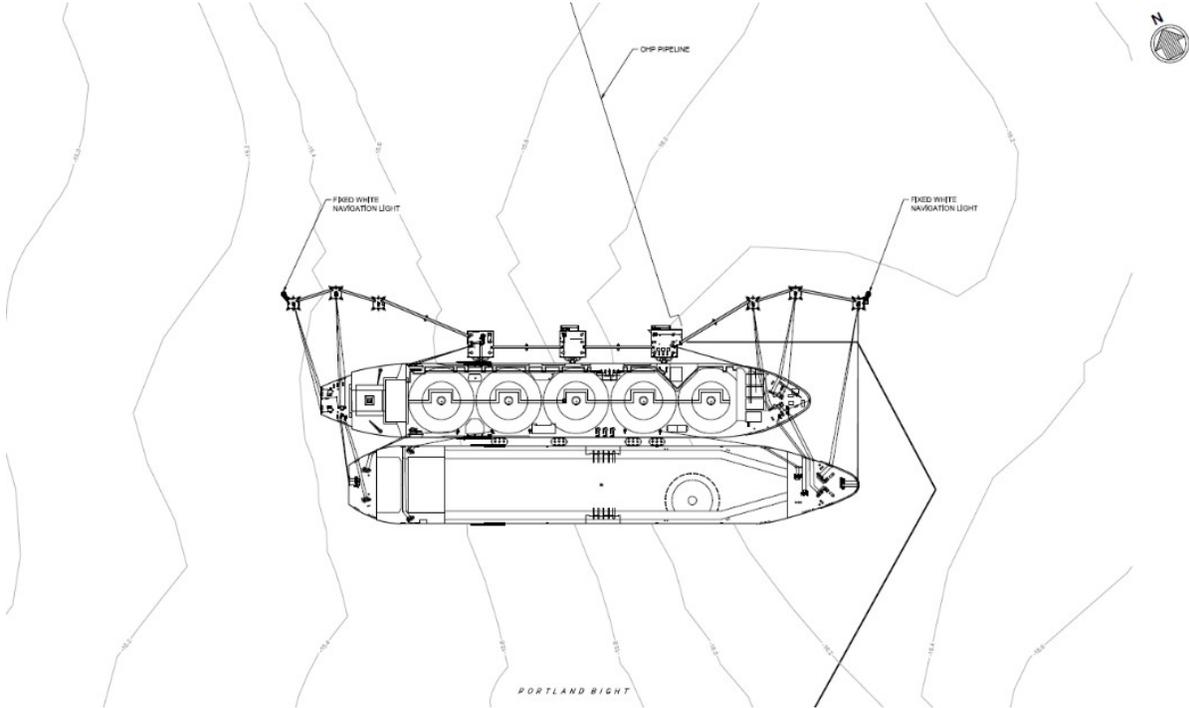
- Gangway.pdf
 - o Verhoef - Column with Telescopic Access Ladder (Rev. C, Date 13.07.17)
- (2017.07.06) Verhoef Gangway Standard Tech Spec VAI 9408 ECO Rev E Colum...pdf
 - o Verhoef – Standard Technical Specification rev.E
- Verhoef OHP Aluminum Deck Ladder Dwg AD3.0408-015.pdf (Date 01.09.17)
- Verhoef OHP Column w Telescopic Access Ladder GA Dwg AD5-28-D (1) (Rev.D, Date 17.08.17)

Marine Studies

Following information available for assessment of site

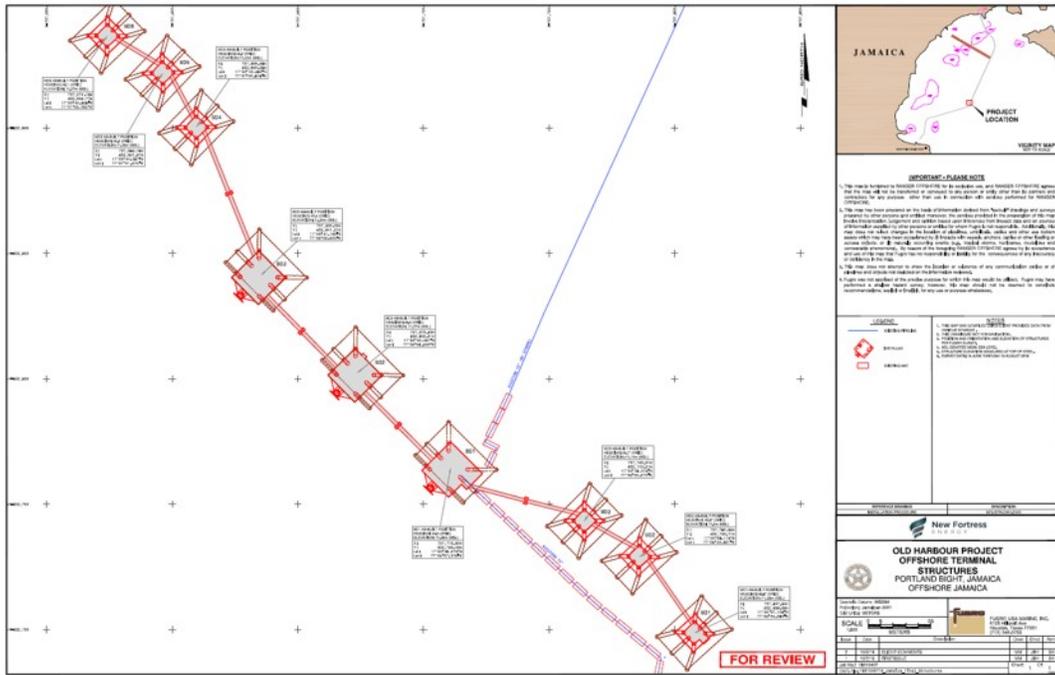
- OHP Mooring and Berthing Study.pdf
 - o Berthing and Mooring Analyses Report from Moffatt & Nichol (Rev. B, Date 17.10.17)
- OHP Navigation Assessment.pdf
 - o Navigation Assessment Report from Moffatt & Nichol (Rev. A, Date 04.10.2017)

Appendix I
Referential Terminal Design



Appendix II

Referential Jetty Layout



Schedule II

LNG Measurements, Specifications, Tests and Analysis

1. LNG MEASUREMENT SYSTEM

- 1.1 The measurement of the volume and energy content in MMBtu's of LNG transferred between LNG Carriers and the Vessel by use of International Standards shall be the responsibility of the Customer.
- 1.2 The Vessel's custody transfer management system ("CTMS") will be used for Contractor's reports to Customer.
- 1.3 Both the Vessel's and any LNG Carrier's CTMS shall be maintained in accordance with the respective manufacturers' requirements and must hold a valid certificate of accuracy from an industry-recognised body.
- 1.4 The volume of LNG transferred between the LNG Carriers and the Vessel shall be measured by the LNG Carrier's CTMS.

2. LNG QUALITY SPECIFICATIONS

- 2.1 The Vessel's Cargo tanks and regasification system shall be able to handle a range of LNG specifications limited to the range:

LNG Composition	Lean case (mol%)	Rich case (mol%)
C1	100.0	81.6
C2	0.0	13.4
C3	0.0	3.7
C4+	0.0	0.7
N2	0.0	0.7
Molecular weight (g)	16.04	19.3
Liquid density (kg/m ³ @-160°C)	421	485

3. TEST AND ANALYSIS

- 3.1 Sampling to be performed by Customer at the loading terminal for LNG Carrier to unload at the Vessel and shall not rely on any infrastructure installed on the Vessel.
- 3.2 Ageing of LNG during transportation and storage on the Vessel to be estimated by use of International Standards.

The LNG quality specification onboard the Vessel to be estimated by use of the loading papers, aging estimation and reference values for the actual gas quality composition on the gas chromatograph for regasified LNG.

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Schedule III

Gas Measurement and Quality

1. GAS QUALITY SPECIFICATION
 - 1.1 The Gas quality measurement system for Gas send-out and the regasification system shall be able to handle Gas compositions derived from the LNG specifications given in Schedule II. The Gas quality including Gas compositions for regasified LNG will be measured with a Gas chromatograph onboard the Vessel. The output signals from the Vessel's Gas chromatograph shall be interfaced with the Terminal. The Gas chromatograph will be calibrated and validated by a third-party company within ***** month after Performance Tests.
2. GAS METERING FOR GAS SEND-OUT (REGASSIFIED LNG)
 - 2.1 The custody/fiscal Gas metering for Gas send-out volumes is located at the onshore M&R station and is not part of Contractor's scope. The output signals from the M&R station's metering unit shall be interfaced with the Vessel for monitoring. The Vessel will have installed its own Gas metering system which is used to monitor the actual gas flow and energy exported according to Customer's nominations. The output signals from the vessel's metering system shall be interfaced with the Terminal for monitoring and comparison. Specification is given in Schedule I of the Charter Agreement and accuracy is +/-*****% from ***** MMscf/d up to ***** MMscf/d. The meters are calibrated and certified when installed onboard and will be re-calibrated at site with a zero-flow dry calibration within ***** month after Performance Tests. Any deviations between the Terminal meter and onboard meter shall be investigated and actions agreed.

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3. GAS FLOW MEASUREMENT FOR FUEL GAS, GAS LOSS AND VAPOUR TO / FROM LNG CARRIERS
- 3.1 The Vessel's onboard Gas measurement system shall be used to measure the fuel consumption (gas to engines and boilers) and potential Gas loss (Gas combustion unit) onboard the Vessel as well as vapour to/from LNG Carriers. Each consumer has volume flow or mass-flow measurement installed and the energy content and mass flow of the Gas sent to the consumers will be calculated. Flow accuracy of gas flow meters to the consumers are +/-*****%. The Gas flow meters are calibrated from newbuilding shipyard and will be validated and verified by a 3rd party company within ***** month after Performance Tests.

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Schedule IV

Gas Nomination and Delivery Provisions

1 Gas Nomination and LNG Delivery Provision for FSRU Services

The Customer shall nominate the quantity of Gas / LNG for the following FSRU Services :

- (i) receiving LNG from LNG Carriers at the Receipt Point;
- (ii) the regasification of LNG onboard the Vessel;
- (iii) the delivery of regasified LNG to the Delivery Point;
- (iv) Reload Operations; and
- (v) Gas Up / Cool Down Operations.

A “Gas Day” shall be defined as a twenty-four (24) hours period starting from midnight each day.

For each Gas Day after the completion of Commissioning and after Acceptance Date when the Vessel operates at FSRU Site, Customer shall have the right to nominate according to this schedule the lesser of (i) the Maximum Daily Contract Quantity; and (ii) the Available LNG Inventory.

The regasified LNG nominations are referred to as Gas Nomination below and shall include up to maximum eight different regasification rates per Gas Day. If changes to the Gas Nominations are required, the provisions in Section 4.2 (Intraday Gas Nomination) shall apply.

The delivered quantity of Gas shall be within +/-*****% range of the Nominated Volume over each Gas Day.

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Time required to cool down a spare booster pump/train, including preparation time is ***** plus ***** (*****+*****) hours. In case a standby train is maintained in cold condition, time required to bring it to service is ***** hour.

2 Inventory Notice

Commencing on the day following the Acceptance Date, Contractor shall, on each day (Day “D”) by 09.00 AM. Local Time, notify Customer of the cargo tank inventory end of the previous day (Day D-1) by using the CTMS onboard the Vessel.

3 Monthly Gas and LNG delivery Nomination

- (i) Monthly nominations shall be sent by Customer to Contractor and the Vessel Master no later than 4:00 PM local time one week prior to the relevant month to which the Monthly gas nomination and LNG delivery shall apply (the “**Monthly Nomination Notice**”).
- (ii) Contractor shall, by 4:00 PM local time on the following day, by notice to Customer confirm such Monthly nomination.
- (iii) Monthly nominations shall be for Contractor’s and Customer’s reference only.
- (iv) Should any significant deviations to the monthly nominations take place, Customer shall seek to inform Contractor about such changes as soon as possible without undue delay.

4 Daily Gas Nomination

4.1 Daily Gas Nomination

- (i) Commencing on the day before the Acceptance Date, Customer shall, by 12:00 PM (noon) local time each day, notify Contractor of its nomination consistent with the parameters of this Schedule IV (the “**Daily Nomination Notice**”) of the quantities

of Gas that Customer desires in good faith (reflecting the Charterer's assessment of the then-current requirements of Charterer downstream Gas customers) to be delivered to it at the Delivery Point during the subsequent Gas Day.

- (ii) In the event Customer does not provide Contractor a Daily Nomination Notice on a timely basis, Customer shall be deemed to have nominated a nil quantity of Gas for the relevant Gas Day.

4.2 Intraday Gas Nomination

- (i) Notwithstanding the notification deadline set forth in Section 4.1(i) above, Customer may request to modify its Daily Nomination Notice prior to the end of the Gas Day to which the Daily Nomination Notice applies by sending a notice to Contractor consistent with the parameters in Sections 3.1(ii) and 3.1(iii) of this Schedule IV ("**Intraday Nomination Notice**").
- (ii) Intraday Gas Nomination shall be given by Terminal Control Room to FSRU Cargo Control Room firstly by phone; then to be later confirmed by email.
- (iii) Contractor shall, subject to cool down times and the ramp-up and ramp down times, use reasonable efforts to adjust deliveries as soon as possible after receiving the Intraday Nomination Notice. For the purpose of calculating the deadline for adjusting deliveries, Contractor will be taken to have received the Intraday Nomination Notice at the beginning of the subsequent hour following receipt. That is, if an Intraday Nomination Notice is received at 11:45 AM local time, the time of receipt of such notice will be taken to be noon (12.00 PM) local time.

4.3 Confirmation

- (i) On each day prior to 6:00 PM local time, Contractor shall confirm Customer's Daily Nomination Notice, indicating how much Gas (the "DCQ" expressed in MMscf/d) Contractor shall deliver to Customer at the Delivery Point during the subsequent Gas Day.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

- (ii) Within ***** hours of the time of receipt of any Intraday Nomination Notice calculated pursuant to Section 3.2(ii) of this Schedule IV, Contractor shall use reasonable efforts to confirm Customer's nomination, indicating the revised quantity of Gas (the "DCQ" expressed in MMscf/d) that Contractor shall deliver to Customer at the Delivery Point during the relevant Gas Day.
- (iii) Subject to a Service Excusable Event, Force Majeure, ongoing maintenance and class inspections that interfere with the FSRU Services, and in the case of an Intraday Nomination Notice the cool down, ramp up and ramp down time, Contractor shall confirm any Daily Nomination Notice or Intraday Nomination Notice, up to the lesser of (i) Customer's Available LNG Inventory and (ii) the Maximum Daily Contract Quantity.
- (iv) If Contractor does not provide Customer with a confirmation of a Daily Nomination Notice pursuant to Section 5.3(i), or an Intraday Nomination Notice pursuant to Section 5.3(ii), then Contractor will be taken to have confirmed the relevant nomination.

5 Gas Nomination Form

Prior to the Acceptance Date, the Parties shall agree the standard form to be used for the notices to be provided under this Schedule IV, which form shall include the contact details to be used for such notices and any other procedures required that are not specified in this Schedule IV. The transmission method for such notices shall be agreed upon.

Schedule V
Form of Conditions of Use



New Fortress
ENERGY

OLD HARBOUR LNG Terminal

Terminal Manual Annex

Annex 1.1
Conditions of Use

OHP-LNG-OPS-001-A1.1

Revision 1
09 January 2019

CONDITIONS OF USE – Old Harbour LNG Terminal

All Port Facilities, Port Services and other assistance of any kind whatsoever provided to an LNG Ship calling at the LNG Facility are provided subject to all Applicable Laws and to these Conditions of Use. These Conditions of Use shall (a) apply to each LNG Ship calling at the LNG Facility regardless of whether any such LNG Ship pays or owes amounts to Höegh or Buyer, and (b) be deemed to have been expressly accepted by each LNG Ship calling at the LNG Facility regardless of whether such acceptance has been acknowledged in writing or otherwise.

1 DEFINITIONS

For purposes of these Conditions of Use, the following definitions shall apply:

Affiliates means, in relation any person or entity, another person or entity who, either directly or indirectly, Controls, is Controlled by or is under the common Control of such first mentioned party. For the purposes of this definition, "Control" means the beneficial ownership of more than fifty percent (50%) of the issued share capital or the legal power to direct or cause the direction of the general management of the company, partnership or other person in question, and "Controlled" shall be construed accordingly;

Applicable Laws means any law, regulation, administrative and judicial provision, constitution, decree, judgment, legislation, order, ordinance, regulation, code, directive, statute, treaty or other legislative measure, in each case of any Governmental Authority from time to time in force, which is legally binding on a party;

Business Day means a day on which banks are open for business in Kingston and London;

Buyer means NFE International Shipping LLC and its Affiliates, and any Representative of Buyer;

Buyer's Facilities means all fixed and moveable assets which Buyer uses and/or controls and operates from time to time for the purpose of performance of Buyer's gas supply and delivery operations including, without limitation, compression and related facilities and transmission networks for the receipt and onward transport of natural gas by Buyer;

FSRU means the floating storage and regasification unit chartered by Höegh to Buyer under the International Charter Agreement dated [●], 2021;

Governmental Authority means in respect of any country, any national, federal, regional, state, municipal, or other local government, any subdivision, agency, department, commission, authority or any other executive, legislative or administrative entity thereof, or any instrumentality, ministry, agency or other authority, acting within its legal authority;

Hazard shall have the meaning given in condition 5 below;

Höegh means [●] and its Affiliates, and any Representative of Höegh;

Höegh's Facilities means the FSRU and any infrastructure and equipment on board the FSRU;

LNG means liquefied natural gas;

LNG Facility means Buyer's Facilities and Höegh's Facilities;

LNG Ship means the LNG carrier or carriers whether singular or plural named in the acknowledgement at the end of these Conditions of Use;

Limitation Amount shall have the meaning given in condition 7.1 below;

Master means, with respect to any LNG Ship, the duly licensed master, captain or other person lawfully in command of such LNG Ship;

Party and Parties means Buyer, Höegh and Ship Owner;

Person means any individual, firm, sole proprietorship, corporation, stock company, limited liability company, trust, partnership, voluntary association, joint venture, unincorporated organisation, institution, Governmental Authority or other legal entity

Port Facilities means all the infrastructure, facilities, equipment, installations, anchorages and approaches of and to Portland Bight, including, but not limited to, LNG Facility and any other channels, channel markings, buoys, jetties, berths, lines and gangways at Portland Bight;

Port Services means any service tendered or provided by Portland Bight or Buyer to an LNG Ship, including, but not limited to, pilotage, towage, tug assistance, mooring and other navigational services, whether for consideration or free of charge;

Representative of Buyer or Representative of Höegh means any director, officer, employee, contractor, and duly authorised servant, consultant, advisor, agent or representative of Buyer or Höegh as applicable in whatever capacity they may be acting, and their respective officers, directors, employees, contractors and agents, or any other person acting on behalf of Buyer or Höegh;

Reasonable and Prudent Transporter means a Person operating an LNG Ship seeking in good faith to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from time to time from a reasonable, skilled and experienced Person carrying out the same type of activity to that contemplated under these Conditions of Use and the Terminal Manual under the same or equivalent circumstances and conditions, and complying with all applicable Laws and International standards, and any reference to the standard of a Reasonable and Prudent Transporter shall be construed accordingly;

Ship Owner means the owner(s), disponent owner(s), and operator(s) of the LNG Ship;

Terminal means the plot necessary for mooring the FSRU at the jetty and all necessary infrastructure;

Terminal Manual means the terminal manual detailing Terminal guidelines, procedures and emergency response;

Third Parties means any person or entity other than Höegh and Buyer; and

Unloading Port means the port existing or close to Portland Bight, Jamaica at which the Terminal is located.

2 GENERAL

- 2.1 All LNG Ships calling on the LNG Facility must be capable of operating within the physical limitations of the Port Facilities and the LNG Facility's berth dimensions, unloading arm envelopes and mooring equipment as detailed in the Terminal Manual, or as advised from time to time by Buyer and all LNG Ships, the Ship Owner and the Master shall act as a Reasonable and Prudent Transporter. In addition to the requirements of Applicable Laws, the following conditions (3 to 9) shall apply to each LNG Ship calling at the LNG Facility.

3 SAFETY AND PROPER NAVIGATION

The Master of an LNG Ship shall at all times and in all circumstances remain solely responsible on behalf of the Ship Owner for the safety and proper navigation and operation of his LNG Ship and shall at all times comply with the Portland Bight regulations, all Applicable Laws and the Terminal Manual.

4 INDEMNITY, PROPERTY DAMAGE, PERSONAL INJURY AND STRIKES

- 4.1 Neither Buyer nor Höegh make any warranty (whether express or implied) with respect to Port Facilities or to the rendering of Port Services and any use thereof shall be at the sole risk of the Master and the Ship Owner. Neither Buyer nor Höegh shall be responsible for any loss or damage to an LNG Ship, actual or consequential (including loss of profit), or any loss or damage to the Ship Owner or the LNG Ship's cargo (while in the care custody and control of the Ship Owner) or any part thereof, or any loss or injury (including loss of life and industrial disease) suffered by the Master, officers or crew of the LNG Ship, which is related to Port Facilities or to Port Services provided to an LNG Ship.
- 4.2 Neither Buyer nor Höegh shall be responsible to any LNG Ship or to Ship Owner for any loss related to strikes or other labour disturbances, regardless of whether Buyer or Höegh are parties thereto, and regardless of any act, omission, fault or negligence of Buyer or Höegh.
- 4.3 The LNG Ship and the Ship Owner shall in all circumstances hold harmless and indemnify Buyer and Höegh as applicable against any and all losses, claims, damages, costs and expenses Buyer or Höegh may incur or has incurred arising out of or in connection with:
 - (a) any damage to the LNG Facility or Port Facilities or loss of life and/or injury (including industrial disease) to its personnel related to the LNG Ship's use of the LNG Facility

or Port Facilities and involving the fault, wholly or partially, of the Master, officers or crew of the LNG Ship, including negligent navigation;

- (b) any loss suffered by Third Parties with respect to damage to their property or injury to their personnel related to the LNG Ship's use of the LNG Facility or Port Facilities and involving the fault, wholly or partially, of the Master, officers or crew of the LNG Ship, including negligent navigation;
 - (c) any Hazard under condition 5 hereof and involving the fault, wholly or partially, of the Master, officers or crew of the LNG Ship, including negligent navigation;
 - (d) any loss or damage to the LNG Ship or its cargo while in the Portland Bight and/or while at or in the vicinity of the LNG Facility (including without limitation the jetty), including consequential losses and all claims, damages and costs arising therefrom; and
 - (e) any personnel loss of life and/or injury (including industrial disease) or property loss suffered by the Master, officers or crew of the LNG Ship while in the Portland Bight and/or while at or in the vicinity of the LNG Facility (including without limitation the jetty), including consequential losses and all claims, damages and costs arising therefrom.
- 4.4 In the event of any escape or discharge of oil or oily mixture or contaminants from any LNG Ship or from any hose or other discharging device connected to such LNG Ship (from whatsoever cause such escape or discharge may arise and irrespective of whether or not such escape or discharge has been caused or contributed to by the negligence or default on the part of the LNG Ship or the ship owner and/or the LNG Ship operators), either of Buyer or Höegh by itself or by its subcontractors or by any other person whatsoever shall have the right to take any measures it deems fit to clean up the pollution resulting from such escape or discharge and to recover the full cost thereof from the ship owner and/or the LNG Ship operators, for which cost the ship owner and LNG Ship operators shall be jointly and severally liable to Buyer or Höegh (as the case may be).
- 4.5 Each of the Ship Owner and LNG Ship hereby waives any right it may have to limit its liability whether in conformity with any international maritime or shipping convention or any other statutory provision now or hereinafter enacted affording ship owners a right to

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limit their liability. The waiver herein contained applies to all persons claiming through ship owner or LNG Ship operators.

5 HAZARD

If the LNG Ship or any object on the LNG Ship becomes or is likely to become an obstruction, threat, or danger to navigation, operations, safety, health, environment or security of Portland Bight (a **Hazard**), the Master and the Ship Owner shall, at the option of Buyers and/or Høegh, take immediate action to clear, remove or rectify the Hazard as Buyers and/or Høegh may direct, and if the Master and/or Ship Owner fail to take such action, Buyers and/or Høegh shall be entitled to take such measures as it may deem appropriate to clear, remove or rectify the Hazard, and the Master and Ship Owner shall be responsible for all costs and expenses associated therewith.

6 INCIDENT REPORTING

Without prejudice to the limitation of liability of the Master and the Ship Owner at condition 7.1, the Master shall immediately report to Buyer and Høegh any accident, incident, claim, damage, loss or unsafe condition or circumstance (**Incident**) and take, at its own costs, such reasonable steps to control or eliminate any such Incident or the consequences thereof as may be directed by Buyer or Høegh. Any such report shall be made in writing and signed by the Master. Buyer and Høegh shall be entitled to inspect and investigate any such report but without prejudice to the foregoing.

7 LIMITATION OF LIABILITY

- 7.1 Subject to condition 7.2, any liability of the Master and the Ship Owner to Buyer and Høegh by virtue of the operation of these Conditions of Use shall be limited to USD ***** (USD***** (the **Limitation Amount**) in aggregate for all liabilities arising from any accident or occurrence. In the event that any loss or damage in respect of which the LNG Ship and the Ship Owner are liable to indemnify Buyer and/or Høegh exceeds the Limitation Amount then the Master and the Ship Owner shall indemnify Buyer and/or Høegh, in aggregate not exceeding the Limitation Amount, by paying each a sum, which equates to the ratio of loss or damage suffered by each to the total loss or damage suffered by each.

7.2 The limit of liability set out in condition 7.1 shall not limit, restrict or prejudice any claim or right that Buyer or Höegh has or may have against the Master or the Ship Owner under general principles of law or equity. For the avoidance of doubt, said limit of liability shall only apply with respect to, and to the extent of, a claim by Buyer or Höegh against the Master or the Ship Owner under these Conditions of Use.

8 CONFIRMATION OF INSURANCE

- 8.1 Prior to any call by the LNG Ship at the Terminal, or such other times as may be requested by Buyer or Höegh, Ship Owner shall provide sufficient written evidence:
- (a) that the LNG Ship's P&I Club has agreed to cover Ship Owner as a member of the P&I Club against the liabilities and responsibilities assumed by Ship Owner in these Conditions of Use, in accordance with the P&I Club's Rules and shall ensure that such insurances are maintained for the duration of the LNG Ship's calling at the Terminal; and
 - (b) of waiver of rights of subrogation from the LNG Ship's marine, war and P&I Club insurers, such waivers to be in respect of rights against Buyer and Höegh.

9 MISCELLANEOUS

- 9.1 Any liability incurred by the Master, the ship owner or LNG Ship operators by operation of these Conditions of Use shall be joint and several.
- 9.2 These Conditions of Use shall be construed, interpreted and applied in accordance with laws of England and Wales.
- 9.3 Dispute Resolution:
- (a) Any dispute, controversy, claim, counterclaim, demand, cause of action or any other controversy arising out of or relating in any way to these Conditions of Use, or the breach, termination, or invalidity thereof (each, a **Dispute**), shall be resolved by binding arbitration in accordance with this provision. A Dispute must be resolved through arbitration regardless of whether the Dispute involves claims that the Conditions of Use are unlawful, unenforceable, void, or voidable or involves claims under statutory, civil or common law. The validity, construction and interpretation of

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this agreement to arbitrate, and all other procedural aspects of the arbitration conducted pursuant hereto shall be decided by the arbitral tribunal.

- (b) Where a Party wishes to refer a matter to arbitration in accordance with this condition 9.3(a), it shall serve a written notice on the other Party to that effect and the Rules of Arbitration of the International Chamber of Commerce (the ICC Arbitration Rules), shall govern such arbitration save to the extent that the same are inconsistent with the express provisions of these Conditions of Use.
 - (c) The number of arbitrators shall be three. The claimant (or if more than one claimant, the claimants jointly) shall nominate one arbitrator and the respondent (or if more than one respondent, the respondents jointly) shall nominate one arbitrator, in each case in accordance with the ICC Arbitration Rules. The third arbitrator, who will act as chairperson of the arbitral tribunal, shall be nominated jointly by the two arbitrators nominated by the Parties, provided that if the third arbitrator has not been so nominated within ***** Business Days of the date of nomination of the later of the two arbitrators appointed by the Parties, the third arbitrator shall be appointed by the International Chamber of Commerce.
 - (d) The Emergency Arbitration procedures shall apply.
 - (e) The seat, or legal place of the Arbitration shall be London, England.
 - (f) The Arbitration shall be conducted in the English language.
- 9.4 These Conditions of Use shall remain in effect for so long as the Ship Owner causes the LNG Ship to call at the Portland Bight.
- 9.5 Where the context so requires, references to the singular shall include the plural, and vice versa. Headings used in these Conditions of Use are for reference purposes only. References to a condition are to a numbered condition of these Conditions of Use. References to a Governmental Authority shall include any successor authority, ministry, department, agency, office, or organisation (as applicable), and references to any Applicable Law shall include any amendment or modification thereof or thereto that is duly promulgated or enacted by the appropriate Governmental Authority.

ACKNOWLEDGEMENT

Name of LNG Ship: _____

As Master of the above-named LNG Ship, I acknowledge for and on behalf of the Ship Owner of the LNG Ship that the above Conditions of Use of the Unloading Port govern the use by such LNG Ship of the LNG Facility.

Signed: _____

By Master for and on behalf of the Ship Owner of LNG Ship

Date: _____

Signed: _____

By [●] for and on behalf of [full name of Höegh Owner entity]

Date: _____

Signed: _____

By [●] for and on behalf of NFE International Shipping LLC

Date: _____

Signed: _____

By [●] for and on behalf of NFE South Holdings Limited

Date: _____

Schedule VI

Form of Reload / GC Operation Orders

A: Form of Reload Order

RELOAD ORDER No. _____

[Date]

[Time]

OPERATION TO BE CARRIED OUT:	<input type="checkbox"/> Reloading from the Vessel to LNG Carrier <input type="checkbox"/> Gas Up / Cool Down of LNG Carrier
LNG CARRIER NAME:	
SATISFACTION OF RELOAD LNGC COMPATIBILITY REQUIREMENTS	[Please see attached information]
RELOAD ARRIVAL WINDOW:	
ETA:	
RELOADING QUANTITY (m ³):	

GAS UP / COOL DOWN QUANTITY (if applicable) (m ³)	
LNG CARRIER AGENT:	
QUALITY EXPERT:	

Other comments: _____

Charterer _____

(Authorized person name, title, signature)

Hereby we confirm that your Reload Order was safely received and duly understood.

Owner _____

(Authorized person name, title, signature)

[Date]

[Time]

B: Form of Gas Up / Cool Down Order

RELOAD ORDER No. _____

[Date]

[Time]

OPERATION TO BE CARRIED OUT:	<input type="checkbox"/> Reloading from the Vessel to LNG Carrier <input type="checkbox"/> Gas Up / Cool Down of LNG Carrier
LNG CARRIER NAME:	
SATISFACTION OF RELOAD LNGC COMPATIBILITY REQUIREMENTS	[Please see attached information]
RELOAD ARRIVAL WINDOW:	
ETA:	
RELOADING QUANTITY (m ³):	
GAS UP / COOL DOWN QUANTITY (if applicable) (m ³)	

LNG CARRIER AGENT:	
QUALITY EXPERT:	

Other
comments:

Charterer

(Authorized person name, title, signature)

Hereby we confirm that your Reload Order was safely received and duly understood.

Owner

(Authorized person name, title, signature)

[Date]

[Time]

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Schedule VII

Technical and Operational Parameters

The Parties shall agree this Schedule VII no later than ***** days before the Service Commencement Date.

A: Reload Operations

[●]

B: Gas Up / Cool Down Operations

[●]

Schedule VIII

Form of Guarantees

Part A – Form of Owner/Contractor Guarantee

[INSERT PARENT GUARANTOR]

PARENT COMPANY GUARANTEE

dated [●]

in respect of obligations of

(1) [●]

(2) [●]

This deed of guarantee is dated [DATE] (the “**Guarantee**”)

PARTIES

- (1) [●], incorporated and registered in [JURISDICTION] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] as guarantor (the “**Guarantor**”).
- (2) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**Charter Agreement Beneficiary**”).
- (3) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**OSA Beneficiary**” and, together with the Charter Agreement Beneficiary, the “**Beneficiaries**”).

BACKGROUND

- (A) The Charter Agreement Beneficiary has agreed, pursuant to a charter agreement dated [●] September 2021 (the “**Charter Agreement**”), to hire from [●] (the “**Owner**”) a vessel for use as a floating storage and regasification unit, with an option for use as a liquefied natural gas carrier.
- (B) The OSA Beneficiary has agreed, pursuant to an operation and services agreement dated [●] September 2021 (the “**OSA**” and, together with the Charter Agreement, the “**FSRU Agreements**”), to receive certain services from [●] (the “**Contractor**”) and, together with the Owner, the “**Guaranteed Companies**” in relation to the operation of the vessel to be chartered pursuant to the Charter Agreement.
- (C) The Guarantor has agreed to enter into this Guarantee for the purpose of providing credit support to the Beneficiaries for the obligations of the Guaranteed Companies under the respective FSRU Agreements collectively.

AGREED TERMS

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1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Guarantee.

“**Business Day**” has the meaning given to such term in the Charter Agreement.

“**Charter Period**” has the meaning given to such term in the Charter Agreement.

“**Guaranteed Obligations**” means all present and future obligations of the Guaranteed Companies (except those obligations of Owner during any period when Owner and Guarantor are the same entity) due, owing or incurred under the FSRU Agreements to the Beneficiaries (including, without limitation, under any amendment, supplement or restatement of the FSRU Agreements).

“**Maximum Liability Amount**” means ***** US Dollars (US\$*****); *provided that*, on the final day of:

- (a) each of the first eleven (11) months of the final year of the Charter Period, the then-current Maximum Liability Amount shall be reduced by ***** US Dollars and ***** US Cents (US\$*****); and
- (b) the final month of the final year of the Charter Period, the then-current Maximum Liability Amount figure shall be reduced by ***** US Dollars and ***** US Cents (US\$*****).

“**Rights**” means any security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

“**Wilful Misconduct**” has the meaning given to such term in the Charter Agreement or the OSA (as the context may require).

1.2 Interpretation

In this Guarantee:

- (a) clause headings shall not affect the interpretation of this Guarantee;
- (b) a reference to a “**person**” shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to “**Beneficiary**” shall include the Beneficiary’s successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to “**writing**” or “**written**” includes fax but not email;
- (i) a reference to “**this Guarantee**” (or any provision of it) or to any other agreement or document referred to in this Guarantee is a reference to this Guarantee, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Guarantee) from time to time;
- (j) unless the context otherwise requires, a reference to a clause is to a clause of this Guarantee;

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- (k) any words following the terms **“including”**, **“include”**, **“in particular”**, **“for example”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (l) a reference to an **“amendment”** includes a novation, re-enactment, supplement or variation (and **“amended”** shall be construed accordingly);
- (m) a reference to **“assets”** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (n) a reference to an **“authorisation”** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (o) a reference to **“determines”** or **“determined”** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (p) a reference to a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

2 GUARANTEE AND GUARANTEED AMOUNT

2.1 In consideration of the Beneficiaries entering into the FSRU Agreements, the Guarantor guarantees to the Beneficiaries the performance of the Guaranteed Obligations when the same are required to be performed by the relevant Guaranteed Company pursuant to the terms of the applicable FSRU Agreement within ***** Business Days of written demand from the relevant Beneficiary. Such written demand must be accompanied by a statement setting out in reasonable detail the Guaranteed Obligation(s) with respect to which the relevant Guaranteed Company has defaulted and the calculation of any amount claimed under this Guarantee.

2.2 The Guarantor as principal obligor and as a separate and independent obligation from its

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obligation under Clause 2.1 agrees to indemnify, defend and hold harmless each Beneficiary and keep each Beneficiary indemnified in full within ***** Business Days of written demand from and against all and any losses, debts, damages, interest, liability, costs and expenses suffered or incurred by that Beneficiary as a result of any failure by a Guaranteed Company to perform any Guaranteed Obligation applicable to it in circumstances where such Guaranteed Obligation is or becomes unenforceable, invalid or illegal and, but for such unenforceability, invalidity or illegality, such Guaranteed Obligation would have been required to be performed by the relevant Guaranteed Company under the relevant FSRU Agreement on the date specified therein; *provided, however, that* the amount payable by the Guarantor under the indemnity set forth in this Clause 2.2 will not exceed the amount it would have had to pay under this Guarantee if the amount claimed had been recoverable on the basis of the guarantee set forth in Clause 2.1.

2.3 For the purposes of this Guarantee, any money judgment, arbitrator's award or expert's decision against a Guaranteed Company in favour of a Beneficiary under or in connection with one or more of the FSRU Agreements shall be conclusive evidence of any liability of a Guaranteed Company to which that judgment, award or decision relates and the Guarantor agrees to satisfy and discharge any money judgment, arbitrator's award or adjudicator's decision made against the Guaranteed Company in favour of the Beneficiaries.

2.4 Notwithstanding any other provision of this Guarantee and the FSRU Agreements, the aggregate liability of the Guarantor hereunder shall in no circumstances exceed the Maximum Liability Amount other than with respect to liability caused by the Wilful Misconduct of a Guaranteed Company.

3 BENEFICIARY PROTECTIONS

3.1 This Guarantee is a continuing guarantee and shall remain in full force and effect until all Guaranteed Obligations have been paid in full.

3.2 The liability of the Guarantor under this Guarantee shall not be reduced, discharged or

otherwise adversely affected by:

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Guaranteed Obligations;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which a Beneficiary may now or after the date of this Guarantee have from or against a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (c) any act or omission by a Beneficiary or any other person in taking up, perfecting or enforcing any security, indemnity, or guarantee from or against a Guaranteed Company or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations;
- (e) any grant of time, indulgence, waiver or concession to a Guaranteed Company or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of a Guaranteed Company, a Beneficiary, or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or security held from, a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (h) any claim or enforcement of payment from a Guaranteed Company or any other person;
- (i) any act or omission which would not have discharged or affected the liability of the Guarantor had it been a principal debtor instead of a guarantor; or

(j) any other act or omission except an express written release by deed of the Guarantor by the Beneficiaries.

3.3 Notwithstanding any other provision of this Guarantee the obligations guaranteed by the Guarantor and the liability of the Guarantor under this Guarantee shall not exceed the liability of the Guaranteed Companies under the FSRU Agreements.

3.4 Subject to Clause 2.3, the Guarantor shall be entitled to exercise all of the contractual protections, limitations and exclusions of liability in respect of any claim made hereunder as are available to the Guaranteed Companies under the FSRU Agreements.

3.5 Neither Beneficiary shall be obliged, before taking steps to enforce any of its rights and remedies under this Guarantee, to:

- (a) take any action or obtain judgment in any court against the relevant Guaranteed Company or any other person;
- (b) make or file any claim in a bankruptcy, liquidation, administration or insolvency of the relevant Guaranteed Company or any other person; or
- (c) make, demand, enforce or seek to enforce any claim, right or remedy against the relevant Guaranteed Company or any other person.

3.6 The Guarantor warrants to each Beneficiary that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against either Guaranteed Company, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Guarantor under this Guarantee but:

- (a) if any of the Rights is taken, exercised or received by the Guarantor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Guarantor on trust for the Beneficiaries for application in or towards the discharge of the Guaranteed Obligations under this Guarantee; and

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(b) on demand by a Beneficiary, the Guarantor shall promptly transfer, assign or pay to such Beneficiary all other relevant Rights and monies from time to time held on trust by the Guarantor under this Clause 3.6.

3.7 This Guarantee is in addition to and shall not affect nor be affected by or merge with any other judgment, security, right or remedy obtained or held by a Beneficiary from time to time for the discharge and performance of the relevant Guaranteed Company of the relevant Guaranteed Obligations.

4 COSTS

The Guarantor shall, within ***** Business Days of written demand, pay to, or reimburse, each Beneficiary all taxes and reasonable and documented costs, charges, expenses of any kind (including, without limitation, reasonable and documented legal and out-of-pocket expenses) incurred by such Beneficiary in connection with the enforcement or preservation of its rights hereunder, *provided that*, subject only to Clause 2.4, in no event (save in respect of liability caused by the Wilful Misconduct of a Guaranteed Company) shall the Guarantor be liable for costs and expenses under this Clause 4 where payment of such sums would result in the Guarantor's liability under this Guarantee exceeding the Maximum Liability Amount.

5 REPRESENTATIONS AND WARRANTIES

The Guarantor hereby represents and warrants to each Beneficiary, as at the date of this Guarantee, that:

(a) it is a company incorporated under the laws of [*JURISDICTION*] and possesses the capacity to sue and be sued in its own name and has the power to carry on its business and to own its property and other assets;

-
- (b) it has the power to execute, deliver and perform its obligations under this Guarantee and to carry out the transactions contemplated hereby, and all necessary corporate and other action will have been taken to authorise the execution, delivery and performance of the same;
 - (c) the execution, delivery and performance by the Guarantor of this Guarantee does not and will not contravene any law or regulation to which the Guarantor is subject or conflict with the provisions of the Guarantor's constitutional documents; and
 - (d) the Guarantor's obligations under this Guarantee are valid, binding and enforceable in accordance with the terms hereof.

6 ACCOUNTS

- 6.1** Each Beneficiary may place to the credit of a suspense account any monies received by it under or in connection with this Guarantee in order to preserve its rights to prove for the full amount of all its claims against the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations.
- 6.2** Each Beneficiary may at any time and from time to time apply all or any monies held in any suspense account in or towards satisfaction of any of the monies, obligations and liabilities that are the subject of this Guarantee as such Beneficiary, in its absolute discretion, may conclusively determine.
- 6.3** If this Guarantee ceases for any reason whatsoever to be continuing, each Beneficiary may open a new account or accounts in the name of the relevant Guaranteed Company.
- 6.4** If a Beneficiary does not open a new account or accounts in accordance with Clause 6.3, it shall nevertheless be treated as if it had done so at the time that this Guarantee ceased to be continuing whether by termination, calling in or otherwise, in relation to the relevant Guaranteed Company.
- 6.5** As from the time of opening or deemed opening of a new account or accounts, all payments

made to a Beneficiary by or on behalf of the relevant Guaranteed Company shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount for which this Guarantee is available at that time, nor shall the liability of the Guarantor under this Guarantee in any manner be reduced or affected by any subsequent transactions, receipts or payments.

7 DISCHARGE CONDITIONAL

- 7.1** Any release, discharge or settlement between the Guarantor and a Beneficiary in relation to this Guarantee shall be conditional on no right, security, disposition or payment to that Beneficiary by the Guarantor, the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations being avoided, set aside or ordered to be refunded under any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason.
- 7.2** If any right, security, disposition or payment referred to in Clause 7.1 is avoided, set aside or ordered to be refunded, each Beneficiary shall be entitled subsequently to enforce this Guarantee against the Guarantor as if such release, discharge or settlement had not occurred and any such right, security, disposition or payment had not been given or made.

8 PAYMENTS

- 8.1** All sums payable by the Guarantor under this Guarantee shall be paid in full to the Beneficiaries in the currency in which the relevant Guaranteed Obligations are payable:
- (a) without any set-off, condition or counterclaim whatsoever; and
 - (b) free and clear of any deduction or withholding whatsoever except as may be required by law or regulation which is binding on the Guarantor.
- 8.2** If the Guarantor is required to make any deduction or withholding by any law or regulation from any payment due under this Guarantee, the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount

equal to the payment which would have been due if no deduction or withholding had been required.

- 8.3** Following any deduction or withholding, or any payment required in connection with that deduction or withholding, the Guarantor shall promptly deliver or procure delivery to the relevant Beneficiary evidence reasonably satisfactory to such Beneficiary that either a withholding or deduction has been made or any appropriate payment paid to the relevant taxing authority (as applicable).
- 8.4** The Guarantor shall not and may not direct the application by a Beneficiary of any sums received by that Beneficiary from the Guarantor under any of the terms of this Guarantee.

9 BENEFICIARY ASSISTANCE

Subject to Clause 4, each Beneficiary undertakes, upon the Guarantor's request, to sign and execute such deeds or instruments as the Guarantor may reasonably require in order to give effect to a discharge of the Guarantor's obligations under this Guarantee.

10 TRANSFER

- 10.1** The Guarantor may not assign any of its rights and may not transfer any of its obligations under this Guarantee or enter into any transaction which would result in any of those rights or obligations passing to another person; *provided, however, that* the Guarantor may take any of the foregoing actions if each Beneficiary so consents, such consent not to be unreasonably withheld or delayed.
- 10.2** Charter Agreement Beneficiary and/or OSA Beneficiary may assign rights and/or, as applicable, transfer obligations to any person to whom such Beneficiary's rights and/or obligations under and in accordance with the terms of the FSRU Agreements are assigned or, as applicable, transferred, without having to obtain the consent of the Guarantor.

11 REMEDIES, WAIVERS, AMENDMENTS AND CONSENTS

- 11.1** No amendment of this Guarantee shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

11.2 A waiver of any right or remedy under this Guarantee or by law, or any consent given under this Guarantee, is only effective if given in writing and signed by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

11.3 A failure or delay by a party to exercise any right or remedy provided under this Guarantee or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Guarantee. No single or partial exercise of any right or remedy provided under this Guarantee or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Guarantee by a Beneficiary shall be effective unless it is in writing and signed.

11.4 The rights and remedies provided under this Guarantee are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

12 SEVERANCE

If any provision (or part of a provision) of this Guarantee is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this Clause 12 shall not affect the legality, validity and enforceability of the rest of this Guarantee.

13 THIRD PARTY RIGHTS

A person who is not a party to this Guarantee shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Guarantee. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

14 COUNTERPARTS

14.1 This deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

14.2 Transmission of an executed counterpart of this Guarantee by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Guarantee.

14.3 No counterpart shall be effective until each party has executed at least one counterpart.

15 NOTICES

15.1 Delivery

Any notice or other communication given to a party under or in connection with this Guarantee shall be:

- (a) in writing;
- (b) delivered by hand by pre-paid first-class post or other next working day delivery service or sent by fax; and
- (c) sent to:

- (i) the Guarantor at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

- (ii) the Charter Agreement Beneficiary at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

(iii) the OSA Beneficiary at:

[ADDRESS]

Fax: [NUMBER]

Attention: [NAME]

or, in either case, to any other address or fax number as is notified in writing by one party to the other from time to time.

15.2 Receipt

Any notice or other communication given under or in connection with this Guarantee shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; and
- (c) if sent by fax, when received in legible form.

A notice or other communication given as described in Clause 15.2(a) or Clause 15.2(c) on a day that is not a Business Day, or after normal business hours, shall be deemed to have been received on the next Business Day. For the purposes of this Clause 15.2, all references to time and business hour are to local time and business hours in the place of deemed receipt.

15.3 This Clause 15 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

15.4 A notice or other communication given under or connection with this Guarantee is not valid if sent by email.

16 LAW AND DISPUTE RESOLUTION

16.1 Governing Law

- (a) This Guarantee and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the law of England and Wales.
- (b) The Guarantor irrevocably consents to any process in any proceedings under Clause 16.2 being served on it in accordance with the provisions of this Guarantee relating to service of notices. Nothing contained in this Guarantee shall affect the right to serve process in any other manner permitted by law.

16.2 Dispute Resolution

Any dispute arising out of or in connection with this Guarantee, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause 16.2. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London, United Kingdom. The language to be used in the arbitral proceedings shall be English. The governing law of the contract shall be the substantive law of England and Wales.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED BY

[PARENT GUARANTOR]

Executed as a deed by [PARENT GUARANTOR] acting by
[NAME OF DIRECTOR], a director

.....

Director



Part B – Form of Charterer/Customer Guarantee

[INSERT PARENT GUARANTOR]

PARENT COMPANY GUARANTEE

dated [●]

in respect of obligations of

(1) [●]

(2) [●]

This deed of guarantee is dated [DATE] (the “**Guarantee**”)

PARTIES

- (1) [●], incorporated and registered in [JURISDICTION] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] as guarantor (the “**Guarantor**”).
- (2) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**Charter Agreement Beneficiary**”).
- (3) [●], incorporated and registered in [●] [with company number [NUMBER]] whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**OSA Beneficiary**” and, together with the Charter Agreement Beneficiary, the “**Beneficiaries**”).

BACKGROUND

- (A) The Charter Agreement Beneficiary has agreed, pursuant to a charter agreement dated [●] September 2021 (the “**Charter Agreement**”), to charter to NFE Transport Partners LLC (the “**Charterer**”) a vessel for use as a floating storage and regasification unit, with an option for use as a liquefied natural gas carrier.
- (B) The OSA Beneficiary has agreed, pursuant to an operation and services agreement dated [●] September 2021 (the “**OSA**” and, together with the Charter Agreement, the “**FSRU Agreements**”), to provide certain services to NFE South Holdings Limited (the “**Customer**” and, together with the Charterer, the “**Guaranteed Companies**”) in relation to the operation of the vessel to be chartered pursuant to the Charter Agreement.
- (C) The Guarantor has agreed to enter into this Guarantee for the purpose of providing credit support to the Beneficiaries for the obligations of the Guaranteed Companies under the respective FSRU Agreements collectively.

AGREED TERMS

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Guarantee.

“**Business Day**” has the meaning given to such term in the Charter Agreement.

“**Charter Period**” has the meaning given to such term in the Charter Agreement.

“**Guaranteed Obligations**” means all present and future obligations of the Guaranteed Companies due, owing or incurred under the FSRU Agreements to the Beneficiaries (including, without limitation, under any amendment, supplement or restatement of the FSRU Agreements).

“**Maximum Liability Amount**” means ***** US Dollars (US\$*****); *provided that*, on the final day of:

- (a) each of the first eleven (11) months of the final year of the Charter Period, the then-current Maximum Liability Amount shall be reduced by ***** US Dollars and ***** US Cents (US\$*****); and
- (b) the final month of the final year of the Charter Period, the then-current Maximum Liability Amount figure shall be reduced by ***** US Dollars and ***** US Cents (US\$*****).

“**Rights**” means any security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

“**Wilful Misconduct**” has the meaning given to such term in the Charter Agreement or the OSA (as the context may require).

1.2 Interpretation

In this Guarantee:

- (a) clause headings shall not affect the interpretation of this Guarantee;
- (b) a reference to a **“person”** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to **“Beneficiary”** shall include the Beneficiary’s successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **“writing”** or **“written”** includes fax but not email;
- (i) a reference to **“this Guarantee”** (or any provision of it) or to any other agreement or document referred to in this Guarantee is a reference to this Guarantee, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Guarantee) from time to time;
- (j) unless the context otherwise requires, a reference to a clause is to a clause of this Guarantee;
- (k) any words following the terms **“including”**, **“include”**, **“in particular”**, **“for example”**

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or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

- (l) a reference to an **“amendment”** includes a novation, re-enactment, supplement or variation (and **“amended”** shall be construed accordingly);
- (m) a reference to **“assets”** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (n) a reference to an **“authorisation”** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (o) a reference to **“determines”** or **“determined”** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (p) a reference to a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

2 GUARANTEE AND GUARANTEED AMOUNT

- 2.1** In consideration of the Beneficiaries entering into the FSRU Agreements, the Guarantor guarantees to the Beneficiaries the performance of the Guaranteed Obligations when the same are required to be performed by the relevant Guaranteed Company pursuant to the terms of the applicable FSRU Agreement within ***** Business Days of written demand from the relevant Beneficiary. Such written demand must be accompanied by a statement setting out in reasonable detail the Guaranteed Obligation(s) with respect to which the relevant Guaranteed Company has defaulted and the calculation of any amount claimed under this Guarantee.
- 2.2** The Guarantor as principal obligor and as a separate and independent obligation from its obligation under Clause 2.1 agrees to indemnify, defend and hold harmless each Beneficiary

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and keep each Beneficiary indemnified in full within ***** Business Days of written demand from and against all and any losses, debts, damages, interest, liability, costs and expenses suffered or incurred by that Beneficiary as a result of any failure by a Guaranteed Company to perform any Guaranteed Obligation applicable to it in circumstances where such Guaranteed Obligation is or becomes unenforceable, invalid or illegal and, but for such unenforceability, invalidity or illegality, such Guaranteed Obligation would have been required to be performed by the relevant Guaranteed Company under the relevant FSRU Agreement on the date specified therein; *provided, however, that* the amount payable by the Guarantor under the indemnity set forth in this Clause 2.2 will not exceed the amount it would have had to pay under this Guarantee if the amount claimed had been recoverable on the basis of the guarantee set forth in Clause 2.1.

- 2.3** For the purposes of this Guarantee, any money judgment, arbitrator's award or expert's decision against a Guaranteed Company in favour of a Beneficiary under or in connection with one or more of the FSRU Agreements shall be conclusive evidence of any liability of a Guaranteed Company to which that judgment, award or decision relates and the Guarantor agrees to satisfy and discharge any money judgment, arbitrator's award or adjudicator's decision made against the Guaranteed Company in favour of the Beneficiaries.
- 2.4** Notwithstanding any other provision of this Guarantee and the FSRU Agreements, the aggregate liability of the Guarantor hereunder shall in no circumstances exceed the Maximum Liability Amount other than with respect to liability caused by the Wilful Misconduct of a Guaranteed Company.

3 BENEFICIARY PROTECTIONS

- 3.1** This Guarantee is a continuing guarantee and shall remain in full force and effect until all Guaranteed Obligations have been paid in full.
- 3.2** The liability of the Guarantor under this Guarantee shall not be reduced, discharged or otherwise adversely affected by:

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Guaranteed Obligations;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which a Beneficiary may now or after the date of this Guarantee have from or against a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (c) any act or omission by a Beneficiary or any other person in taking up, perfecting or enforcing any security, indemnity, or guarantee from or against a Guaranteed Company or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations;
- (e) any grant of time, indulgence, waiver or concession to a Guaranteed Company or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of a Guaranteed Company, a Beneficiary, or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or security held from, a Guaranteed Company or any other person in connection with the Guaranteed Obligations;
- (h) any claim or enforcement of payment from a Guaranteed Company or any other person;
- (i) any act or omission which would not have discharged or affected the liability of the Guarantor had it been a principal debtor instead of a guarantor; or
- (j) any other act or omission except an express written release by deed of the Guarantor by

the Beneficiaries.

- 3.3** Notwithstanding any other provision of this Guarantee the obligations guaranteed by the Guarantor and the liability of the Guarantor under this Guarantee shall not exceed the liability of the Guaranteed Companies under the FSRU Agreements.
- 3.4** Subject to Clause 2.3, the Guarantor shall be entitled to exercise all of the contractual protections, limitations and exclusions of liability in respect of any claim made hereunder as are available to the Guaranteed Companies under the FSRU Agreements.
- 3.5** Neither Beneficiary shall be obliged, before taking steps to enforce any of its rights and remedies under this Guarantee, to:
- (a) take any action or obtain judgment in any court against the relevant Guaranteed Company or any other person;
 - (b) make or file any claim in a bankruptcy, liquidation, administration or insolvency of the relevant Guaranteed Company or any other person; or
 - (c) make, demand, enforce or seek to enforce any claim, right or remedy against the relevant Guaranteed Company or any other person.
- 3.6** The Guarantor warrants to each Beneficiary that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against either Guaranteed Company, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Guarantor under this Guarantee but:
- (a) if any of the Rights is taken, exercised or received by the Guarantor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Guarantor on trust for the Beneficiaries for application in or towards the discharge of the Guaranteed Obligations under this Guarantee; and
 - (b) on demand by a Beneficiary, the Guarantor shall promptly transfer, assign or pay to such

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Beneficiary all other relevant Rights and monies from time to time held on trust by the Guarantor under this Clause 3.6.

3.7 This Guarantee is in addition to and shall not affect nor be affected by or merge with any other judgment, security, right or remedy obtained or held by a Beneficiary from time to time for the discharge and performance of the relevant Guaranteed Company of the relevant Guaranteed Obligations.

4 COSTS

The Guarantor shall, within ***** Business Days of written demand, pay to, or reimburse, each Beneficiary all taxes and reasonable and documented costs, charges, expenses of any kind (including, without limitation, reasonable and documented legal and out-of-pocket expenses) incurred by such Beneficiary in connection with the enforcement or preservation of its rights hereunder, *provided that*, subject only to Clause 2.4, in no event (save in respect of liability caused by the Wilful Misconduct of a Guaranteed Company) shall the Guarantor be liable for costs and expenses under this Clause 4 where payment of such sums would result in the Guarantor's liability under this Guarantee exceeding the Maximum Liability Amount.

5 REPRESENTATIONS AND WARRANTIES

The Guarantor hereby represents and warrants to each Beneficiary, as at the date of this Guarantee, that:

- (a) it is a company incorporated under the laws of [*JURISDICTION*] and possesses the capacity to sue and be sued in its own name and has the power to carry on its business and to own its property and other assets;
- (b) it has the power to execute, deliver and perform its obligations under this Guarantee and to carry out the transactions contemplated hereby, and all necessary corporate and other action will have been taken to authorise the execution, delivery and performance of the same;

- (c) the execution, delivery and performance by the Guarantor of this Guarantee does not and will not contravene any law or regulation to which the Guarantor is subject or conflict with the provisions of the Guarantor's constitutional documents; and
- (d) the Guarantor's obligations under this Guarantee are valid, binding and enforceable in accordance with the terms hereof.

6 ACCOUNTS

- 6.1** Each Beneficiary may place to the credit of a suspense account any monies received by it under or in connection with this Guarantee in order to preserve its rights to prove for the full amount of all its claims against the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations.
- 6.2** Each Beneficiary may at any time and from time to time apply all or any monies held in any suspense account in or towards satisfaction of any of the monies, obligations and liabilities that are the subject of this Guarantee as such Beneficiary, in its absolute discretion, may conclusively determine.
- 6.3** If this Guarantee ceases for any reason whatsoever to be continuing, each Beneficiary may open a new account or accounts in the name of the relevant Guaranteed Company.
- 6.4** If a Beneficiary does not open a new account or accounts in accordance with Clause 6.3, it shall nevertheless be treated as if it had done so at the time that this Guarantee ceased to be continuing whether by termination, calling in or otherwise, in relation to the relevant Guaranteed Company.
- 6.5** As from the time of opening or deemed opening of a new account or accounts, all payments made to a Beneficiary by or on behalf of the relevant Guaranteed Company shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount for which this Guarantee is available at that time, nor shall the liability of the Guarantor under this Guarantee in any manner be reduced or affected by any subsequent

transactions, receipts or payments.

7 DISCHARGE CONDITIONAL

- 7.1** Any release, discharge or settlement between the Guarantor and a Beneficiary in relation to this Guarantee shall be conditional on no right, security, disposition or payment to that Beneficiary by the Guarantor, the relevant Guaranteed Company or any other person in respect of the relevant Guaranteed Obligations being avoided, set aside or ordered to be refunded under any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason.
- 7.2** If any right, security, disposition or payment referred to in Clause 7.1 is avoided, set aside or ordered to be refunded, each Beneficiary shall be entitled subsequently to enforce this Guarantee against the Guarantor as if such release, discharge or settlement had not occurred and any such right, security, disposition or payment had not been given or made.

8 PAYMENTS

- 8.1** All sums payable by the Guarantor under this Guarantee shall be paid in full to the Beneficiaries in the currency in which the relevant Guaranteed Obligations are payable:
- (a) without any set-off, condition or counterclaim whatsoever; and
 - (b) free and clear of any deduction or withholding whatsoever except as may be required by law or regulation which is binding on the Guarantor.
- 8.2** If the Guarantor is required to make any deduction or withholding by any law or regulation from any payment due under this Guarantee, the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.
- 8.3** Following any deduction or withholding, or any payment required in connection with that

deduction or withholding, the Guarantor shall promptly deliver or procure delivery to the relevant Beneficiary evidence reasonably satisfactory to such Beneficiary that either a withholding or deduction has been made or any appropriate payment paid to the relevant taxing authority (as applicable).

8.4 The Guarantor shall not and may not direct the application by a Beneficiary of any sums received by that Beneficiary from the Guarantor under any of the terms of this Guarantee.

9 BENEFICIARY ASSISTANCE

Subject to Clause 4, each Beneficiary undertakes, upon the Guarantor's request, to sign and execute such deeds or instruments as the Guarantor may reasonably require in order to give effect to a discharge of the Guarantor's obligations under this Guarantee.

10 TRANSFER

10.1 The Guarantor may not assign any of its rights and may not transfer any of its obligations under this Guarantee or enter into any transaction which would result in any of those rights or obligations passing to another person; *provided, however, that* the Guarantor may take any of the foregoing actions if each Beneficiary so consents, such consent not to be unreasonably withheld or delayed.

10.2 Charter Agreement Beneficiary and/or OSA Beneficiary may assign rights and/or, as applicable, transfer obligations to any person to whom such Beneficiary's rights and/or obligations under and in accordance with the terms of the FSRU Agreements are assigned or, as applicable, transferred, without having to obtain the consent of the Guarantor.

11 REMEDIES, WAIVERS, AMENDMENTS AND CONSENTS

11.1 No amendment of this Guarantee shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

11.2 A waiver of any right or remedy under this Guarantee or by law, or any consent given under this Guarantee, is only effective if given in writing and signed by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the

circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

11.3 A failure or delay by a party to exercise any right or remedy provided under this Guarantee or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Guarantee. No single or partial exercise of any right or remedy provided under this Guarantee or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Guarantee by a Beneficiary shall be effective unless it is in writing and signed.

11.4 The rights and remedies provided under this Guarantee are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

12 SEVERANCE

If any provision (or part of a provision) of this Guarantee is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this Clause 12 shall not affect the legality, validity and enforceability of the rest of this Guarantee.

13 THIRD PARTY RIGHTS

A person who is not a party to this Guarantee shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Guarantee. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

14 COUNTERPARTS

14.1 This deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

14.2 Transmission of an executed counterpart of this Guarantee by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Guarantee.

14.3 No counterpart shall be effective until each party has executed at least one counterpart.

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15.1 Delivery

Any notice or other communication given to a party under or in connection with this Guarantee shall be:

- (a) in writing;
- (b) delivered by hand by pre-paid first-class post or other next working day delivery service or sent by fax; and
- (c) sent to:

- (i) the Guarantor at:

[*ADDRESS*]

Fax: [*NUMBER*]

Attention: [*NAME*]

- (ii) the Charter Agreement Beneficiary at:

[*ADDRESS*]

Fax: [*NUMBER*]

Attention: [*NAME*]

(iii) the OSA Beneficiary at:

[*ADDRESS*]

Fax: [*NUMBER*]

Attention: [*NAME*]

or, in either case, to any other address or fax number as is notified in writing by one party to the other from time to time.

15.2 Receipt

Any notice or other communication given under or in connection with this Guarantee shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; and
- (c) if sent by fax, when received in legible form.

A notice or other communication given as described in Clause 15.2(a) or Clause 15.2(c) on a day that is not a Business Day, or after normal business hours, shall be deemed to have been received on the next Business Day. For the purposes of this Clause 15.2, all references to time and business hour are to local time and business hours in the place of deemed receipt.

15.3 This Clause 15 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

15.4 A notice or other communication given under or connection with this Guarantee is not valid if sent by email.

16 LAW AND DISPUTE RESOLUTION

16.1 Governing Law

- (a) This Guarantee and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the law of England and Wales.
- (b) The Guarantor irrevocably consents to any process in any proceedings under Clause 16.2 being served on it in accordance with the provisions of this Guarantee relating to service of notices. Nothing contained in this Guarantee shall affect the right to serve process in any other manner permitted by law.

16.2 Dispute Resolution

Any dispute arising out of or in connection with this Guarantee, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause 16.2. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London, United Kingdom. The language to be used in the arbitral proceedings shall be English. The governing law of the contract shall be the substantive law of England and Wales.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED BY

[PARENT GUARANTOR]

Executed as a deed by [PARENT GUARANTOR] acting by
[NAME OF DIRECTOR], a director

.....

Director



Schedule IX

HSSE Requirements

1. **CONTRACTOR'S CORPORATE HSSE SYSTEM**

- 1.1 Contractor shall maintain a company HSSE policy which shall govern the areas of health, safety and wellbeing in the workplace.
- 1.2 Under its HSSE policy, Contractor shall implement a safety management system for the Vessel ("**HSSE System**") which shall comply with the ISM Code.
- 1.3 Contractor's HSSE System shall further include the following:
 - (a) HLNG Code of Conduct;
 - (b) Group HSSE Policy; and
 - (c) Group HSSE System Procedure(each, as may be updated from time to time).

2. **HSE INTERFACES**

- 2.1 Contractor's HSSE System shall have certain interfaces with Customer's own HSSE systems; including with respect to:
 - (a) Terminal operations.
 - (b) Health, safety, security and environmental; and
 - (c) Emergency response.
- 2.2 The HSSE interfaces shall be addressed in the following ways;
 - (a) A "Common Procedures Manuals" shall be agreed between the Parties for the purposes of setting out operational interfaces;

- (b) Contractor's implementation of Customer's specific HSSE requirements to be specified in common bridging documents (and vice versa); and
- (c) The Parties shall agree to a safety briefing for any visitors to the FSRU Site, the Vessel or Customer's Facilities.

2.3 The HSSE bridging documents referred to in Clause 2.2 (b) of this Schedule shall contain details on:

- (a) Exchange of HSSE incident information;
- (b) Coordinated HSSE incident investigation and follow-up; and
- (c) Reporting of HSSE data.

Schedule X

Form of Deed of Novation

This deed of novation (the "**Deed**") is entered into as a deed on the [●] day of [●], 20[-] **BY AND BETWEEN:**

1. [●], a company organised and existing under the laws of [●], having its registered office at [●] (the "**Transferor**"); and
2. [●], a company organised and existing under the laws of [●], having its registered office at [●] (the "**Continuing Party**"); and
3. [●], a company organised and existing under the laws of [●], having its registered address at [●], (the "**Transferee**").

(individually, a "**Party**", and collectively, the "**Parties**").

WHEREAS:

- (A) The Transferor and the Continuing Party are parties to an FSRU operation and services agreement dated [●] (the "**Agreement**") for the provision of certain services in relation to an LNG floating storage and regasification vessel named Höegh Gallant with IMO number 9653678 (the "**Vessel**").
- (B) The Transferor wishes to be released from all its obligations and liabilities and to transfer all its rights under the Agreement to the Transferee, and the Continuing Party agrees to such release. The Transferee wishes to assume such obligations and liabilities.
- (C) The Parties have agreed to the novation of the Agreement and to the substitution of the Transferee as a party to the Agreement in the place of the Transferor, on the terms and subject to the conditions contained in this Deed.

In consideration of the mutual undertakings given by the Parties' and set forth herein, **IT IS HEREBY AGREED:**

1. Definitions

Capitalised terms used in this Deed shall have the same meaning ascribed to them in the Agreement.

2. Novation

With effect from the date of this Deed (such date to be the "**Novation Date**"):

- 2.1 the Continuing Party hereby releases and discharges the Transferor (including, without limitation, in respect of any breach of the Agreement by the Transferor antecedent to the Novation Date) from all of the Transferor's obligations and liabilities under or in connection with the Agreement, and from all claims and demands whatsoever arising under the Agreement on or after the Novation Date, and the Transferor hereby ceases to be a party to the Agreement;
- 2.2 the Transferor hereby assigns all of its rights under or in connection with the Agreement to the Transferee (including, without limitation, in respect of any breach of the Agreement by the Continuing Party antecedent to the Novation Date), and releases and discharges the Continuing Party from all of its obligations and liabilities to the Transferor under or in connection with the Agreement;
- 2.3 the Transferee hereby agrees to assume and perform all of the obligations and liabilities from which the Transferor is released and discharged pursuant to Clause 2.1 of this Deed (including, without limitation, in respect of any breach of the Agreement by the Transferor antecedent to the Novation Date) and to be bound by its terms in all respects as if the Transferee had been named as a party thereto in place of the Transferor; and
- 2.4 the Continuing Party hereby agrees with the Transferee to perform the Continuing Party's obligations and liabilities under or in connection with the Agreement and to be bound by its terms in every way as if the Transferee had been named as a party thereto in place of the Transferor (including, without limitation, in respect of any breach of the Agreement by the Continuing Party antecedent to the Novation Date).

3. Representations and warranties

Each of the Parties represents and warrants to each other that:

- 3.1 it is a legal entity duly organised and validly existing under the Laws of the jurisdiction of its formation and that has the corporate power and authority to enter into and to perform its obligations under this Deed and (in relation to the Continuing Party and the Transferee only) under the Agreement;
- 3.2 its execution, delivery, and performance of this Deed have been authorised by all corporate action on its part, and do not and will not:
- (a) contravene any Law of any Governmental Authority having jurisdiction over the Parties;
 - (b) violate its constitutional documents; or
 - (c) conflict with or result in any breach of any terms of, or constitute a default under, any agreement or other instrument to which any of the Parties are a party or their property is bound; and
- 3.3 this Deed and, in relation to the Continuing Party and the Transferee only, the Agreement, is each its legal and binding obligation enforceable in accordance with its respective terms, except to the extent enforceability is modified by bankruptcy, reorganisation and other similar Laws affecting the rights of creditors generally and/or by general principles of equity.
- 4. Miscellaneous**
- 4.1 If any term or provision in this Deed is or becomes illegal, invalid or unenforceable in whole or in part, under any Law or any jurisdiction, then such term or provision or part shall to that extent be deemed not to form part of this Deed and the enforceability of the remaining provisions of this Deed shall not be affected or impaired in any way.
- 4.2 This Deed may be entered into in any number of counterparts, each of which when executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.
- 4.3 Confidentiality
- (a) Clause 33 (Confidentiality) of the Agreement shall form part of this Deed and shall be treated as if set out in full herein.

- (b) The existence and terms of this Deed shall be treated as Confidential Information for the purposes of the Agreement.

5. Guarantees

- 5.1 By signing this Deed, the Owner/Contractor Guarantor confirms that the Owner/Contractor Guarantee remains fully effective following such transfer or novation provided for in this Deed.
- 5.2 By signing this Deed, the Charterer/Customer Guarantor confirms that the Charterer/Customer Guarantee remains fully effective following such transfer or novation provided for in this Deed.

6. Notices

For the purposes of Clause 30 of the Agreement, the Transferee's address for notices and other details shall be as follows:

Address: [●]

Tel: [●]

Fax No.: [●]

For the attention of: [●]

7. Governing Law

- 7.1 This Deed, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to it or its formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.
- 7.2 Any dispute arising under or in connection with this Deed, including the validity or enforceability hereof, shall be resolved in accordance with Clause 31 of the Agreement which extends to and applies (mutatis mutandis) to this Deed.

IN WITNESS whereof this Deed has been executed and delivered as a deed on the date first above written.

Signed as a deed by.....)
for and on behalf of:) _____

in the presence of a witness:)
Name of witness:) _____
Address of witness:)

Signed as a deed by)
for and on behalf of:) _____

in the presence of a witness:)
Name of witness:) _____
Address of witness:)

Signed as a deed by.....)
for and on behalf of:) _____

in the presence of a witness:)
Name of witness:) _____
Address of witness:)

LMA SUSPENSION AGREEMENT

This LMA Suspension Agreement (this “**Agreement**”), dated as of 22 December, 2021, is made by and among (1) Hoegh LNG Cyprus Limited, a company organized under the laws of Cyprus (“**Vessel Owner**”), (2) Höegh LNG Chartering, LLC, a company organized under the laws of the Marshall Islands (“**Charterer**”), (3) Höegh LNG Ltd. a company organized under the laws of Bermuda (“**HLNG**”) and (4) Höegh LNG Partners LP, a Marshall Islands limited partnership (“**HMLP**”), with Vessel Owner, Charterer; HLNG and HMLP being sometimes individually referred to as a “**Party**”, and collectively as the “**Parties**”.

RECITALS

HLNG and HMLP (amongst others) entered into an Option Agreement dated 1 October 2015 (“**Option Agreement**”) for the option of HMLP to require the re-chartering of the vessel named “Höegh Gallant”, with IMO no. 9653678 (the “**Vessel**”) subject to certain conditions (including preservation of 90% of the hire rate at which the Vessel was originally chartered) (the “**Option**”). HLNG is content that HMLP subsequently exercised the Option.

Following HMLP’s exercise of the Option, and pursuant to a Lease and Maintenance Agreement dated April 30, 2020 (the “**Original LMA**”), Vessel Owner has chartered the Vessel to Charterer on the terms and subject to the conditions set out in the Original LMA.

Pursuant to a Höegh LNG Performance Guarantee dated April 30, 2020 (the “**Performance Guarantee**”), HLNG has guaranteed the performance of Charterer under the LMA.

The Vessel will be deployed as an FSRU under charter to NFE International Shipping LLC (“**NFE**”) pursuant to the terms of a Charter Agreement dated 23 September 2021 and as amended by Amendment no. 1 dated 24 November 2021 (the “**NFE Charter**”) entered into initially between Höegh LNG Partners LP and NFE International Shipping LLC as charterer and to be novated to the Vessel Owner, and through an affiliate (“**HLNG Jamaica Contractor**”) provide operational services in respect of the Vessel to NFE South Holdings Limited (“**NFE SH**”) pursuant to an FSRU Operation Services Agreement dated 23 September 2021 (the “**NFE OSA**”) (both documents being, together, the “**NFE Agreements**”).

The Charterer has entered into a LNGC time charter party dated 24 November 2021 (“**LNGC Interim Charter**”) in respect of the Vessel pursuant to which NFE will charter the vessel in LNGC mode for the period from 26 November 2021 until the NFE Delivery Date (as defined below) (the “**LNGC Interim Period**”).

As of the HLNG Delivery Date (as defined below) the Vessel Owner and the Charterer has agreed to suspend the LMA on the terms set out in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 *Definitions* Defined terms used but not defined herein shall have the meanings set forth in the LMA. The following terms when capitalized in this Agreement shall have the meanings set forth in this Section 1.1.

“*Actual Arrival Date*” shall have the meaning set forth in the NFE Charter.

“*Agreement*” shall have the meaning set forth in the introductory paragraph to this Agreement.

“*Charterer*” shall have the meaning set forth in the introductory paragraph of this Agreement.

“*Commissioning LDs*” shall have the meaning set forth in the NFE Charter.

“*HLNG*” shall have the meaning set forth in the introductory paragraph of this Agreement.

“*HLNG Delivery Date*” has the meaning set forth in Section 2.2(a)

“*HLNG Jamaica Contractor*” shall have the meaning set forth in the Recitals to this Agreement.

“*HMLP*” shall have the meaning set forth in the introductory paragraph of this Agreement.

LMA” shall have the meaning set forth in the Recitals to this Agreement.

“*LMA Hire*” in respect of a calendar month shall mean the daily Hire (as that term is defined in Section 10.1(a) of the LMA) multiplied by the number of days in such calendar month.

“*LMA Termination Date*” has the meaning set forth in Section 2.1.

“*LNGC Interim Charter*” has the meaning set forth in the Recitals to this Agreement.

“*LNGC Interim Period*” has the meanings set forth in the Recitals to this Agreement.

“*NFE*” shall have the meaning set forth in the Recitals to this Agreement.

“*NFE Agreements*” shall have the meaning set forth in the Recitals to this Agreement.

“*NFE Charter*” shall have the meaning set forth in the Recitals to this Agreement.

“*NFE Delivery Date*” has the meaning set forth in the NFE Charter.

“*NFE OSA*” shall have the meaning set forth in the Recitals to this Agreement.

“*NFE Past-Due Amount*” has the meaning set forth in Section 2.5 .

“*NFE SH*” shall have the meaning set forth in the Recitals to this Agreement

“*Off-Hire*” shall have the meaning set forth in the NFE Charter.

“*Option*” shall have the meaning set forth in the Recitals to this Agreement.

“*Option Agreement*” shall have the meaning set forth in the Recitals to this Agreement.

“*Parties*” shall have the meaning set forth in the introductory paragraph of this Agreement.

“*Performance Guarantee*” shall have the meaning set forth in the Recitals to this Agreement.

“*Redelivery Date*” has the meaning set forth in Section 2.4(a).

“*Required Performance Levels*” shall have the meaning set forth in the NFE Charter.

“*Suspension Period*” shall have the meaning set forth in Section 2.1.

“*Terminal*” shall have the meaning set forth in the NFE Charter.

“*Vessel*” shall have the meaning set forth in the Recitals to this Agreement.

“*Vessel Owner*” shall have the meaning set forth in the Recitals to this Agreement.

ARTICLE II

SUSPENSION OF LMA; DELIVERY AND REDELIVERY OF VESSEL

Section 2.1 *Suspension of LMA* (a) During the period commencing on the HLNG Delivery Date and ending on the Redelivery Date (the “*Suspension Period*”), the respective rights and obligations of Vessel Owner and Charterer under the LMA shall be suspended and: (i) Vessel Owner shall have possession and use of the Vessel for purposes of chartering the Vessel to NFE pursuant to the terms of the NFE Agreements; and (ii) neither Vessel Owner nor Charterer shall have any obligation to perform their respective obligations under the LMA, including, without limitation, the obligation of Charterer to pay the LMA Hire from and after the HLNG Delivery Date. Provided that the Redelivery Date occurs prior to the date on which the LMA would terminate in accordance with its terms (the “*LMA Termination Date*”), the terms and conditions of the LMA shall be reinstated upon the occurrence of the Redelivery Date, and: (i) Charterer shall have possession and use of the Vessel pursuant to the terms of the LMA; and (ii) Vessel Owner and Charterer shall as soon as reasonably practicable again be required to perform their obligations under the LMA, including the obligation of Charterer to pay the LMA Hire, from and after the Redelivery Date. In the event that the NFE Agreements

terminate for NFE and/or NFE SH's default or due to termination of the Gas-Offtake Agreements (as defined in the NFE Charter), any termination payments made by NFE under the NFE Charter to Vessel Owner shall be paid in full by Vessel Owner to HLNG.

- (b) Vessel Owner shall, during the Suspension Period, continue, at its cost and expense, to provide and maintain the insurance required under the LMA as well as any additional insurance required by the terms of the NFE Agreements (save that such additional insurance shall be at the cost of and expense of Charterer).
- (c) If the Redelivery Date does not occur prior to the LMA Termination Date, this Agreement shall terminate on the LMA Termination Date and the Parties shall have no further obligation hereunder, except for any unfulfilled obligations that may have arisen prior to the LMA Termination Date.

Section 2.2 *Delivery of Vessel*(a) Charterer shall deliver possession and use of the Vessel to the Vessel Owner at the Terminal on the Actual Arrival Date with its tanks in the condition required by the NFE Agreements. Vessel Owner shall provide Charterer with 15 days prior written notice of the NFE Delivery Date and the condition of the Vessel's tanks required at delivery (the date on which possession and use of the Vessel is delivered to Vessel Owner being the "**HLNG Delivery Date**").

- (b) Any Commissioning LDs or any other amounts payable by Vessel Owner to NFE pursuant to Section 23.5(a) of the NFE Charter in respect of the commissioning of the Vessel under the NFE Charter or the failure of the Vessel to meet the Required Performance Levels, which in each case are attributable to the acts or omissions of Vessel Owner shall be solely for the account of Vessel Owner.

Section 2.3 *Bunkers and LNG and natural gas vapours*

Vessel Owner shall purchase at Vessel Owner's cost all bunkers and LNG and natural gas vapours on board the Vessel, and Charterer shall transfer and Vessel Owner shall pay for the same, upon delivery of the Vessel to Vessel Owner, at a price equal to what Vessel Owner paid to Trafigura Maritime Logistics Pte. Ltd.

Section 2.4 *Redelivery of Vessel*

- (a) Vessel Owner shall redeliver possession and use of the Vessel to Charterer at the pilot boarding station outbound from the Terminal on the last day on the date on which the Vessel is redelivered to Vessel Owner under the NFE Charter (the date on which the Vessel is redelivered to Charterer being the "**Redelivery Date**"). Vessel Owner shall, where reasonably practicable and possible given the terms of the NFE Charter, give Charterer 90, 60, 30, 15, 10, 5, 4, 3, 2 and 1 days' prior approximate written notice of the Redelivery Date. Subject to Vessel Owner's rights under the NFE Charter, Vessel Owner shall use its reasonable endeavours to redeliver the Vessel with tanks under LNG vapours or heel of up to 10,000 cubic metres, as requested by Charterer no later than 15 days prior to the Redelivery Date.
-

(b) Charterer shall purchase at Vessel Owner's cost all bunkers and natural gas vapours and LNG on board the Vessel upon delivery of the Vessel to Charterer.

Section 2.5 *NFE Credit Risk.*

If NFE fails to pay when due any amounts payable under the NFE Agreements, and such amounts remain outstanding for a period of 60 days (an "*NFE Past-Due Amount*"), HLNG, shall upon written request from Vessel Owner remit such unpaid amount to Vessel Owner and thereafter shall be entitled to receive reimbursement of the amount paid if and to the extent that Vessel Owner receives payment of the NFE Past-Due Amount. Vessel Owner agrees to use its commercially reasonable endeavors to collect from NFE any NFE Past-Due Amount paid by Charterer.

Section 2.6 *Acknowledgment by Performance Guarantor.*

HLNG in its capacity as guarantor under the Performance Guarantee acknowledges and agrees that the Performance Guarantee guarantees, HLNG hereby guarantees, and shall continue to guarantee, Charterer's obligations under this Agreement with the same effect as if such obligations were set out in the LMA.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 3.1 *Representations and Warranties* Each Party hereby represent and warrant to each other Party that as of the date hereof:

(a) Such Party has been duly formed and is validly existing and in good standing under the laws of its jurisdiction of formation and has all requisite power and authority to operate its assets and conduct its business as it is now being conducted.

(b) Such Party has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by such Party have been duly authorized by all necessary action on the part of each of such Party and this Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

(c) The execution, delivery and performance by such Party of this Agreement will not conflict with or result in any violation of or constitute a breach of any of the terms or provisions of, or result in the acceleration of any obligation under, or constitute a default under any provision of: (i) the organizational documents of either of such Party; (ii) any lien, encumbrance, security interest, pledge, mortgage, charge, other claim, bond, indenture, agreement, contract, franchise license, permit or other instrument or obligation to which such Party is a party or is subject or by which such Party's assets or properties may be bound; (iii) any applicable laws, statutes, ordinances, rules or regulations promulgated by a governmental authority, orders of a governmental authority, judicial decisions, decisions of arbitrators or determinations of any governmental authority or court; or (iv) any material

provision of any material contract to which such Party is a party or by which the assets of such Party are bound.

ARTICLE IV

MISCELLANEOUS

Section 4.1 *Headings; References, Interpretation* All Article and Section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles and Sections shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. The use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation,” “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 4.2 *Successors and Assigns* This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 4.3 *No Third Party Rights* The provisions of this Agreement are intended to bind the Parties as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies, and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 4.4 *Counterparts* This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument. The delivery of an executed counterpart copy of this Agreement by facsimile or electronic transmission in PDF format shall be deemed to be the equivalent of delivery of the originally executed copy thereof.

Section 4.5 *Governing Law* This Agreement and any contractual obligations, non-contractual obligations or obligations otherwise arising out of or in connection with it shall be exclusively governed by, and construed in accordance with, the laws of the England and Wales.

Section 4.6 *Dispute Resolution* Any disputes whatsoever arising hereunder whether of a contractual nature, non-contractual nature or otherwise, shall be resolved in the manner set forth in Section 30.2 of the LMA.

Section 4.7 *Severability* If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any

governmental body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid and an equitable adjustment shall be made and necessary provision added so as to give effect, as nearly as possible, to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be duly executed as of the date first above written.

HOEGH LNG CYPRUS LIMITED

By:



Name: Håvard Furu
Title: Authorised signatory

HOEGH LNG CHARTERING, LLC.

By:



Name: Camilla Nyhus-Møller
Title: Authorised signatory

HÖEGH LNG LTD.

By:



Name: Camilla Nyhus-Møller
Title: Authorised signatory

HÖEGH PARTNERS LP

By:



Name: Håvard Furu
Title: Authorised signatory

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

LMA MAKE-WHOLE AGREEMENT

This LMA Make-Whole Agreement (this “**Agreement**”), dated as of 22 December, 2021, is made by and among (1) Höegh LNG Ltd., a Bermuda exempted company (“**HLNG**”); and (2) Höegh LNG Partners Operating LLC, a Marshall Islands limited liability company (“**HMOP**”) with HLNG and HMOP being sometimes individually referred to as a “**Party**”, and collectively as the “**Parties**”.

RECITALS

HLNG and Höegh LNG Partners LP (“**HMLP**”) (amongst others) entered into an Option Agreement dated 1 October 2015 (“**Option Agreement**”) for the option of HMLP to require the re-chartering of the vessel named “Höegh Gallant”, with IMO no. 9653678 (the “**Vessel**”) subject to certain conditions (including preservation of 90% of the hire rate at which the Vessel was originally chartered) (the “**Option**”). HLNG is content that HMLP subsequently exercised the Option.

Hoegh LNG Cyprus Limited (“**Vessel Owner**”) is the registered owner of the Vessel. Following HMLP’s exercise of the Option, and pursuant to a Lease and Maintenance Agreement dated April 30, 2020 (the “**LMA**”), Vessel Owner has chartered the Vessel to Höegh LNG Chartering LLC (“**Charterer**”) on the terms and subject to the conditions set out in the Original LMA.

Pursuant to a HLNG Performance Guarantee dated April 30, 2020 (the “**Performance Guarantee**”), HLNG has guaranteed the performance of Charterer under the LMA.

HMLP and HLNG have agreed that the Vessel will be deployed as an FSRU under charter to NFE International Shipping LLC (“**NFE**”) pursuant to the terms of a Charter Agreement dated 23 September 2021 and as amended by Amendment no. 1 dated 24 November 2021 (the “**NFE Charter**”) entered into initially between HMLP and NFE International Shipping LLC as charterer and to be novated to the Vessel Owner, and through an affiliate (“**HLNG Jamaica Contractor**”) provide operational services in respect of the Vessel to NFE South Holdings Limited (“**NFE SH**”) pursuant to an FSRU Operation Services Agreement dated 23 September 2021 (the “**NFE OSA**”) (both documents being, together, the “**NFE Agreements**”).

The Charterer has entered into a LNGC time charter party dated 24 November 2021 (“**LNGC Interim Charter**”) in respect of the Vessel pursuant to which NFE will charter the vessel in LNGC mode for the period from 26 November 2021 (the “**LNGC Interim Charter Delivery Date**”) until the Actual Arrival Date (as defined below) (the “**LNGC Interim Period**”).

Vessel Owner and Charterer have entered into a LMA suspension agreement dated on or about the date hereof (the “**Suspension Agreement**”) pursuant to which the respective rights and obligations of Vessel Owner and Charterer under the LMA shall be suspended and: (i) Vessel

Owner shall have possession and use of the Vessel for purposes of chartering the Vessel to NFE pursuant to the terms of the NFE Agreements during the period commencing on the Actual Arrival Date and ending on the Redelivery Date (both as defined below) (the “**Suspension Period**”).

Consistent with the Option Agreement’s purpose of ensuring that, as between HMLP and HLNG, HMLP continues to benefit from the hire rate for the Vessel as set out in the LMA even if the Vessel is re-contracted, and noting further that Charterer does not have a guaranteed revenue stream for the entire remaining term of the LMA, HLNG has agreed to make make-whole payments to HMOP as set forth in Section 3.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 *Definitions* Defined terms used but not defined herein shall have the meanings set forth in the LMA. The following terms when capitalized in this Agreement shall have the meanings set forth in this Section 1.1.

“**Actual Arrival Date**” shall have the meaning set forth in the NFE Charter.

“**Agreement**” shall have the meaning set forth in the introductory paragraph to this Agreement.

“**Charterer**” shall have the meaning set forth in the introductory paragraph of this Agreement.

“**HLNG**” shall have the meaning set forth in the introductory paragraph of this Agreement.

“**HLNG Delivery Date**” shall have the meaning set out in the Suspension Agreement.

“**HLNG Jamaica Contractor**” shall have the meaning set forth in the Recitals to this Agreement.

“**HMLP**” shall have the meaning set forth in the introductory paragraph of this Agreement.

“**LMA**” shall have the meaning set forth in the Recitals to this Agreement.

“**LMA Hire**” in respect of a calendar month shall mean the daily Hire (as that term is defined in Section 10.1(a) of the LMA) multiplied by the number of days in such calendar month.

“**LNGC Interim Charter**” has the meaning set forth in the Recitals to this Agreement.

“**LNGC Interim Charter Delivery Date**” has the meanings set forth in the Recitals to this Agreement.

“**LNGC Interim Period**” has the meanings set forth in the Recitals to this Agreement.

“**LNGC Interim Period Make Whole Payment**” has the meaning set forth in Section 3.1

“**Make-Whole Payment**” has the meaning set forth in Section 3.2.

“**NFE**” shall have the meaning set forth in the Recitals to this Agreement.

“**NFE Agreements**” shall have the meaning set forth in the Recitals to this Agreement.

“**NFE Charter**” shall have the meaning set forth in the Recitals to this Agreement.

“**NFE OSA**” shall have the meaning set forth in the Recitals to this Agreement.

“**NFE SH**” shall have the meaning set forth in the Recitals to this Agreement

“**Off-Hire**” shall have the meaning set forth in the NFE Charter.

“**Option**” shall have the meaning set forth in the Recitals to this Agreement.

“**Option Agreement**” shall have the meaning set forth in the Recitals to this Agreement.

“**Parties**” shall have the meaning set forth in the introductory paragraph of this Agreement.

“**Performance Guarantee**” shall have the meaning set forth in the Recitals to this Agreement.

“**Redelivery Date**” the date on which the Vessel is redelivered to Charterer, which shall be the date on which the Vessel is redelivered to the Vessel Owner under the NFE Charter

“**Required Performance Levels**” shall have the meaning set forth in the NFE Charter.

“**Suspension Agreement**” shall have the meaning set forth in the Recitals to this Agreement.

“**Suspension Period**” shall have the meaning set forth in in the Recitals to this Agreement.

“**Terminal**” shall have the meaning set forth in the NFE Charter.

“**Vessel**” shall have the meaning set forth in the Recitals to this Agreement.

“**Vessel Owner**” shall have the meaning set forth in the Recitals to this Agreement.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

ARTICLE II

SUSPENSION OF LMA

Section 2.1 *Suspension of LMA* During the Suspension Period and while the Vessel is operating under the NFE Agreements, the Vessel Owner shall, and HMOP shall exercise reasonable endeavours to ensure that HLNG Jamaica Contractor shall seek to perform under the NFE Agreements to minimize the chance of early Redelivery of the Vessel under the NFE Agreements. HLNG shall have the right to request copies of monthly invoices issued by Vessel Owner to NFE under the NFE Charter and HLNG Jamaica Contractor to NFE SH under the NFE OSA to monitor the performance under the NFE Agreements as a condition for making payments as set forth in Section 3.2 and provided such invoices are provided, HLNG shall make the payments as set forth in Section 3.2.

ARTICLE III

MAKE-WHOLE, INDEMNITY AND HOLD HARMLESS OBLIGATIONS

Section 3.1 *Make-Whole in LNGC Interim Period*

In consideration of the capital costs incurred by HMOP in relation to the maintenance and refurbishment of the Vessel in preparation for the Vessel operating as an FSRU in Jamaica under the NFE Agreements and as the LNGC Interim Charter is entered into in connection with the NFE Charter, HLNG shall pay to HMOP the Upside Sharing Amount_n of USD ***** for each day (to be multiplied by the number of days in the month for calendar month_n, prorated for the calendar months in which, respectively, the LNGC Interim Charter Delivery Date and HLNG Delivery Date fall based on the number of days in the LNGC Interim Period that fall within such calendar month and the total days in such calendar month) of the LNGC Interim Period (the “**LNGC Interim Period Make Whole Payment**”). The LNGC Interim Make Whole Payment shall be made by HLNG to HMOP within ***** days from which NFE is required to make payment of hire under the LNGC Interim Charter. The LNGC Interim Make Whole Payment shall only be payable for the days the vessel is on-hire under the LNGC Interim Charter.

Section 3.2 *Make-Whole and Hold Harmless Agreement of Charterer*

In consideration of the suspension of the obligations of Charterer under the LMA for the Suspension Period and to give effect to the parties’ intention in the Option Agreement that as between HMLP and HLNG, HMLP continues to benefit from the hire rate for the Vessel as set out in the LMA even if the Vessel is re-contracted, HLNG shall pay HMOP for each calendar month_n in the Suspension Period the amount (the “**Make-Whole Payment**”)

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

determined pursuant to the below formula, a worked example in relation to which is set out in Appendix 1 to this Agreement. Any Make-Whole Payment shall be made by HLNG to HMOP within ***** days from which NFE is required to make payment of hire under the NFE Charter.

$$MWP_n = (LMA\ Hire_n + LMA\ OPX\ Adj_n + Upside\ Sharing\ Amount_n) - (NFE\ Hire_n + NFE\ SF_n)$$

where:

MWP _n	=	the Make-Whole Payment due for calendar month _n .
LMA Hire _n	=	the LMA Hire for calendar month _n , prorated for the calendar months in which the HLNG Delivery Date and Redelivery Date fall based on the number of days in the Suspension Period that fall within such calendar month and the total days in such calendar month. For the purpose of calculating LMA Hire _n , the Vessel shall be deemed to be on hire unless a period of Off-Hire for the period in question (as defined in Clause 14 of the NFE Charter) has been agreed under the NFE Charter. In the event there are any disputed Off-hire periods these will be deemed “on hire” periods for the purpose of the calculation and payment of the Make-Whole Payment, but if and when it is determined there was any Off-Hire, HMOP will return any overpayment to HLNG.
LMA OPX Adj _n	=	the amount, if any, determined pursuant to Section 10.1(c) of the LMA for calendar month _n , prorated for the calendar months in which the HLNG Delivery Date and Redelivery Date fall based on the number of days in the Suspension Period that fall within such calendar month and the total days in such calendar month. For the purpose of determining whether any LMA OPX Adj _n is due, it shall be assumed for the purpose of this Agreement that Section 10.1(c) of the LMA is part of the NFE Charter.
Upside Sharing Amount _n		USD ***** per day multiplied by the number of days in the month for calendar month _n , prorated for the calendar months in which, respectively, the HLNG Delivery Date and Redelivery Date fall based on the number of days in the Suspension Period that fall within such calendar month and the total days in such calendar month. The Upside Sharing

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

		Amount _n is payable every calendar month during the Suspension Period.
NFE Hire _n	=	the Monthly Hire that would be payable pursuant to Section 10.3 of the NFE Charter for calendar month _n assuming that the Vessel was not Off-Hire at any time during such month and NFE was not entitled to any reduction of the Monthly Hire pursuant to Section 15 of the NFE Charter. Such Monthly Hire shall exclude the amount of any gross up payment in respect of Taxes payable pursuant to Clause 11.7(b) of the NFE Charter.
NFE SF _n	=	the Monthly Service Fee that would be payable pursuant to Section 8.1(a) of the NFE OSA for calendar month _n assuming that the Vessel was not Off-Hire at any time during such month. Such Monthly Service Fee shall include the amount of any gross up payment in respect of Taxes pursuant to Clause 9.7(b) of the NFE OSA.

In addition to the foregoing and without prejudice to the operation of the formula above or any other indemnity in this Agreement, HLNG shall indemnify and hold harmless HMOP in respect of any liability (including without limitation any taxes), loss, damage or expense of whatsoever nature that HMOP may sustain by reason of the Suspension of the LMA. Without prejudice to the generality of the foregoing, in the case of a period, if any, of Off-Hire under the NFE Charter that would not have been Off-Hire under the LMA then without prejudice to the operation of the formula above, HLNG shall also indemnify and hold harmless HMOP in this regard.

Section 3.3 *Project Costs.*

The Parties agree that certain project costs, that is costs to ready and relocate the Vessel for performance under the NFE Charter which will be recorded in the accounting records of the Vessel Owner, will be shared by HLNG and HMOP, as owner of the Vessel Owner, on a 50/50 basis up until a maximum amount of USD ***** such that HMOP's contribution to such project costs shall never exceed an amount of USD ***** and HMOP shall only be obliged to contribute to such project costs as and when HLNG has paid an equivalent amount for such project costs to HMOP as a reimbursement of such costs. Any amount above USD ***** shall be borne solely by HLNG by paying the equivalent amount for such project costs as a reimbursement to HMOP. If HMOP pays any amount over USD

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

***** or the contribution is not 50/50, any such amount shall be reimbursed by HLNG to HMOP.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 4.1 *Representations and Warranties* Each Party hereby represent and warrant to each other Party that as of the date hereof:

(a) Such Party has been duly formed and is validly existing and in good standing under the laws of its jurisdiction of formation and has all requisite power and authority to operate its assets and conduct its business as it is now being conducted.

(b) Such Party has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by such Party have been duly authorized by all necessary action on the part of each of such Party and this Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

(c) The execution, delivery and performance by such Party of this Agreement will not conflict with or result in any violation of or constitute a breach of any of the terms or provisions of, or result in the acceleration of any obligation under, or constitute a default under any provision of: (i) the organizational documents of either of such Party; (ii) any lien, encumbrance, security interest, pledge, mortgage, charge, other claim, bond, indenture, agreement, contract, franchise license, permit or other instrument or obligation to which such Party is a party or is subject or by which such Party's assets or properties may be bound; (iii) any applicable laws, statutes, ordinances, rules or regulations promulgated by a governmental authority, orders of a governmental authority, judicial decisions, decisions of arbitrators or determinations of any governmental authority or court; or (iv) any material provision of any material contract to which such Party is a party or by which the assets of such Party are bound.

ARTICLE V

MISCELLANEOUS

Section 5.1 *Headings; References, Interpretation* All Article and Section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof.

The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles and Sections shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. The use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation,” “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 5.2 *Successors and Assigns* This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 5.3 *No Third Party Rights* The provisions of this Agreement are intended to bind the Parties as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies, and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 5.4 *Counterparts* This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument. The delivery of an executed counterpart copy of this Agreement by facsimile or electronic transmission in PDF format shall be deemed to be the equivalent of delivery of the originally executed copy thereof.

Section 5.5 *Governing Law* This Agreement and any contractual obligations, non-contractual obligations or obligations otherwise arising out of or in connection with it shall be exclusively governed by, and construed in accordance with, the laws of the England and Wales.

Section 5.6 *Dispute Resolution* Any disputes whatsoever arising hereunder whether of a contractual nature, non-contractual nature or otherwise, shall be resolved in the manner set forth in Section 30.2 of the LMA.

Section 5.7 *Severability* If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any governmental body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain

the particular provision or provisions held to be invalid and an equitable adjustment shall be made and necessary provision added so as to give effect, as nearly as possible, to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS (*****).

APPENDIX 1

Worked example in relation to the formula set out at Section 3.2 of the Agreement above (all figures in United States Dollars)

Reference OSA rate (10c)	*****	
LMA rate	*****	<i>90% EGAS rate</i>
10.1(c) LMA rate increase	*****	<i>(assuming Tax inc. opex rises from \$***** per day to \$***** per day)</i>
Upside sharing Amount	*****	<i>As agreed</i>
NFE Charter rate	-*****	<i>(assuming US\$ ***** per day discount for early delivery)</i>
NFE OSA rate	-*****	
Make-whole	*****	

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be duly executed as of the date first above written.

HÖEGH LNG LTD.

By: /s/ Camilla Nyhus-Møller
Name: Camilla Nyhus-Møller
Title: Authorised signatory

HÖEGH LNG PARTNERS OPERATING LLC.

By: /s/ Håvard Furu
Name: Håvard Furu
Title: Authorised signatory

**AMENDED AND RESTATED
SHAREHOLDERS' LOAN AGREEMENT**

Dated 26th January 2022

entered into between

Höegh LNG Partners Operating LLC

and

Mitsui O.S.K. Lines, Ltd.

and

Tokyo LNG Tanker Co., Ltd.

as Lenders

and

SRV Joint Gas Ltd.

as Borrower

THIS AMENDED AND RESTATED AGREEMENT (the "**A&R Agreement**") is made effective as of 26th day of January 2022, and entered into between:

- (1) **Höegh LNG Partners Operating LLC**, a company incorporated pursuant to the laws of Marshall Islands, having its principal address at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda ("**HLPO**");
- (2) **Mitsui O.S.K. Lines, Ltd.**, a company incorporated pursuant to the laws of Japan, having its principal offices at 1-1, Toranomom, 2-Chome, Minato-ku, Tokyo, Japan 105-8688 ("**MOL**");
- (3) **Tokyo LNG Tanker Co. Ltd.**, a company incorporated pursuant to the laws of Japan, having its principal offices at 1-5-20, Kaigan, Minato-ku, Tokyo, Japan 105-8527 ("**TLT**");
(each the "**Lender**", and collectively the "**Lenders**" or the "**Shareholders**");
and
- (4) **SRV Joint Gas Ltd.**, a company incorporated pursuant to the laws of the Cayman Islands, having its registered offices at Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands (the "**Company**").

WHEREAS:

- A. The Company is the owner of one shuttle and regasification vessel named Neptune (Builder's hull number 1688 (the "**Vessel**"), delivered from the yard on 30 November 2009. The Company is the Borrower under a term loan facility agreement dated 17 November 2021 (the "**Facility Agreement**").
- B. MOL, TLT and HLPO have entered into a shareholders' loan agreement dated 28 April 2006, as amended as of 20 December 2007 and as further amended as of 19 November 2009, and as novated and amended as of 31 August 2010, and as amended and restated as of 8 August 2014, and as amended and restated as of 10 November 2021 in the amount of up to USD 13,500,000 (the "**Shareholders' Loan Agreement**").
- C. The Lenders have agreed to extend the maturity date of the Agreement and to increase the amount by entering into this amended and restated agreement.
- D. The A&R Agreement shall be unsecured and subordinated to all and any of the liabilities of the Borrower under the Facility Agreement (as amended from time to time) between, inter alia, the Company as Borrower, the Shareholders as Sponsor and Mizuho Bank, Ltd. as Agent.

Terms defined in the Shareholders' Agreement shall, unless the context requires otherwise, have the same meanings when used in this A&R Agreement.

NOW THEREFORE, the parties hereto have agreed that the Lenders shall provide shareholder loans to the Company on the terms and conditions as follows:

1. LENDERS

HLPO, MOL and TLT in proportion to their respective relative shareholding in the Company.

2. LOAN AMOUNT

The total loan amount to be up to USD 17,100,000.

3. ADVANCES

The Company acknowledges that, as at the date hereof, the Company is indebted to HLPO, MOL and TLT, respectively, in the amount of USD 6,569,982, USD 6,372,883 and USD 197,099 including accrued interest (accrued interest up until and including 1st January 2022).

4. TERM

The loans shall have a term corresponding to the period prior to the 20th anniversary of the Delivery Date.

5. REPAYMENT

The principal amount outstanding including accrued interest shall be repaid on “pay you earn” basis within the 20th anniversary of the Delivery Date. It is agreed and acknowledged between the parties, that repayment shall be prioritized to any dividend payments by the Company to the Lenders.

6. INTEREST

The loans shall bear an interest rate of 8 (eight) % p.a. Interest shall be accrued quarterly at the last day of June, September, December and March of each year, and capitalised into the loan balance.

7. PREPAYMENT

The Company shall be free to prepay the outstanding loan amount without penalty in whole or in parts at any time subject to 3 (three) business days prior notice provided that any prepayment shall be made rateably to each Lender.

8. EXPENSES

Any expenses incurred by the Lenders in relation to entering into this A&R Agreement shall be borne by the Company.

9. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with English Law.

**For and on behalf of
Mitsui O.S.K. Lines, Ltd.
(as Lender)**

/s/ Takeshi Hashimoto

Name: Takeshi Hashimoto
Title: Representative Director

**For and on behalf of
Höegh LNG Partners Operating LLC
(as Lender)**

/s/ Håvard Furu

Name: Håvard Furu
Title: Authorized Signatory

**For and on behalf of
Tokyo LNG Tanker Co., Ltd.
(as Lender)**

/s/ Atsunori Takeuchi

Name: Atsunori Takeuchi
Title: Representative Director

**For and on behalf of
SRV Joint Gas Ltd.
(as Borrower)**

/s/ Richard Tyrrell

Name: Richard Tyrrell
Title: Director

**AMENDED AND RESTATED
SHAREHOLDERS' LOAN AGREEMENT**

Dated 10 November 2021

entered into between

Höegh LNG Partners Operating LLC

and

Mitsui O.S.K. Lines, Ltd.

and

Tokyo LNG Tanker Co., Ltd.

as Lenders

and

SRV Joint Gas Two Ltd.

as Borrower

THIS AMENDED AND RESTATED AGREEMENT (the "A&R Agreement") is made effective as of 10th day of November 2021, and entered into between

- (1) **Höegh LNG Partners Operating LLC**, a company incorporated pursuant to the laws of Marshall Islands, having its principal address at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda ("**HLPO**");
- (2) **Mitsui O.S.K. Lines, Ltd.**, a company incorporated pursuant to the laws of Japan, having its principal offices at 1-1, Toranomom, 2-Chome, Minato-ku, Tokyo, Japan 105-8688 ("**MOL**");
- (3) **Tokyo LNG Tanker Co. Ltd.**, a company incorporated pursuant to the laws of Japan, having its principal offices at 1-5-20, Kaigan, Minato-ku, Tokyo, Japan 105-8527 ("**TLT**");
(each the "**Lender**", and collectively the "**Lenders**" or the "**Shareholders**");
and
- (4) **SRV Joint Gas Two Ltd.**, a company incorporated pursuant to the laws of the Cayman Islands, having its registered offices at Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands (the "**Company**").

WHEREAS:

- A. The Company is the owner of one shuttle and regasification vessel named Cape Ann (Builder's hull number 1689 (the "**Vessel**"), delivered from the yard on 1 June 2010. The Company is the Borrower under a term loan facility agreement dated 20 December 2007 (as amended), an agreement which will be refinanced end November 2021 (the "**Facility Agreement**").
- B. MOL, TLT and HLPO have entered into a shareholders' loan agreement dated 20 December 2007, as amended as of 25 May 2010 and as novated and amended as of 31 August 2010, and as amended and restated as of 8 August 2014, in the amount of up to USD 50,000,000 (the "**Shareholders' Loan Agreement**").
- C. The Lenders have agreed to extend the maturity date of the Agreement and to reduce the amount by entering into this amended and restated agreement.
- D. The A&R Agreement shall be unsecured and subordinated to all and any of the liabilities of the Borrower under the Facility Agreement (as amended from time to time) between, inter alia, the Company as Borrower, the Shareholders as Sponsor and Mizuho Bank, Ltd. as Agent.

Terms defined in the Shareholders' Agreement shall, unless the context requires otherwise, have the same meanings when used in this A&R Agreement.

NOW THEREFORE, the parties hereto have agreed that the Lenders shall provide shareholder loans to the Company on the terms and conditions as follows:

1. LENDERS

HLPO, MOL and TLT in proportion to their respective relative shareholding in the Company.

2. LOAN AMOUNT

The total loan amount to be up to USD 4,700,000.

3. ADVANCES

The Company acknowledges that, as at the date hereof, the Company is indebted to HLPO, MOL and TLT, respectively, in the amount of USD 922,384, USD 894,712 and USD 27,672 including accrued interest (accrued interest up until and including 30th September 2021)

4. TERM

The loans shall have a term corresponding to the period prior to the 20th anniversary of the Delivery Date.

5. REPAYMENT

The principal amount outstanding including accrued interest shall be repaid on “pay you earn” basis within the 20th anniversary of the Delivery Date. It is agreed and acknowledged between the parties, that repayment shall be prioritized to any dividend payments by the Company to the Lenders.

6. INTEREST

The loans shall bear an interest rate of 8 (eight) % p.a. Interest shall be accrued quarterly at the last day of June, September, December and March of each year, and capitalised into the loan balance.

7. PREPAYMENT

The Company shall be free to prepay the outstanding loan amount without penalty in whole or in parts at any time subject to 3 (three) business days prior notice provided that any prepayment shall be made rateably to each Lender.

8. EXPENSES

Any expenses incurred by the Lenders in relation to entering into this A&R Agreement shall be borne by the Company.

9. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with English Law.

**For and on behalf of
Mitsui O.S.K. Lines, Ltd.
(as Lender)**

/s/ Takeshi Hashimoto

Name: Takeshi Hashimoto
Title: a Representative Director

**For and on behalf of
Höegh LNG Partners Operating LLC
(as Lender)**

/s/ Håvard Furu

Name: Håvard Furu
Title: Authorized Signatory

**For and on behalf of
Tokyo LNG Tanker Co., Ltd.
(as Lender)**

/s/ Atsunori Takeuchi

Name: Atsunori Takeuchi
Title: Representative Director

**For and on behalf of
SRV Joint Gas Two Ltd.
(as Borrower)**

/s/ Vegard Hellekleiv

Name: Vegard Hellekleiv
Title: Director

Confidential

Dated 17 November 2021

**SRV JOINT GAS LTD.
as Borrower**

arranged by

**MIZUHO BANK, LTD.
SMBC BANK EU AG
as Original Mandated Lead Arrangers**

with

**MIZUHO BANK, LTD.
as Agent**

**MIZUHO BANK, LTD.
as Security Agent**

**MIZUHO BANK, LTD.
SMBC BANK EU AG
as Hedging Coordinators**

**MIZUHO BANK, LTD.
as Account Bank**

and

**THE BANKS AND FINANCIAL INSTITUTIONS LISTED IN SCHEDULE 1
as Lenders and Hedging Providers**

**FACILITY AGREEMENT
relating to a Term Loan Facility of up to USD 154,000,000
in respect of the refinancing of m.v. Neptune**

 **NORTON ROSE FULBRIGHT**

Contents

Clause	Page
Section 1 - Interpretation	1
1 Definitions and interpretation	1
Section 2 - The Facility	31
2 The Facility	31
3 Purpose	31
4 Conditions of Utilisation	31
Section 3 - Utilisation	33
5 Utilisation	33
Section 4 - Repayment, Prepayment and Cancellation	34
6 Repayment	34
7 Illegality, prepayment and cancellation	34
8 Restrictions	38
Section 5 - Costs of Utilisation	40
9 Interest	40
10 Interest Periods	41
11 Changes to the calculation of interest	41
12 Fees	42
Section 6 - Additional Payment Obligations	44
13 Tax gross-up and indemnities	44
14 Increased Costs	49
15 Other indemnities	50
16 Mitigation by the Lenders	53
17 Costs and expenses	53
Section 7 - Representations, Undertakings and Events of Default	56
18 Representations	56
19 Information undertakings	63
20 Financial covenants	66
21 General undertakings	66
22 Dealings with Ship	70

Clause	Page
23 Condition and operation of Ship	73
24 Insurance	76
25 Chartering undertakings	79
26 Bank accounts	82
27 Business restrictions	85
28 Hedging Contracts	87
29 Events of Default	88
30 Position of Hedging Provider	93
Section 8 - Changes to Parties	95
31 Changes to the Lenders	95
32 Changes to the Borrower	99
Section 9 - The Finance Parties	100
33 Roles of Agent, Security Agent and Mandated Lead Arrangers	100
34 Trust and security matters	111
35 Enforcement of Transaction Security	114
36 Application of proceeds	115
37 Finance Parties tax affairs	118
38 Sharing among the Finance Parties	119
Section 10 - Administration	121
39 Payment mechanics	121
40 Set-off	125
41 Notices	125
42 Calculations and certificates	127
43 Partial invalidity	127
44 Remedies and waivers	127
45 Amendments and waivers	127
46 Confidential Information	134
47 Restricted Lenders	137

Clause	Page
48 Confidentiality of Funding Rates	137
49 Counterparts and Electronic signature	138
50 Contractual recognition of bail-in	139
Section 11 - Governing Law and Enforcement	140
51 Governing law	140
52 Enforcement	146
Schedule 1 The original parties	146
Schedule 2 Conditions precedent	147
Schedule 3 Utilisation Request	154
Schedule 4 Repayment Schedule	156
Schedule 5 Form of Transfer Certificate	159
Schedule 6 Form of Assignment Agreement	170
Schedule 7 Form of Consent and Agreement	171
Schedule 8 Form of DSCR Compliance Certificate	138
Schedule 9 White List	139

THIS AGREEMENT is dated __17 November_____ 2021 and made between:

- (1) **SRV JOINT GAS LTD.** (the **Borrower**);
- (2) **MIZUHO BANK, LTD.** and **SMBC BANK EU AG** as bookrunner, underwriters and original mandated lead arrangers (whether acting individually or together the **Original Mandated Lead Arrangers** or the **Underwriters**);
- (3) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The original parties*) as lenders (the **Original Lenders**);
- (4) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The original parties*) as hedging providers (the **Original Hedging Providers**);
- (5) **MIZUHO BANK, LTD.** as security trustee for the Finance Parties (the **Security Agent**);
- (6) **MIZUHO BANK, LTD.** as agent of the other Finance Parties (the **Agent**);
- (7) **MIZUHO BANK, LTD.** as account bank (the **Account Bank**); and
- (8) **MIZUHO BANK, LTD.** and **SMBC BANK EU AG** as hedging coordinators (the **Hedging Coordinators**).

IT IS AGREED as follows:

Section 1 - Interpretation

1 Definitions and interpretation

1.1 Definitions

In this Agreement and (unless otherwise defined in the relevant Finance Document) the other Finance Documents:

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Agent, acting on the instructions of the Majority Lenders.

Account means any bank account, deposit or certificate of deposit opened, made or established in accordance with clause 26 (*Bank accounts*).

Account Bank means, in relation to any Account, Mizuho Bank, Ltd or any other bank or financial institution approved by the Majority Lenders.

Account Security means, in relation to an Account (other than the Dividend Distribution Account), a deed or other instrument by the Borrower or any Intra-Group Charterer or Operating Company, in favour of the Security Agent in an agreed form conferring a Security Interest over that Account.

Accounting Reference Date means 31 December or such other date as may be approved by the Lenders.

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. For the avoidance of doubt Høegh LNG Partners LP, Høegh LNG Holdings Ltd. and their Affiliates shall be considered an Affiliate of Høegh LNG.

Agent includes any person who may be appointed as such under the Finance Documents.

Agent's Spot Rate of Exchange means:

- (a) the Agent's spot rate of exchange; or
- (b) (if the Agent does not have an available spot rate of exchange) any other publicly available spot rate of exchange selected by the Agent (acting reasonably),

for the purchase of the relevant currency with USD in the London foreign exchange market at or about 11:00 a.m. on a particular day.

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.

Approved Brokers means Braemar Seascope Ltd., Clarksons Shipbrokers, EA Gibson Shipbrokers Ltd. (provided they conform with the EBA guidelines), Fearnleys A/S and/or such other brokers as may be approved by the Majority Lenders.

Approved Flag means the Norwegian International Register, Marshall Islands, Singapore, Cayman Islands, Cyprus, Malta, United Kingdom, Belgium, Bahamas or such other state or territory as may be approved by the Lenders, at the request of the Borrower.

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 6 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

Auditors means Ernst & Young or any other first class firm of auditors as may be notified by the Borrower to the Agent.

Authorisation means any authorisation, consent, concession, approval, resolution, licence, exemption, filing, notarisation or registration.

Availability Period means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) the date falling on 30 November 2021; and
- (b) the date on which a Lender's obligation to advance the Loan is fully cancelled or terminated.

Available Commitment means a Lender's Commitment minus the amount of its participation in the Loan.

Available Facility means the aggregate for the time being of all the Lenders' Available Commitments.

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;
- (b) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (c) in relation to the United Kingdom, the UK Bail-In Legislation.

Basel II Accord means the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 as updated prior to, and in the form existing on, the date of this Agreement, excluding any amendment thereto arising out of the Basel III Accord or Reformed Basel III.

Basel II Approach means, in relation to any Finance Party, either the Standardised Approach or the relevant Internal Ratings Based Approach (each as defined in the Basel II Regulations applicable to such Finance Party) adopted by that Finance Party (or any of its Affiliates) for the purposes of implementing or complying with the Basel Accords.

Basel II Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel II Regulation in force as at the date hereof (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

Basel II Regulation means:

- (a) any law or regulation in force as at the date hereof implementing the Basel II Accord, (including the relevant provisions of CRR) to the extent only that such law or regulation re-enacts and/or implements the requirements of the Basel II Accord but excluding any provision of such law or regulation implementing the Basel III Accord or Reformed Basel III; and
- (b) any Basel II Approach adopted by a Finance Party or any of its Affiliates.

Basel III Accord means, together:

- (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 on or before the date of this Agreement;
- (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 on or before the date of this Agreement; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III" on or before the date of this Agreement.

other than, in each such case, the agreements, rules, guidance and standards set out in Reformed Basel III.

Basel III Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel III Regulation (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

Basel III Regulation means any law or regulation implementing the Basel III Accord (including the relevant provisions of CRD IV and CRR) save to the extent that such law or regulation re-enacts a Basel II Regulation and excluding any such law or regulation which implements Reformed Basel III.

Borrower Share Security means the equitable mortgage over the shares of the Borrower in favour of the Security Agent.

Break Costs means the amount (if any) by which:

- (a) the interest (excluding the Margin and/or credit charges) 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 relevant part of it or Unpaid Sum to the last day of the current Interest Period in respect of the Loan or relevant part of it or 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 relevant principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of that Interest Period.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Japan, Norway, the United Kingdom, Amsterdam, Frankfurt, Singapore, Paris, Bermuda and the Cayman Islands, or:

- (a) in respect of a Quotation Day, London; and
- (b) in respect of a day on which payment is required to be made in Dollars under a Finance Document, also New York.

Cash Waterfall shall have the meaning ascribed to such term in clause 26.3(d).

Charged Property means all of the assets of the Borrower which from time to time are, or are expressed or intended to be, the subject of the Transaction Security.

Charter Contract means the time charter dated 20 March 2007 initially entered into between the Borrower and Suez LNG Trading SA, as novated to Total on 20 December 2019 and as further amended from time to time, for the Initial Charter Period and as may be further extended from time to time pursuant to which the Ship is deployed by Total for trading as either a LNG carrier or to operate in FSRU Mode.

Charter Documents means any Long Term Charter or Short Term Charter, including the Consent and Agreement.

Charterer means any third party charterer of the Ship (being, for the avoidance of doubt, not an Affiliate of the Borrower).

Classification means, in relation to the Ship, the highest class available for vessels of its type with the relevant Classification Society.

Classification Society means DNV GL, Lloyds Register of Shipping, American Bureau of Shipping, Bureau Veritas or another classification society which is a member of the International Association of Classification Societies (IACS) approved in writing by the Agent (on behalf of the Majority Lenders).

Code means the US Internal Revenue Code of 1986.

Commercial Manager means at all times, either:

- (a) Höegh LNG AS;
- (b) a Sponsor;
- (c) a company wholly owned directly or indirectly by a Sponsor; or
- (d) any other person appointed by the Borrower with the prior written consent of the Agent, acting on the instructions of the Majority Lenders.

Commitment means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Schedule 1 (*The original parties*) and the amount of any other Commitment assigned to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Commitment assigned to it under this Agreement,

to the extent not cancelled, reduced or assigned by it under this Agreement.

Confirmation shall have, in relation to any Hedging Transaction, the meaning given to that term in the relevant Hedging Master Agreement.

Confidential Information means all information relating to the Borrower, the Sponsors, any Operating Company, the Managers and Hoegh LNG Partners Operating LLC (or any Affiliate of such entities), 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) the Borrower, the Sponsors or any of their advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from the Borrower, the Sponsors or any of their 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 46 (*Confidential Information*); or

- (B) is identified in writing at the time of delivery as non-confidential by the Borrower, the Sponsors or any of their 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 Borrower or the Sponsors 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.

Confidentiality Undertaking means a confidentiality undertaking substantially in a recommended form of the Loan Market Association or in any other form agreed between the Borrower and the Agent.

Consent and Agreement means the letter from the Security Agent addressed to and acknowledged by Total, or the relevant Charterer, in the form substantially requested by Total (or as the case may be, the relevant Charterer) and based on the form appended to the Charter Contract as the "Consent and Agreement" or, as the case may be, the relevant Long Term Charter or Short Term Charter and in a form acceptable to the Lenders (acting reasonably), as at the date of this Agreement substantially in the form set out in Schedule 7 (*Form of Consent and Agreement*) or as otherwise approved.

Constitutional Documents means, in respect of an Obligor, such Obligor's memorandum and articles of association, by-laws or other constitutional documents including as referred to in any certificate relating to an Obligor delivered pursuant to Schedule 2 (*Conditions precedent*).

Counterparty Risk means an assessment of the contract counterparty in terms of it satisfying Lender risk policies applicable to such counterparty in its role as charterer of the Ship (other than policies relating to its financial standing) with regards to its compliance with Sanctions Laws, anti-bribery, anti-corruption and anti-money laundering laws applicable to it.

CRR means either CRR-EU or, as the context may require, CRR-UK.

CRR-EU means regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms and regulation 2019/876 of the European Union amending Regulation (EU) No 575/2013 and all delegated and implementing regulations supplementing that Regulation.

CRR-UK means CRR-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

DAC6 means the Council Directive 2011/16/EU as amended from time to time (including, without limitation, by Council Directive 2018/822/EU and Council Directive 2020/876/EU).

Debt Service Reserve means the amount that is necessary for the Borrower to meet its payment obligations under this Agreement and under the Hedging Contracts during the following six (6) Months (taking account of payments receivable by the Borrower under the Hedging Contracts).

Debt Service Reserve Account means the account with the Account Bank which is defined as such in any Account Security or which is designated as a "**Debt Service Reserve Account**" under clause 26 (*Bank accounts*).

Debt Service Retention Account means the account with the Account Bank which is defined as such in any Account Security or which is designated as a "**Debt Service Retention Account**" under clause 26 (*Bank accounts*).

Debt Service Retention Amount means in relation to any Debt Service Retention Date, the sum which is the aggregate of:

- (a) one third of the repayment instalment falling due on the next repayment date pursuant to the repayment schedule (as adjusted to take into account any prepayments); and
- (b) the applicable fraction of the aggregate amount of interest falling due for payment in respect of the utilization of the Loan and at the end of each interest period current at the relevant Debt Service Retention Date in respect of such utilisation (adjusted to take into account any payments due to or from the Borrower under any Hedging Contracts).

Debt Service Retention Date means, for the duration of the Facility Period, the date falling five (5) Business Days after the date on which hire is paid to the Borrower by the Charterer under the Charter Contract.

Default means an Event of Default or any Potential Event of Default.

Defaulting Lender means any Lender:

- (a) which has failed to make its participation in the Loan available (or has notified the Agent or the Borrower (which has notified the Agent) that it will not make its participation in the Loan available) by the Utilisation Date in accordance with clause 5.4 (*Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and,payment is made within three (3) Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

Delegate means any delegate, agent, attorney, additional trustee or co-trustee appointed by the Security Agent.

Disclosure Letter means the letter dated on or about the date of this Agreement from Höegh LNG Partners LP to the Agent, in form and substance accepted by the Lenders.

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.

Dividend Distribution Account means the account with the Account Bank which is designated as a "**Dividend Distribution Account**" under clause 26 (*Bank accounts*).

Dividend Lock-Up Account means any account with an Account Bank which is defined as such in any Account Security or which is designated as a "**Dividend Lock-Up Account**" under clause 26 (*Bank accounts*).

Dividend Release Conditions means:

- (a) the first repayment instalment of the Loan has been made;
- (b) no Event of Default or Potential Event of Default has occurred and is continuing;
- (c) the Debt Service Retention Account is funded to the extent required by the definition of Debt Service Retention Amount and the Debt Service Reserve Account is fully funded;
- (d) the Agent has received from the Borrower a DSCR Compliance Certificate confirming that:
 - (i) the Historical Debt Service Cover Ratio is no less than 1.2 : 1.0; and
 - (ii) the Projected Debt Service Cover Ratio is no less than 1.2 : 1.0.
- (e) no termination notice has been served by the Charterer.

Drawdown Date means the date falling one (1) Business Day prior to the Utilisation Date.

Drydocking Cost means each cost incurred by the Borrower in relation to a scheduled drydocking of the Ship.

Drydocking Cost Payment means each payment made by the Sponsors to the Borrower to finance the payment by the Borrower of a Drydocking Cost which has not been funded or, as the case may be, paid by a Drydocking Cost Reimbursement on or before the due date for payment of a Drydocking Cost.

Drydocking Cost Reimbursement means each payment to be made by the Charterer to the Borrower under the Charter Contract in reimbursement of a Drydocking Cost, or as the case may be, each payment made by the Charterer to the relevant shipyard under the Charter Contract in direct settlement of a Drydocking Cost.

DSCR Compliance Certificate means a certificate substantially in the form set out in Schedule 8 (*Form of DSCR Compliance Certificate*) or otherwise approved.

Earnings means all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Borrower and, if applicable, the Operating Company, and/or any Intra-Group Charterer or, in accordance with the Security Documents, to the Security Agent and which arise

out of the use of or operation of the Ship, including (but not limited to) all freight, hire and passage moneys, payable to the Borrower and, if applicable, the Operating Company, and/or any Intra-Group Charterer or, in accordance with the Security Documents, to the Security Agent, remuneration of salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Ship.

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

Eligible Institution means any Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower and which, in each case, is not a Sponsor.

Environmental Affiliate means any employee of the Borrower or any agent or any person having a contractual relationship with the Borrower (and for whom the Borrower is responsible) in connection with the Ship or its operation.

Environmental Approvals means all present or future permit or other Authorisation whatsoever required by the Borrower in connection with applicable Environmental Laws.

Environmental Claims means (a) any claim by, or directive from, any Government Entity, judicial or regulatory authority alleging breach of, or non-compliance with, any Environmental Laws or Environmental Approvals or otherwise howsoever relating to or arising out of an Environment Incident or an alleged Environmental Incident or which relates to any Environmental Law (and, in such case, “**claim**” shall include a claim for damages, compensation, contribution, injury, fines, losses and penalties, including in relation to any clean-up of Environmentally Sensitive Material or otherwise; 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, attachment, detainment or injunction of any asset), or (b) any Proceedings arising from any of the foregoing but excluding any claim of a vexatious or frivolous nature which is being contested in good faith.

Environmental Incident means regardless of cause:

- (a) any release, emission, spill or discharge of Environmentally Sensitive Material whether within the Ship or from the Ship into any other ship or into or upon the air, water, 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, water, land or soils (including the seabed) or surface water from a ship other than the Ship and which involves a collision between the Ship and such other ship or some other incident of navigation or operation, in either case, in connection with which the Ship and/or the Borrower and/or any Operating Company and/or any Manager of the Ship is actually or potentially subject to an Environmental Claim; or
- (c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water otherwise than from the Ship and in connection with which the Ship and/or the Borrower and/or any Operating Company and/or any Manager of the Ship is actually or potentially subject to an Environmental Claim,

in each case other than in accordance with any Environmental Approval.

Environmental Laws means any present or future laws, regulations, conventions and agreements whatsoever relating to pollution, protection of human or wildlife or protection of the environment or to the carriage, generation, handling, storage, use, release or spillage (the release or spillage being actual or threatened) of Environmentally Sensitive Material (including, without

limitation, the United States Oil Pollution Act of 1990 and any comparable laws of the individual States of the United States of America).

Environmentally Sensitive Material means and includes all contaminants, oil, oil products, toxic substances or any other products or substance (including any chemical, gas or other hazardous or noxious substance) which are (or are capable of being or becoming) polluting, toxic or hazardous or any substance the release of which into the environment is howsoever regulated, prohibited, or pensalised by or pursuant to an Environmental Law.

Escrow Agreement means the agreement entered into on or about the date hereof between the Agent, DNB Bank A.S.A. as facility agent in relation to the Existing Term Loan Facility and DNB Bank A.S.A. as escrow agent, providing for certain arrangemtns in relation to the release of funds of the Utilisation to the Borrower.

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 29 (*Events of Default*).

Existing Term Loan Facility means the Dollar three hundred million (300,000,000) term loan facility signed on 20 December 2007 (as amended from time to time) by, among others, the Borrower and the lenders thereto in relation to the Ship.

Facility means the loan facility made available under this Agreement as described in clause 2 (*The Facility*).

Facility Office means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

Facility Period means the period from and including the date of this Agreement to and including the date on which the Total Commitments have reduced to zero and all indebtedness of the Borrower under the Finance Documents has been fully paid and discharged.

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 between the Underwriters and the Borrower and/or between the Agent and/or Security Agent and the Borrower setting out any of the fees referred to in clause 12 (*Fees*) and includes any agreement setting out any fees payable to a Finance Party under any other Finance Document.

Final Repayment Date means the earlier of:

- (a) the date falling eight (8) years after the Drawdown Date; and
- (b) the last day of the Initial Charter Period.

Finance Documents means this Agreement, any Fee Letter, the Security Documents, any Hedging Contracts, any Hedging Master Agreement, the Utilisation Request and any other document designated as such by the Agent and the Borrower.

Finance Party means the Agent, the Security Agent, any Mandated Lead Arranger, any Hedging Provider or any Lender.

Financial Indebtedness means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease (other than any liability in respect of a lease or hire purchase contract which would, in accordance with IFRS in force prior to 1 January 2019, have been treated as an operating lease);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury 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 Treasury Transaction, that amount) shall be taken into account);

- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount classified as borrowings under IFRS);
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than thirty (30) days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

Financial Year means the annual accounting period of the Borrower ending on or about the Accounting Reference Date in each year.

First Repayment Date means the date falling three (3) Months after the Utilisation Date.

Flag State means the state or territory of the Approved Flag.

FSRU Mode means when the Ship is operating as a floating storage and regasification unit.

Funding Rate means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of clause 11.3 (*Cost of funds*).

General Assignment means a first assignment of its interest in the Ship's Insurances and Earnings by the Borrower, or, as the case may be, any Intra-Group Charterer or Operating Company in favour of the Security Agent in the agreed form.

Hedging Contract means any Hedging Transaction between the Borrower and any Hedging Provider pursuant to any Hedging Master Agreement and includes any Hedging Master Agreement and any Confirmations from time to time exchanged under it and governed by its terms relating to that Hedging Transaction and any contract in relation to such a Hedging Transaction constituted and/or evidenced by them and **Hedging Contracts** means all of them.

Hedging Contract Security means a deed or other instrument by the Borrower in favour of the Security Agent in the agreed form conferring a Security Interest over any Hedging Contracts.

Hedging Master Agreement means any agreement made or (as the context may require) to be made between the Borrower and a Hedging Provider comprising a 2002 ISDA Master Agreement and the Schedule thereto in the agreed form.

Hedging Provider means:

- (a) an Original Hedging Provider; and
- (b) any entity which has become a Party as a Hedging Provider in accordance with clause 31.10 (*Accession of Hedging Providers*).

Hedging Transaction has, in relation to any Hedging Master Agreement, the meaning given to the term "Transaction" in that Hedging Master Agreement.

Historical Debt Service means, at any time, the aggregate of the amounts payable (excluding prepayments, the payment of break costs and settlement of any early termination amounts under any swap agreements) by the Borrower under this Agreement plus the net amount payable (or, as the case may be, minus the net amount receivable) by the Borrower under the Hedging Contracts during the twelve (12) month period ending on the relevant quarter period end date.

Historical Debt Service Cover Ratio means at any time, the ratio of the Historical Net Earnings to the Historical Debt Service.

Historical Net Earnings means, at any time, the aggregate amount of the charter hire payments and any equity injection or shareholder loan provided under clause 29.4(b) made to the Operating Account less (x) the aggregate amount of withdrawals made from the Operating Account pursuant to clause 26.3(d) during the twelve (12) month period ending on the relevant quarter period end date and (y) any costs, fees or expenses associated with the refinancing of the existing indebtedness of the Borrower, to the extent not funded by equity injection or shareholder loans in connection with drawdown of the refinancing. For the avoidance of doubt, (i) any payments to the Debt Service Reserve Account are to be excluded from the calculation of the aggregate amount of withdrawals, (ii) any Drydocking Cost Reimbursement or Drydocking Cost Payment made to or from the Operating Account shall be excluded from the calculation of the aggregate amount of payments and withdrawals respectively and (iii) any cost reimbursement or cost payment for planned vessel maintenance or upgrade which shall be funded by an equity injection or a shareholder loan made to or from the Operating Account shall be excluded from the calculation of the aggregate amount of payments and withdrawals respectively.

Høegh LNG AS means Høegh LNG AS, a company incorporated in Norway, having its registered office at Drammensveien 134, NO-0277 Oslo, Norway, and registered under number 989 837 877.

Høegh LNG Fleet Management AS means Høegh LNG Fleet Management AS, a company incorporated in Norway and having its registered office at Drammensveien 134, NO-0277 Oslo, Norway, and registered under number 993 874 639.

Høegh LNG Partners LP means Høegh LNG Partners LP, a master limited partnership established under the laws of the Marshall Islands, having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960.

Holding Company means, in relation to a person, any other person in respect of 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.

Impaired Agent means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document; or
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraphs (a) or (b) of the definition of "Defaulting Lender"; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within five (5) Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

Increased Costs has the meaning given to that term in paragraph (b) of clause 14.1 (*Increased costs*).

Indemnified Person means:

- (a) each Finance Party, each Receiver, any Delegate and any attorney, agent or other person appointed by them under the Finance Documents;
- (b) each Affiliate of those persons; and
- (c) any officers, directors, employees, advisers, representatives or agents of any of the above persons.

Initial Charter Period has the meaning ascribed to such term in clause 5(a) of the Charter Contract, being a minimum period of about twenty (20) years commencing on the delivery of the Ship by the Borrower to Total and ending when the Ship is redelivered to the Borrower in accordance with the Charter Contract plus or minus sixty (60) days at 24:00 hours GMT.

Insolvency Event in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation thereof;

- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other enforcement action or legal process levied, enforced, taken or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within sixty (60) days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Insurance Notice means a notice of assignment in the form scheduled to the General Assignment or in another approved form.

Insurances means, in relation to the Ship:

- (a) all policies and contracts of insurance; and
- (b) all entries in a protection and indemnity or war risks or other mutual insurance association,

which are from time to time during the Facility Period in place or taken out or entered into in the name of the Borrower, any Operating Company (if applicable) and / or any Intra-Group Charterer (whether in the sole name of the Borrower, that Operating Company or that Intra-Group Charterer or in the name of the Ship's owner or the joint names of the Borrower, that Operating Company or that Intra-Group Charterer and the Security Agent or otherwise) in respect of or in connection with the Ship and/or its owner's Earnings from the Ship and includes all benefits thereof (including the right to receive claims and to return of premiums).

Interbank Market means the London interbank market.

Interest Period means, in relation to the Loan (or any part of the Loan), each period determined in accordance with clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 9.3 (*Default interest*).

Interpolated Screen Rate means, in relation to LIBOR for an Interest Period with respect to the Loan or any part of it or any Unpaid Sum, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period; and
 - (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period,
- each as of 11:00 a.m. on the relevant Quotation Day.

Intra-Group Charterer means a company owned, directly or indirectly by the Borrower or a Sponsor.

Legal Opinion means any legal opinion delivered to the Agent under clause 4 (*Conditions of Utilisation*).

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 Act 1980 and the Foreign Limitation Periods Act 1984;
- (c) 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; and
- (d) similar principles, rights and defences under the laws of any Relevant Jurisdiction.

Lender means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a “Lender” in accordance with clause 31 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender as such in accordance with the terms of this Agreement.

LIBOR means, in relation to the Loan or any part of it or any Unpaid Sum:

- (a) the applicable Screen Rate as of 11:00 a.m. on the relevant Quotation Day for a period equal in length to the Interest Period of the Loan or relevant part of it or Unpaid Sum; or
- (b) as otherwise determined pursuant to clause 11.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.

Loan means the loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

Long Term Charter means a Long Term FSRU Charter or a Long Term LNGC Charter.

Long Term Charter Assignment means an assignment of a Long Term Charter required to be executed by the Borrower or an Intra-Group Charterer in favour of the Security Agent in agreed form and subject to the execution of a quiet enjoyment agreement (where required by a Charterer in a form acceptable to the Lenders (acting reasonably) and subject to reasonable comments from the Charterers (which quiet enjoyment agreement shall include a step-in right for the Finance Parties)).

Long Term FSRU Charter means any time charter (including a charter which in substance (and irrespective of its designation as a bareboat charter or otherwise by the contracting parties) when, taken together with the contractual arrangements in place for the operation and maintenance of the Ship, has the commercial effect of a time charter, including without limitation, where all other management and other operational functions in respect of the Ship are performed by either an

Intra-Group Charterer or by a Technical Manager or (if applicable) any Operating Company (and not by the relevant Charterer) where the Ship is operating in FSRU Mode which:

- (a) is entered into with a Charterer having a term equal to or less than three (3) years but more than twelve (12) Months (excluding optional extensions); or
- (b) has a term of more than three (3) years (excluding optional extensions) entered into with:
 - (i) a well-known reputable international oil and/or gas major or trader and for the avoidance of doubt, Total shall be considered to be a well-known international oil and/or gas major or trader (or a Subsidiary of such oil and/or gas major or trader, which for the avoidance of doubt, shall include a Subsidiary of Total); or
 - (ii) otherwise, a charterer approved by the Majority Lenders, such approval not to be unreasonably withheld and/or delayed and provided within ten (10) Business Days of receipt by the Agent of a notice from the Borrower, failing which the Long Term Charter shall be deemed not approved, and the assessment for the purposes of such approval shall only relate to Counterparty Risk which in the case of a refusal by the Majority Lenders shall be accompanied by a justification by the relevant Lender(s) for such refusal, but only to the extent that the provision of such justification:
 - (A) is permitted by law, rule and regulation and such Lender's internal rules, policies and procedures; and
 - (B) would not breach any confidentiality or other contractual obligations owed by such Lender to any party,together with evidence satisfactory to the Agent acting on the instructions of the Majority Lenders (acting reasonably) that such charter is firm and binding and evidence of acceptance of the Ship by the charterer,

For the avoidance of doubt, the Charter Contract with Total constitutes a Long Term FSRU Charter.

Long Term LNGC Charter means any time charter (including a charter which in substance (and irrespective of its designation as a bareboat charter or otherwise by the contracting parties) when, taking together with the contractual arrangements in place for operation and maintenance of the Ship, has the commercial effect of a time charter, including any such sub-charter entered into by Total and including without limitation where all management and other operational functions in respect of the Ship are performed either by an Intra-Group Charterer or by a Technical Manager or (if applicable) any Operating Company (and not by the relevant Charterer) where the Ship is operating as a LNG carrier and entered into with a well known reputable international oil and/or gas major or trader (or a subsidiary of such oil and/or gas major or trader):

- (a) for a period exceeding from its effectiveness, twelve (12) Months; or
- (b) which, following exercise of an optional extension, exceeds twelve (12) Months.

Losses means any costs, expenses and payments under a Finance Document, charges, losses, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, judgments, orders or other sanctions.

Loss Payable Clauses means the provisions concerning payment of claims under the Ship's Insurances in the form scheduled to the General Assignment or in another approved form.

Major Casualty means any casualty to a vessel for which the total insurance claim, inclusive of any deductible, exceeds or may exceed the Major Casualty Amount.

Major Casualty Amount means Dollar five million (5,000,000) or the equivalent in any other currency.

Majority Hedging Providers means a Hedging Provider or Hedging Providers which:

- (a) in respect of any hedging transaction of that Hedging Provider under any Hedging Contract that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms thereof, the amount, if any, payable to it under any Hedging Contract in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Hedging Provider and as calculated in accordance with the relevant Hedging Contract)(the **Termination Amount**); and
- (b) in respect of any hedging transaction of that Hedging Provider under any Hedging Contract that has, as of the date the calculation is made, not been terminated or closed out, the amount, if any, to be certified by the relevant Hedging Provider and as calculated in accordance with the relevant Hedging Contract, which would be payable to it under that Hedging Contract in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant Hedging Master Agreement) for which the Borrower is the Defaulting Party (as defined in the relevant Hedging Master Agreement) (the **Prospected Termination Amount**),

aggregate more than 66 2/3 per cent of the aggregate of all Termination Amounts and Prospected Termination Amounts of all Hedging Providers.

Majority Lenders means a Lender or Lenders whose Commitments aggregate more than 66 2/3 per cent of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3 per cent of the Total Commitments immediately prior to that reduction).

Management Agreement means any agreement to be made between the Borrower or an Intra-Group Charterer or an Operating Company (as the case may be) and a Manager in relation to the management of the Ship.

Management Agreement Assignment means an assignment of any Management Agreement required to be executed hereunder by the Borrower or an Intra-Group Charterer or an Operating Company in connection with the Ship in favour of the Security Agent in agreed form.

Manager means a Commercial Manager or a Technical Manager.

Manager's Undertaking means an undertaking by any Manager of the Ship to the Security Agent in the agreed form.

Mandated Lead Arranger means:

- (a) any Original Mandated Lead Arranger; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a "Mandated Lead Arranger" in accordance with clause 31 (*Changes to the Lenders*),

which in each case has not ceased to be a Mandated Lead Arranger Lender as such in accordance with the terms of this Agreement.

Margin means one point seventy-five per cent. (1.75%) per annum.

Market Disruption Event means the following events:

- (a) at or about noon on the Quotation Day for the relevant interest period LIBOR is not available; or
- (b) before close of business in London, the Agent receives notifications from a Lender or Lenders whose participations exceed fifty (50) per cent of the Loan that the cost to it or them of funding its participation in that Loan from what ever source it may reasonably select in the Interbank Market would be in excess of LIBOR.

Market Value means the arithmetic average of the valuations obtained from two (2) Approved Brokers selected by the Borrower, such valuations being determined on the basis of an arm's length charter free transaction between a willing buyer and a seller not under duress.

Material Adverse Effect means, in the reasonable opinion of the Agent, other than in respect of any matter set out in the Disclosure Letter or otherwise disclosed to the Lenders on or prior to the date of this Agreement, which shall not be considered material, a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise), performance or prospects of the Borrower, any Operating Company (if any), any Intra-Group Charterer, or (as long as the Sponsor Undertaking remains in place and subject to the Charterer having served a notice of termination of the Charter Contract) the Sponsors; or
- (b) the ability of any of the Borrower, any Operating Company (if any), any Intra-Group Charterer, or (as long as the Sponsor Undertaking remains in place and subject to the Charterer having served a notice of termination of the Charter Contract) any Sponsors to perform or comply with its obligations under the Finance Documents or Charter Documents; or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of any Security Interest granted or purporting 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.

Mitsui O.S.K. Lines Ltd. means Mitsui O.S.K. Lines Ltd., a company incorporated in Japan, having its registered office at 1-1, Toranomon, 2-Chrome, Minato-Ku, Tokyo, Japan, 105-8688, Japan.

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 the calendar month in which that period is to end (if there is one) or on the immediately preceding Business Day (if there is not);
- (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 the first mortgage of the Ship in the agreed form by the Borrower in favour of the Security Agent.

Mortgage Period means the period from the date the Mortgage is executed and registered until the date such Mortgage is released and discharged or, if earlier, its Total Loss Date.

New Lender has the meaning given to that term in clause 31 (*Changes to the Lenders*).

Norwegian Law Security Agreement means a first Norwegian law security agreement by the Borrower in favour of the Security Agent in the agreed form.

Obligors means the Borrower, any Operating Company (if any) and, whilst the Sponsor Undertakings are in force, each Sponsor and **Obligor** means any one of them.

Operating Account means any account with an Account Bank which is defined as such in any Account Security or which is designated as an "**Operating Account**" under clause 26 (*Bank accounts*).

Operating Company means any operator of the Ship under an operation and maintenance agreement, provided that such operator shall at all times be a company owned, directly or indirectly by the Borrower or a Sponsor.

Original Financial Statements means:

- (a) the audited annual financial statements of the Borrower for its Financial Year ended on 31 December 2020;
- (b) the unaudited quarterly financial statements of the Borrower for the financial quarter ended on 30 September 2021 (consisting only of an income statement and the statement of financial position).

Original Jurisdiction means, in relation to an Original Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement or, in the case of any other Obligor, as at the date on which that Obligor becomes an Obligor.

Original Obligor means each party to this Agreement and the Original Security Documents (other than a Finance Party).

Original Security Documents means:

- (a) the Sponsor Undertakings;
- (b) the Mortgage;
- (c) any Norwegian Law Security Agreement;
- (d) the General Assignment;
- (e) the Borrower Share Security;
- (f) the Account Security in relation to each Account;
- (g) the Hedging Contract Security;
- (h) any Management Agreement Assignment or any Manager's Undertaking; and
- (i) any Long Term Charter Assignment.

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.

Permitted Financial Indebtedness has the meaning given to that term in clause 27.3 (*Financial Indebtedness restriction*).

Permitted Maritime Liens means, in relation to the Ship:

- (a) any ship repairer's or outfitter's possessory lien in respect of the Ship for an amount not exceeding the Major Casualty Amount;
- (b) any lien on the Ship for master's, officer's or crew's wages outstanding in the ordinary course of its trading but which are not overdue unless they are being contested in good faith;
- (c) any lien on the Ship for salvage;
- (d) other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Ship, provided such liens do not secure amounts more than fifteen (15) days overdue;
- (e) Security Interests created in favour of a plaintiff or defendant in any proceedings or arbitration as security for costs and expenses while an Obligor is actively prosecuting or defending such proceedings or arbitration in good faith by appropriate steps and in respect of which appropriate reserves have been made, provided that such proceedings or the continued existence of such Security Interest shall not, and may not reasonably be considered likely to, result in the arrest, sale, forfeiture or loss of the Ship or any interest in the Ship;
- (f) Security Interests arising by operation of law in respect of Taxes which are not overdue for payment or in respect of Taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made, provided that such proceedings or the continued existence of such Security Interests shall not, and may not reasonably be considered likely to, result in the arrest, sale, forfeiture or loss of the Ship or any interest in the Ship;
- (g) a Charterer's lien for pre-paid hire not in excess of thirty (30) days; and
- (h) any other lien, the creation of which has been expressly disclosed in writing to the Agent prior to the date of this Agreement and confirmed in writing by the Majority Lenders as acceptable.

Permitted Security Interests means, in relation to the Ship, any Security Interest over it which is:

- (a) granted by the Finance Documents; or
- (b) a Permitted Maritime Lien; or
- (c) is approved by the Majority Lenders; or
- (d) any Security Interest or Quasi-Security arising under the general terms and conditions of banks with whom the Borrower maintains a banking relationship in the ordinary course of business.

Poseidon Principles means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published on 18 June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organization from time to time.

Potential Event of Default means any event or circumstance specified in Clause 29 (*Events of Default*) which would (with the expiry of a grace period or the giving of notice) be an Event of Default.

Projected Debt Service means, at any time, the projected aggregate amount of the amounts payable (excluding any prepayments) by the Borrower under this Agreement plus the net amount payable (or, as the case may be, minus the net amount receivable) by the Borrower under the Hedging Contracts during the twelve (12) month period following the relevant quarter period end date.

Projected Debt Service Cover Ratio means at any time, the ratio of the Projected Net Earnings to the Projected Debt Service.

Projected Net Earnings means, at any time, the projected aggregate amount of the charterhire payments to be credited to the Operating Account less the projected aggregate amount to be credited from the Operating Account pursuant to clause 26.3 (*Operating Account*) during the twelve (12) month period following the relevant quarter period end date. For the avoidance of doubt, (i) any payments to the Debt Service Reserve Account are to be excluded from the calculation of the aggregate amount of withdrawals, (ii) any projected Drydocking Cost Reimbursement or projected Drydocking Cost Payment made to or from the Operating Account shall be excluded from the calculation of the aggregate amount of payments and withdrawals respectively and (iii) any projected cost reimbursement or projected cost payment for planned vessel maintenance or upgrade which shall be funded by an equity injection or a shareholder loan made to or from the Operating Account shall be excluded from the calculation of the aggregate amount of payments and withdrawals respectively.

Quasi-Security has the meaning given to that term in clause 27.2 (*General negative pledge*).

Quiet Enjoyment Agreement means the Consent and Agreement or any other letter from the Security Agent addressed to and acknowledged by the relevant Charterer, in the form substantially requested by the relevant Charterer but in a form acceptable to the Lenders.

Quotation Day means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period unless market practice in the Interbank Market differs, in which case the Quotation Day shall be determined by the Agent in accordance with market practice in the Interbank Market (and if quotations would normally be given 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 Charged Property appointed under any Security Document.

Reformed Basel III means the agreements contained in “Basel III: Finalising post-crisis reforms” published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

Registry means such registrar, commissioner or representative of the Flag State who is duly authorised and empowered to register the Ship, the Borrower's title to the Ship and the Mortgage under the laws of the Flag State.

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 Jurisdiction means, in relation to an Obligor:

- (a) its Original Jurisdiction or (in case of a corporate migration (with a prior written notice to the Lenders and subject to satisfactory “know your customers” checks)) Singapore or Bermuda;
- (b) any jurisdiction where any Charged Property owned by it is situated;
- (c) any jurisdiction where it has a place of business; and
- (d) any jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

Repayment Date means:

- (a) the First Repayment Date;
- (b) each of the dates falling at intervals of three (3) Months thereafter up to but not including the Final Repayment Date; and
- (c) the Final Repayment Date.

Repeating Representations means each of the representations set out in clauses 18.2 (*Status*) to 18.8 (*No misleading information*) (excluding 18.8(d)), clause 18.11 (*Ranking and effectiveness of security*), clause 18.13 (*Ownership of Charged Property*), clause 18.28 (*Sanctions*), and 18.31 (*Ownership*).

Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

Requisition Compensation means any compensation paid or payable by a government entity for the requisition for title, confiscation or compulsory acquisition of the Ship.

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

Restricted Party means a person:

- (a) that is listed on a Sanctions List (whether designated by name or by reason of being included in a class of person);
- (b) that is domiciled, registered or located or has its main place of business in, or is incorporated under the laws of, a Sanctioned Country; or
- (c) is directly or indirectly owned fifty per cent. (50%) or more by or controlled by one or more persons referred to in (a) and/or (b) above; or
- (d) is otherwise a subject of Sanctions Laws.

Sanctions Authority means:

- (a) the Norwegian State;

- (b) the United States of America;
- (c) Japan;
- (d) the European Union;
- (e) the member states of the European Union;
- (f) the United Nations;
- (g) the United Kingdom;
- (h) Australia; and
- (i) any authority acting on behalf of any of them in connection with Sanctions Laws.

Sanctioned Country means a country or territory which is, or whose government is, at any time the subject or target of country-wide or territory-wide 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 or public announcement of Sanctions Laws designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time.

Screen Rate means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars and the relevant period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement 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 Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower and the Lenders.

Secured Obligations means all indebtedness and obligations at any time of the Borrower to any Finance Party (whether for its own account or as agent or trustee for itself and/or other Finance Parties) under, or related to, the Finance Documents.

Security Agent includes any person as may be appointed as such under the Finance Documents and includes any separate trustee or co-trustee appointed under clause 34.7 (*Additional trustees*).

Security Documents means:

- (a) the Original Security Documents;
- (b) any other document designated as such by the Security Agent which may be executed to guarantee and/or secure any amounts owing to the Finance Parties under this Agreement or any other Finance Document.

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

Security Property means:

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Finance Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by any Obligor to pay amounts in respect of the Secured Obligations to the Security Agent as trustee for the Finance Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security Agent as trustee for the Finance Parties; and
- (c) 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 Finance Parties.

Ship means the liquefied natural gas shuttle and regasification ship named “Neptune”, with IMO number 9385673, registered in the name of the Borrower under an Approved Flag.

Ship Representations means each of the representations and warranties set out in clauses 18.36 (*Ship status*) and 18.38 (*Ship's employment*).

Short Term Charter means any time charter where the Ship is operating in FSRU Mode or as an LNG Carrier for a period equal to or less than twelve (12) Months (excluding any optional extensions).

Sponsor Undertakings means the undertaking letter issued by the Sponsors for a duration of three (3) years and a capped amount of, in aggregate, Dollar fifteen million (15,000,000), from the Utilisation Date, in favour of the Finance Parties, for the deficit (if any) between:

- (c) the termination fee payable by Total under the Charter Contract to the Borrower together with the amounts held in the Debt Service Reserve Account; and
- (d) the amounts outstanding under the Facility and swap exposure (valued on a mark-to-market basis) under the Hedging Contracts.

Sponsors means:

- (a) Høegh LNG Partners LP;
- (b) Mitsui O.S.K. Lines Ltd.; and
- (c) Tokyo LNG Tanker Co., Ltd,

and **Sponsor** means any one of them.

Statement of Compliance means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

Subsidiary of a person means any other person:

- (a) directly or indirectly controlled by such person; or
- (b) of whose dividends or distributions on ordinary voting share capital such person is beneficially entitled to receive more than fifty per cent. (50%),

and a person is a **wholly-owned Subsidiary** of another person if it has no members except that other person and that other person's wholly-owned Subsidiaries or persons acting on behalf of that other person or its wholly-owned Subsidiaries.

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).

Technical Manager means at all time, either:

- (c) Höegh LNG Fleet Management AS;
- (d) a Sponsor;
- (e) a company wholly owned directly or indirectly by a Sponsor; or
- (f) any other person appointed by the Borrower with the prior written consent of the Agent, acting on the instructions of the Majority Lenders.

Tokyo LNG Tanker Co., Ltd. means Tokyo LNG Tanker Co., Ltd., a company incorporated in Japan, having its registered office at 1-5-20, Kaigan, Minato-ku, Tokyo, Japan 105-8527, Japan.

Total means Total Gas & Power Limited, a company incorporated in the United Kingdom, having its registered office at 13th Floor, 10 Upper Bank Street, Canary Wharf, London E14 5BF, United Kingdom and registered under number 02172239, acting through its branch office Total Gas & Power Limited, London, Meyrin-Geneva Branch, registered under number CHE-309.541.427 and located at Route de l'Aéroport 10, 1215 Geneva, Switzerland.

Total Commitments means the aggregate of the Commitments, being one hundred and fifty-four million Dollars (USD 154,000,000) at the date of this Agreement.

Total Loss means, in relation to the Ship, its:

- (a) actual, constructive, compromised or arranged total loss; or
- (b) requisition for title, confiscation or other compulsory acquisition by a government entity; or
- (c) hijacking, theft, condemnation, capture, seizure, arrest or detention for more than one hundred and eighty days (180) days.

Total Loss Date means, in relation to the Total Loss of the Ship:

- (a) in the case of an actual total loss, the date it happened or, if such date is not known, the date on which the vessel was last reported;
- (b) in the case of a constructive, compromised, agreed or arranged total loss, the earliest of:
 - (i) the date notice of abandonment of the Ship is given to its insurers; or
 - (ii) if the insurers do not admit such a claim, the date later determined by a competent court of law to have been the date on which the total loss happened; or
 - (iii) the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the Ship's insurers;

- (c) in the case of a requisition for title, confiscation or compulsory acquisition, the date it happened; and
- (d) in the case of hijacking, theft, condemnation, capture, seizure, arrest or detention, the date one hundred and eighty days (180) days after the date upon which it happened.

Transaction Security means the Security Interests created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

Transfer Certificate means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

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 Agent executes the relevant Assignment Agreement or Transfer Certificate.

Treasury Transaction means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

UK Bail-In Legislation means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents.

US means the United States of America.

US Tax Obligor means:

- (a) a Borrower which is resident for tax purposes in the US; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

Utilisation means the making of the Loan.

Utilisation Date means the date on which the Utilisation is to be made.

Utilisation Request means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

VAT means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) 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); and

- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

White List means the list of banks and financial institutions set out in Schedule 9 (*White List*).

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:
 - (i) 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 any of the Finance Documents to:
 - (i) Sections, clauses and Schedules are to be construed as references to the Sections and clauses of, and the Schedules to, the relevant Finance Document and references to a Finance Document include its Schedules;
 - (ii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as it may from time to time be amended, restated, novated or replaced, however fundamentally;
 - (iii) words importing the plural shall include the singular and vice versa;
 - (iv) a time of day are to London time;
 - (v) any person includes its successors in title, permitted assignees or transferees;

- (vi) a document in agreed form means:
- (A) where a Finance Document has already been executed by all of the relevant parties, such Finance Document in its executed form;
 - (B) prior to the execution of a Finance Document, the form of such Finance Document separately agreed in writing between the Agent and the Borrower as the form in which that Finance Document is to be executed or another form approved at the request of the Borrower or, if not so agreed or approved, is in the form specified by the Agent;
- (vii) **approved by the Majority Lenders** or **approved by the Lenders** means approved in writing by the Agent acting on the instructions of the Majority Lenders or, as the case may be, all of the Lenders (on such conditions as they may respectively impose) and **approval** and **approve** shall be construed accordingly;
- (viii) **assets** includes present and future properties, revenues and rights of every description;
- (ix) **control** of an entity means:
- (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (1) 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 that entity; or
 - (2) appoint or remove all, or the majority, of the directors or other equivalent officers of that entity; or
 - (3) give directions with respect to the operating and financial policies of that entity with which the directors or other equivalent officers of that entity are obliged to comply; and/or
 - (B) the holding beneficially of more than 50 per cent of the issued share capital of that entity (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) (and, for this purpose, any Security Interest over share capital shall be disregarded in determining the beneficial ownership of such share capital);
- and **controlled** shall be construed accordingly;
- (x) the term **disposal** or **dispose** means a sale, transfer or other disposal (including by way of lease or loan but not including by way of loan of money) by a person of all or part of its assets, whether by one transaction or a series of transactions and whether at the same time or over a period of time, but not the creation of a Security Interest;
- (xi) the **equivalent** of an amount specified in a particular currency (the **specified currency amount**) shall be construed as a reference to the amount of the other relevant currency which can be purchased with the specified currency amount at the Agent's Spot Rate of Exchange;
- (xii) a **government entity** means any government, state or agency of a state;
- (xiii) a **group of Lenders** or a **group of Finance Parties** includes all the Lenders or (as the case may be) all the Finance Parties;

- (xiv) a **guarantee** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (xv) **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;
 - (xvi) an **obligation** means any duty, obligation or liability of any kind;
 - (xvii) something being in the **ordinary course of business** of a person means something that is in the ordinary course of that person's current day-to-day operational business (and not merely anything which that person is entitled to do under its Constitutional Documents);
 - (xviii) a **person** includes any individual, firm, company, corporation, government entity or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (xix) a **regulation** includes any regulation, rule, official directive, request or guideline (having the force of law or otherwise relating to the implementation and/or interpretation of any such regulation, rule, official directive, request or guideline) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and, in relation to any Lender, includes (without limitation) any Basel II Regulation or Basel III Regulation or any law or regulation which implements Reformed Basel III, in each case which is applicable to that Lender;
 - (xx) **right** means any right, privilege, power or remedy, any proprietary interest in any asset and any other interest or remedy of any kind, whether actual or contingent, present or future, arising under contract or law, or in equity;
 - (xxi) **trustee, fiduciary and fiduciary duty** has in each case the meaning given to such term under applicable law;
 - (xxii) (i) the **liquidation, winding up, dissolution, or administration** of person or (ii) a **receiver or administrative receiver or administrator** in the context of insolvency proceedings or security enforcement actions in respect of a person shall be construed so as to include any equivalent or analogous proceedings or any equivalent and analogous person or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business including (in respect of proceedings) the seeking or occurrences of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors; and
 - (xxiii) a provision of law is a reference to that provision as amended or re-enacted from time to time.
- (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) Where in this Agreement a provision includes a monetary reference level in one currency, unless a contrary indication appears, such reference level is intended to apply equally to

its equivalent in other currencies as of the relevant time for the purposes of applying such reference level to any other currencies.

- (d) Section, clause and Schedule headings are for ease of reference only.
- (e) 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.
- (f) 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 remedied or waived.

1.3 Currency symbols and definitions

\$, **USD** and **Dollars** denote the lawful currency of the United States of America.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document for the benefit of a Finance Party or another Indemnified Person, a person who is not a party to a Finance Document has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or enjoy the benefit of any term of the relevant Finance Document.
- (b) Any Finance Document may be rescinded or varied by the parties to it without the consent of any person who is not a party to it (unless otherwise provided by this Agreement).
- (c) An Indemnified Person who is not a party to a Finance Document may only enforce its rights under that Finance Document through a Finance Party and if and to the extent and in such manner as the Finance Party may determine.

1.5 Finance Documents

Where any other Finance Document provides that this clause 1.5 shall apply to that Finance Document, any other provision of this Agreement which, by its terms, purports to apply to all or any of the Finance Documents and/or any Obligor shall apply to that Finance Document as if set out in it but with all necessary changes.

1.6 Conflict of documents

The terms of the Finance Documents (other than as relates to the creation and/or perfection of security) are subject to the terms of this Agreement and, in the event of any conflict between any provision of this Agreement and any provision of any Finance Document (other than in relation to the creation and/or perfection of security) the provisions of this Agreement shall prevail except in relation to the meanings of the term LIBOR, or any other floating rate option, and any replacement and/or adjustment thereof in respect of any Hedging Contract for the purpose of which provisions of the relevant Hedging Contract shall prevail.

Section 2 - The Facility

2 The Facility

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a term loan facility in an aggregate amount equal to 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 a Facility or its role under a Finance Document (including any such amount payable to the 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.

3 Purpose

3.1 Purpose

The Borrower shall apply all amounts borrowed under the Facility towards (a) refinancing the Existing Term Loan Facility and (b) funding the Debt Service Reserve Account.

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 Conditions precedent to the submission of the Utilisation Request

The Borrower may not deliver the Utilisation Request and the Lenders will not be obliged to comply with clause 5.4 (*Lenders' participation*) in relation to the Utilisation unless the Agent, or its duly authorised representative, has received all of the documents and other evidence listed in Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent.

4.2 Conditions precedent to the release of funds

In accordance with the relevant provisions of the Escrow Agreement, the Loan will be released to or on behalf of the Borrower if, on the Utilisation Date, DNB bank ASA as escrow agent and the Agent have received evidence that there is no mortgage over the Ship in the form of a free from encumbrances transcript or equivalent certificate from the relevant Registry.

4.3 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, no Default is continuing or would result from the proposed Utilisation; and
- (b) on the date of the Utilisation Request, all of the representations set out in clause 18 (*Representations*) (except the Ship Representations) are true.

4.4 Notice of satisfaction of conditions

The Agent shall notify the Lenders and the Borrower promptly after receipt by it of the documents and evidence referred to in this clause 4 in form and substance satisfactory to it. Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives any such notification, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.5 Waiver of conditions precedent

The conditions in this clause 4 are inserted solely for the benefit of the Finance Parties and may be waived on their behalf in whole or in part and with or without conditions by the Agent acting on the instructions of the Majority Lenders.

Section 3 - Utilisation

5 Utilisation

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than 10:00 a.m. five (5) Business Days (or such shorter period as the Agent, on the instructions of the Majority Lenders, may agree) before the proposed Utilisation Date. It being understood that in relation to the submission of the Utilisation Request, Japan and United States of America shall not be taken into account for the purpose of the calculation of the Business Days.

5.2 Completion of a Utilisation Request

- (a) A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day falling during the Availability Period;
 - (ii) the currency and amount of the Utilisation comply with clause 5.3 (*Currency and amount*);
 - (iii) the proposed Interest Period complies with clause 10 (*Interest Periods*); and
 - (iv) it identifies the purpose for the Utilisation and that purpose complies with clause 3 (*Purpose*).
- (b) Only one Utilisation Request may be made.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be Dollars.
- (b) Only one Utilisation may be made.
- (c) The amount of the proposed Loan must not exceed the amount of the Total Commitments.

5.4 Lenders' participation

- (a) If the conditions set out in Clause 4 (*Conditions of Utilisation*) of this Agreement have been met, each Lender shall make its participation in the Loan available on the Drawdown Date through its Facility Office.
- (b) The amount of each Lender's participation in the Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall promptly notify each Lender of the amount of the Loan and the amount of its participation in the Loan, in each case by 3:30 p.m. at least three (3) Business Days before the Utilisation Date. It being understood that in relation to the notification from the Agent to each Lender of the amount of the Loan and the amount of its participation in the Loan, Japan and United States of America shall not be taken into account for the purpose of the calculation of the Business Days.
- (d) The Agent shall pay all amounts received by it in respect of the Loan to the Borrower or for its account in accordance with the instructions contained in the Utilisation Request.

Section 4 - Repayment, Prepayment and Cancellation

6 Repayment

6.1 Repayment

The Borrower shall on each Repayment Date repay such part of the Loan as is required to be repaid on that Repayment Date by clause 6.2 (*Scheduled repayment of Facility*).

6.2 Scheduled repayment of Facility

- (a) To the extent not previously reduced or repaid, the Loan shall be repaid in consecutive quarterly instalments on each Repayment Date commencing on the First Repayment Date in the amount specified in Schedule 4 (*Repayment Schedule*), as may be adjusted by clause 6.3 (*Adjustment of scheduled repayments*).
- (b) On the Final Repayment Date (without prejudice to any other provision of this Agreement), the Loan shall be repaid in full.

6.3 Adjustment of scheduled repayments

If the Total Commitments have been partially reduced under this Agreement and/or any part of the Loan is prepaid before any Repayment Date then the amount of the instalment by which the Loan shall be repaid under clause 6.2 on any such Repayment Date (as reduced by any earlier operation of this clause 6.3) shall be reduced pro rata to such reduction in the Total Commitments and/or prepayment of the Loan except in the case of a reduction under clause 7.2 (*Voluntary cancellation*) or prepayment under clause 7.4 (*Voluntary prepayment*) where the reduction shall be treated as reducing the instalments in inverse chronological order by its aggregate amount) and if so requested by the Borrower, the Borrower, the Lenders and the Agent shall agree a replacement repayment schedule which shall be conclusive and binding on the Borrower.

7 Illegality, prepayment and cancellation

7.1 Illegality

If, in any applicable jurisdiction, it is or becomes unlawful for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in 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 Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been assigned or transferred pursuant to clause 7.7 (*Replacement of Lender*), the Borrower shall, upon the request of that Lender, repay that Lender's participation in the Loan on the last day of the Interest Period occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation repaid.

7.2 Sanctions

If, in any applicable jurisdiction, the Borrower becomes a Restricted Party (howsoever this occurs) or is in breach of any representations, warranties or covenants set out in clauses 18.26

(*Sanctions*), 21.5 (*Sanctions*), and/or 22.4 (*Sanctions in respect of the Ship's employment*)), or as a result of such breach it is or becomes unlawful for that Lender to fund or maintain its participation in the Loan, or perform any of its obligations:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been assigned or transferred pursuant to clause 7.7 (*Replacement of Lender*), the Borrower shall, upon the request of that Lender, repay that Lender's participation in the Loan on the last day of the Interest Period occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation repaid.

7.3 Voluntary cancellation

The Borrower may, if it gives the Agent not less than five (5) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of Dollar five million (5,000,000) and a multiple of Dollar one million (1,000,000) (or such lesser amount as may be acceptable to the Agent) of any part of the Available Facility. Any cancellation under this clause 7.2 shall reduce the Commitments of the Lenders rateably, without penalty for the Borrower.

7.4 Voluntary prepayment

- (a) The Borrower may, without premium or penalty, if it gives the Agent not less than five (5) Business Days' (or such shorter period as the Majority 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 Dollar five million (5,000,000) and is a multiple of Dollar one million (1,000,000) (or such lesser amount as may be acceptable to the Agent) on the last day of an Interest Period in respect of the amount to be prepaid.
- (b) Any prepayment made on a date other than on the last day of the relevant Interest Period shall be subject to Break Costs in accordance with clause 11.5 (*Break Costs*).
- (c) Any prepayment under this clause shall satisfy the obligation under clause 6.1 (*Repayment*) by being applied against the repayment instalments in inverse order of maturity.

7.5 Right of cancellation and prepayment in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by the Borrower is or will be required to be increased under clause 13.2 (*Tax gross-up*); or
 - (ii) any Lender claims indemnification from the Borrower under clause 13.3 (*Tax indemnity*) or clause 14.1 (*Increased costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the 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 referred to in paragraph (a) above, the Available Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loan together with all interest and other amounts accrued under the Finance Documents which is then owing to it and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation repaid.

7.6 Right of cancellation in relation to a Defaulting Lender

- (a) If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender give the Agent five (5) Business Days' notice of cancellation of the Available Commitment of that Lender.
- (b) On such notice becoming effective, the Available Commitment of the Defaulting Lender shall immediately be reduced to zero and the Agent shall as soon as practicable after receipt of such notice, notify all the Lenders.

7.7 Replacement of Lender

- (a) If:
 - (i) the Borrower becomes obliged to repay any amount in accordance with clause 7.1 (*Illegality*) to any Lender; or
 - (ii) any of the circumstances set out in paragraph (a) of clause 7.5 (*Right of cancellation and prepayment in relation to a single Lender*) apply to a Lender,

the Borrower may, on five (5) Business Days' prior notice to the Agent and that Lender, replace such Lender by requiring such Lender to assign or transfer (and, to the extent permitted by law, such Lender shall assign or transfer) pursuant to clause 31 (*Changes to the Lenders*) all (and not part only) of its rights and (in the case of a transfer) transfer all (and not part only) of its obligations under this Agreement (and any Security Document to which such Lender is a party in its capacity as a Lender) to an Eligible Institution (a **Replacement Lender**) which confirms its willingness to assume and does assume all the obligations of the assigning or transferring Lender in accordance with clause 31 (*Changes to the Lenders*) for a purchase price in cash payable at the time of the assignment or transfer in an amount equal to the aggregate of:

- (A) the outstanding principal amount of such Lender's participation in the Loan;
 - (B) all accrued interest owing to such Lender;
 - (C) the Break Costs which would have been payable to such Lender pursuant to clause 11.5 (*Break Costs*) had the Borrower prepaid in full that Lender's participation in the Loan on the date of the assignment or transfer; and
 - (D) all other amounts payable to that Lender under the Finance Documents on the date of the assignment or transfer.
- (b) The replacement of a Lender pursuant to this clause 7.7 shall be subject to the following conditions:
 - (i) the Borrower shall have no right to replace the Agent or the Security Agent;

- (ii) neither the Agent nor any Lender shall have any obligation to find a Replacement Lender;
 - (iii) in no event shall the Lender replaced under this clause 7.7 be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (iv) the Lender shall only be obliged to assign or transfer its rights and (in the case of a transfer) its obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that assignment or transfer.
- (c) A Lender shall perform the checks described in paragraph (b)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.
- (d) The Borrower shall, promptly (and in any case within five (5) Business Days) on demand, pay any replaced Lender and Replacement Lender the amount of all pre-agreed costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, Ship managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) reasonably incurred and properly evidenced by any of them in connection with the replacement of a Lender pursuant to this clause 7.7.

7.8 Sale or Total Loss

- (a) If the Ship is sold, or becomes a Total Loss, the Borrower shall prepay the Loan. Such prepayment shall be made:
- (i) in the case of a sale, on the date on which the sale is completed by the delivery of the Ship to the buyer; and
 - (ii) in the case of a Total Loss, on the date falling one hundred and eighty (180) days after the date on which the Ship becomes a Total Loss (or, if earlier, on the date upon which the relevant insurance proceeds are, or Requisition Compensation is, received by the Borrower (or the Security Agent or any other Finance Party pursuant to the Security Documents)),
- (b) in an aggregate amount equal to the outstanding sums under the Loan with accrued interest and any other Unpaid Sum and, if applicable, any Break Costs, and the Lenders' Commitments in relation to the Loan shall be immediately reduced to zero.

7.9 Termination of Long Term Charter

- (a) If a Long Term Charter is terminated or ceases to be valid and binding and such Long Term Charter is not replaced with a new Long Term Charter or a new Short Term Charter which extends at least to the Final Repayment Date within one hundred and eighty (180) days after the date on which the Long Term Charter is terminated or ceases to be valid and binding, the Borrower shall, at its option:
- (i) provide security over other assets that may be approved by all Lenders;
 - (ii) cancel any available Facility and prepay the Loan and settle pro rata any amounts due under any applicable Hedging Contract.
- (b) For the avoidance of doubt, the temporary suspension of a Long Term Charter shall not trigger a voluntary cancellation under clause 7.2 (*Voluntary cancellation*) or prepayment

pursuant to paragraph (a) above provided that charter hire is being paid under such Long Term Charter during such temporary suspension.

- (c) Any termination fee received under the Charter Contract or any Long Term Charter shall be applied in prepayment of the Loan and of the swaps together with any amount standing to the credit of the Debt Service Reserve Account.
- (d) Any additional security provided under (a)(i) above shall be promptly released by the Security Agent immediately following the entry into any new Long Term Charter or new Short Term Charter which extends at least to the Final Repayment Date.

7.10 Automatic cancellation

Any part of the Total Commitments which has not become available by the last day of the Availability Period shall be automatically cancelled at close of business in London on the last day of the Availability Period.

8 Restrictions

8.1 Notices of cancellation and prepayment

Any notice of cancellation or prepayment given by any Party under clause 7 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 and the amount of that cancellation or prepayment.

8.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

8.3 No reborrowing

The Borrower may not re-borrow any part of the Facility which is prepaid or repaid.

8.4 Prepayment in accordance with Agreement

The Borrower 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.

8.5 No reinstatement of Commitments

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

8.6 Agent's receipt of notices

If the Agent receives a notice under clause 7 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.

8.7 Effect of repayment and prepayment on Commitments

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.

8.8 Application of cancellations

If the Total Commitments are partially reduced and/or the Loan partially prepaid under this Agreement (other than under clause 7.1 (*Illegality*) and clause 7.5 (*Right of cancellation and prepayment in relation to a single Lender*)), the Commitments of the Lenders shall be reduced rateably.

8.9 Application of prepayments

- (a) Any prepayment required as a result of a cancellation in full of an individual Lender's Commitment under clause 7.1 (*Illegality*) or clause 7.5 (*Right of cancellation and prepayment in relation to a single Lender*) shall be applied in prepaying the relevant Lender's participation in the Loans.
- (b) Any other prepayment shall be applied pro rata to each Lender's participation in the Loan.

8.10 Reduction in hedging exposure on prepayment

Any repayment or prepayment under this Agreement shall be made together with payment to any Hedging Provider of any amount falling due to the relevant Hedging Provider under a Hedging Contract as a result of the termination or close out (in whole or in part) of that Hedging Contract or any Hedging Transaction under it in accordance with clause 28.3 (*Unwinding of Hedging Contracts*) in relation to that repayment or prepayment.

Section 5 - Costs of Utilisation

9 Interest

9.1 Calculation of interest

The rate of interest on the Loan (or any relevant part of it for which there is a separate Interest Period) for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR for the relevant Interest Period.

9.2 Payment of interest

The Borrower shall pay accrued interest on the Loan (or any relevant part of it) on the last day of each Interest Period (and, with the exception of the first Interest Period, if an Interest Period is longer than three (3) Months, on the dates falling at three (3) Monthly intervals after the first day of that Interest Period).

9.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document (other than a Hedging Contract) to a Finance Party on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (c) below, is two (2) per cent per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted the Loan for successive Interest Periods, each of a duration selected by the Agent (acting reasonably).
- (b) Any interest accruing under this clause 9.3 shall be immediately payable by the Obligor on demand by the Agent.
- (c) If any overdue amount consists of all or part of the Loan (or any relevant part of it) which became due on a day which was not the last day of an Interest Period relating to the Loan or the relevant part of it:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan or the relevant part of it; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two (2) per cent per annum higher than the rate which would have applied if the overdue amount had not become due.
- (d) Default interest payable under this clause 9.3 (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9.4 Notification of rates of interest

- (a) The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

- (b) The Agent shall promptly notify the Borrower of each Funding Rate relating to the Loan (or any relevant part of it).

10 Interest Periods

10.1 Selection of Interest Periods

- (a) Subject to this clause 10, the Borrower may select an Interest Period of three (3) Months or any other period agreed between the Borrower, the Agent and all the Lenders.
- (b) No Interest Period shall extend beyond the Final Repayment Date.
- (c) The first Interest Period for the Loan shall start on the Drawdown Date and end on the First Repayment Date and each subsequent Interest Period for the Loan shall start on the last day of its preceding Interest Period. For the avoidance of doubt, the last Interest Period shall end on the Final Repayment Date.

10.2 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).

11 Changes to the calculation of interest

11.1 Unavailability of Screen Rate

- (a) If no Screen Rate is available for LIBOR for an Interest Period, LIBOR shall be the Interpolated Screen Rate for a period equal in length to that Interest Period.
- (b) If it is not possible to calculate the Interpolated Screen Rate, there shall be no LIBOR for that Interest Period and clause 11.3 (*Cost of funds*) shall apply for that Interest Period.

11.2 Market disruption

If a Market Disruption Event occurs in relation to the Loan for any interest period, then the rate of interest on each Lender's funded share of the Loan for the interest period shall be the rate per annum which is the sum of (i) the Margin and (ii) the rate notified to the Agent by that Lender, which expresses the cost to that Lender of funding its participation in the Loan from whatever source it may reasonably select.

11.3 Cost of funds

- (a) If this clause 11.3 applies, the rate of interest on each Lender's share of the Loan or relevant part of it for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin;
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event within ten (10) Business Days of the first day of that Interest Period (or, if earlier, on the date falling ten (10) Business Days before the date on which 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 relevant part of it from whatever source it may reasonably select.

- (b) If this clause 11.3 applies and the Agent or the Borrower so require, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.
- (d) If this clause 11.3 applies pursuant to clause 11.2 (*Market disruption*) and:
 - (i) a Lender's Funding Rate is less than LIBOR; or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,the cost to that Lender of funding its participation in the Loan or relevant part of it for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR.
- (e) If this clause 11.3 applies pursuant to clause 11.1 (*Unavailability of Screen Rate*) but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

11.4 Notification to Borrower

If clause 11.3 (*Cost of funds*) applies, the Agent shall, as soon as is practicable, notify the Borrower.

11.5 Break Costs

- (a) The Borrower shall, within three (3) 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 any relevant part of it or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for the Loan or that relevant part of it or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate to the Borrower confirming the amount of its Break Costs for any Interest Period in which they accrue.

12 Fees

12.1 Commitment commission

- (a) The Borrower shall pay to the Agent (for the account of each Lender) a fee in dollars computed at the rate per annum of forty (40) per cent of the Margin calculated on the daily unutilised Commitment of each Lender from the date of this Agreement (the **Start Date**).
- (b) The Borrower shall pay the accrued commitment commission on the last day of the period of three (3) Months commencing on the Start Date, on the last day of each successive period of three (3) Months, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Available Commitment at the time the cancellation is effective.
- (c) No commitment commission is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

12.2 Arrangement fee

The Borrower shall pay to the Agent (for the account of the Underwriters) an arrangement fee in the amount and at the times agreed in a Fee Letter.

12.3 Agency fee

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

12.4 Underwriting fee

The Borrower shall pay to the Agent (for the account of the Underwriters) an underwriting fee in the amount and at the times agreed in a Fee Letter.

Section 6 - Additional Payment Obligations

13 Tax gross-up and indemnities

13.1 Definitions

In this Agreement:

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 Hedging Contract) other than a FATCA Deduction.

Tax Payment means either the increase in a payment made by an Obligor to a Finance Party under clause 13.2 (*Tax gross-up*) or a payment under clause 13.3 (*Tax indemnity*).

13.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it under any Finance Document without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower 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 Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor under the relevant Finance Document 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 thirty (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 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.
- (f) Paragraphs (a) to (e) above shall not apply in respect of any payments under any Hedging Contract, where the gross-up provisions of the relevant Hedging Master Agreement itself shall apply.

13.3 Tax indemnity

- (a) The Borrower shall (within three (3) Business Days of demand by the 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 13.2 (*Tax gross-up*); or
 - (B) relates to a FATCA Deduction required to be made by a Party or any Obligor which is not a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this clause 13.3, notify the Agent.

13.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable (A) to an increased payment of which that Tax Payment forms part, (B) to that Tax Payment or (C) to a Tax Deduction in consequence of which that Tax Payment was required; 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.

13.5 Indemnities on after Tax basis

- (a) If and to the extent that any sum payable to any Protected Party by the Borrower under any Finance Document by way of indemnity or reimbursement proves to be insufficient, by reason of any Tax suffered thereon, for that Protected Party to discharge the corresponding liability to a third party, or to reimburse that Protected Party for the cost incurred by it in discharging the corresponding liability to a third party, the Borrower shall pay that Protected Party such additional sum as (after taking into account any Tax suffered by that Protected Party on such additional sum) shall be required to make up the relevant deficit.
- (b) If and to the extent that any sum (the **Indemnity Sum**) constituting (directly or indirectly) an indemnity to any Protected Party but paid by the Borrower to any person other than that Protected Party, shall be treated as taxable in the hands of the Protected Party, the

Borrower shall pay to that Protected Party such sum (the **Compensating Sum**) as (after taking into account any Tax suffered by that Protected Party on the Compensating Sum) shall reimburse that Protected Party for any Tax suffered by it in respect of the Indemnity Sum.

- (c) For the purposes of paragraphs (a) and (b) above, a sum shall be deemed to be taxable in the hands of a Protected Party if it falls to be taken into account in computing the profits or gains of that Protected Party for the purposes of Tax and, if so, that Protected Party shall be deemed to have suffered Tax on the relevant sum at the rate of Tax applicable to that Protected Party's profits or gains for the period in which the payment of the relevant sum falls to be taken into account for the purposes of such Tax.

13.6 Stamp taxes

The Borrower shall pay and, within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

13.7 Value added tax

- (a) All amounts expressed in a Finance Document to be payable 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 to a Finance Document other than the Recipient (the **Subject 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 Subject 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 paragraph (i) applies) promptly pay to the Subject 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 Subject 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 it 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 thereof 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 13.7 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 or equivalent provisions imposed elsewhere) 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.

13.8 FATCA information

- (a) Subject to paragraph (c) below, each Party shall, within ten (10) 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;
 - (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 paragraph (a)(i) 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 paragraph (a)(iii) 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 paragraphs (a)(i) or (a)(ii) 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.

- (e) If the Borrower is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten (10) Business Days of:
 - (i) where the Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;
 - (ii) where the Borrower is a US Tax Obligor on a date on which any other Lender becomes a Party as a Lender, that date; or
 - (iii) where the Borrower is not a US Tax Obligor, the date of a request from the Agent, supply to the Agent:
 - (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
 - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Borrower.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrower.
- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraphs (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.
- (i) Paragraphs (a) to (h) above shall not apply in respect of any Hedging Provider, any Hedging Contract and any payments under any Hedging Contract.

13.9 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 the Borrower and the Agent and the Agent shall notify the other Finance Parties.
- (c) Paragraphs (a) and (b) above shall not apply in respect of any Hedging Provider, any Hedging Contract and any payments under any Hedging Contract.

14 Increased Costs

14.1 Increased costs

- (a) Subject to clause 14.3 (*Exceptions*), the Borrower shall, within five (5) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates which:
 - (i) arises 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 in each case made after the date of this Agreement; and/or
 - (ii) arising out of the introduction of, or any change in, Reformed Basel III.
- (b) In this Agreement **Increased Costs** means:
 - (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) 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.

14.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to clause 14.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

14.3 Exceptions

- (a) Clause 14.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party; or
 - (iii) compensated for by clause 13.3 (*Tax indemnity*) (or would have been compensated for under clause 13.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of clause 13.3 (*Tax indemnity*) applied); or
 - (iv) a Basel II Increased Cost (unless such Increased Cost is also the consequence of the introduction of, or any change in, or in the interpretation, administration or application of, any law or regulation which is not a Basel II Regulation); or
 - (v) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (vi) incurred by a Hedging Provider in its capacity as such.

- (b) In paragraph (a) above, a reference to a Tax Deduction has the same meaning given to the term in clause 13.1 (*Definitions*).

15 Other indemnities

15.1 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; and/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, within five (5) Business Days of demand by a Finance Party, indemnify each Finance Party to whom that Sum is due against any Losses arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (ii) 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.

15.2 Other indemnities

The Borrower shall (or shall procure that another Obligor will), within five (5) Business Days of demand by a Finance Party, indemnify each Finance Party against any and all Losses incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any and all Losses arising as a result of clause 38 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in a Utilisation requested by the Borrower 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 Finance Party alone); or
- (d) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

15.3 Indemnity to the Agent and the Security Agent

The Borrower shall promptly indemnify the Agent and the Security Agent against:

- (a) any and all Losses (together with any applicable VAT) incurred by the Agent or the Security Agent (acting reasonably) as a result of:
 - (i) investigating any event which it reasonably believes is a Default;

- (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (iii) instructing lawyers, accountants, tax advisers, insurance consultants, Ship managers, valuers, surveyors or other professional advisers or experts as permitted under the Finance Documents; or
 - (iv) any action taken by the Agent or the Security Agent or any of its or their representatives, agents or contractors in connection with any powers conferred by any Security Document to remedy any breach of any Obligor's obligations under the Finance Documents, and
- (b) any and all Losses (including, without limitation, in respect of liability for negligence or any other category of liability whatsoever) (together with any applicable VAT) incurred by the Agent or the Security Agent (otherwise than by reason of the Agent's or the Security Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 39.11 (*Disruption to payment systems etc.*) notwithstanding the Agent's or the Security Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent or the Security Agent under the Finance Documents.

15.4 Indemnity concerning security

- (a) The Borrower (or shall procure that another Obligor will) shall promptly indemnify each Indemnified Person against any and all Losses (together with any applicable VAT) incurred by it as a result of:
- (i) any failure by the Borrower to comply with its obligations under clause 17 (*Costs and expenses*) or any similar provision in any other Finance Document;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (iii) the taking, holding, protection or enforcement of the Transaction Security;
 - (iv) the exercise or purported exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and each Delegate by the Finance Documents or by law (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct);
 - (v) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;
 - (vi) any claim (whether relating to the environment or otherwise) made or asserted against the Indemnified Person which would not have arisen but for the execution or enforcement of one or more Finance Documents (unless and to the extent it is caused by the gross negligence or wilful misconduct of that Indemnified Person);
 - (vii) instructing lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts as permitted under the Finance Documents; or
 - (viii) (in the case of the Security Agent, any Receiver and any Delegate) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to the Charged Property (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 may, in priority to any payment to the other Finance Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 15.4 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

15.5 Continuation of indemnities

The indemnities by the Borrower in favour of any Indemnified Persons contained in this Agreement shall continue in full force and effect notwithstanding any breach by any Finance Party or the Borrower of the terms of this Agreement, the repayment or prepayment of the Loan, the cancellation of the Total Commitments or the repudiation by any Finance Party or the Borrower of this Agreement.

15.6 Third Parties Act

- (a) Each Indemnified Person may rely on the terms of clause 15.4 (*Indemnity concerning security*) and clauses 13 (*Tax gross-up and indemnities*) and 15.6 (*Interest*) insofar as it relates to interest on, or the calculation of, any amount demanded by that Indemnified Person under clause 15.4 (*Indemnity concerning security*), subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (b) Where an Indemnified Person (other than a Finance Party) (the **Relevant Beneficiary**) who is:
 - (i) appointed by a Finance Party under the Finance Documents;
 - (ii) an Affiliate of any such person or that Finance Party; or
 - (iii) an officer, director, employee, adviser, representative or agent of any of the above persons or that Finance Party,

is entitled to receive any amount (a **Third Party Claim**) under any of the provisions referred to in paragraph (a) above:

- (A) the Borrower shall at the same time as the relevant Third Party Claim is due to the Relevant Beneficiary pay to that Finance Party a sum in the amount of that Third Party Claim;
- (B) payment of such sum to that Finance Party shall, to the extent of that payment, satisfy the corresponding obligations of the Borrower to pay the Third Party Claim to the Relevant Beneficiary; and
- (C) if the Borrower pays the Third Party Claim direct to the Relevant Beneficiary, such payment shall, to the extent of that payment, satisfy the corresponding obligations of the Borrower to that Finance Party under sub-paragraph (A) above.

15.7 Interest

Moneys becoming due by the Borrower to any Indemnified Person under the indemnities contained in this clause 15 (*Other indemnities*) or elsewhere in this Agreement shall be paid on demand made by such Indemnified Person and shall be paid together with interest on the sum demanded from the date of demand to the date of reimbursement by the Borrower to such

Indemnified Person (both before and after judgment) at the rate referred to in clause 9.3 (*Default interest*).

15.8 Exclusion of liability

Without prejudice to any other provision of the Finance Documents excluding or limiting the liability of any Indemnified Person, no Indemnified Person will be in any way liable or responsible to any Obligor (whether as mortgagee in possession or otherwise) who is a Party or is a party to a Finance Document to which this clause applies for any loss or liability arising from any act, default, omission or misconduct of that Indemnified Person, except to the extent caused by its own gross negligence or wilful misconduct. Any Indemnified Person may rely on this clause 15.8 subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

16 Mitigation by the Lenders

16.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in the Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 7.1 (*Illegality*), clause 13 (*Tax gross-up and indemnities*) or clause 14 (*Increased costs*) including (but not limited to) assigning or transferring its and (in the case of a transfer) obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of the Borrower under the Finance Documents.

16.2 Limitation of liability

- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses incurred by that Finance Party as a result of steps taken by it under clause 16.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

17 Costs and expenses

17.1 Transaction expenses

The Borrower shall, promptly (and in any case within five (5) Business Days) on demand, pay the Agent, the Security Agent and the Mandated Lead Arrangers the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, Ship managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) reasonably incurred and properly evidenced by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication, registration and perfection and any release, discharge or reassignment of:

- (a) this Agreement, the Hedging Master Agreements and any other documents referred to in this Agreement and the Security Documents;
- (b) any other Finance Documents executed or proposed to be executed after the date of this Agreement; or
- (c) any Security Interest expressed or intended to be granted by a Finance Document.

17.2 Amendment costs

If:

- (a) an Obligor requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to clause 39.10 (*Change of currency*) or clause 45.4 (*Replacement of Screen Rate*),

the Borrower shall, within five (5) Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, Ship managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) reasonably incurred by the Agent and the Security Agent (and in the case of the Security Agent by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

17.3 Agent's and Security Agent's management time and additional remuneration

- (a) After the occurrence of an Event of Default that is continuing, any amount payable to the Agent or the Security Agent under clause 15.3 (*Indemnity to the Agent and the Security Agent*), clause 15.4 (*Indemnity concerning security*), clause 17 (*Costs and expenses*) or clause 33.16 (*Lenders' indemnity to the Agent and others*) shall include the cost of utilising the Agent's or (as the case may be) the Security Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent or (as the case may be) the Security Agent may notify to the Borrower and the other Finance Parties, and is in addition to any other fee paid or payable to the Agent or the Security Agent.
- (b) Without prejudice to paragraph (a) above, in the event of:
 - (i) a Default;
 - (ii) the Agent or the Security Agent being requested by the Borrower or the other Finance Parties to undertake duties which the Agent or (as the case may be) the Security Agent and the Borrower agree to be of an exceptional nature or outside the scope of the normal duties of the Agent or (as the case may be) the Security Agent under the Finance Documents; or
 - (iii) the Agent or (as the case may be) the Security Agent and the Borrower agreeing that it is otherwise appropriate in the circumstances,

the Borrower shall pay to the Agent or (as the case may be) the Security Agent any additional remuneration that may be agreed between them or determined pursuant to paragraph (c) below.

- (c) If the Agent or (as the case may be) the Security Agent and the Borrower 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 Agent or (as the case may be) the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Agent or (as the case may be) 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 Borrower) and the determination of any investment bank shall be final and binding upon the Parties.

17.4 Enforcement, preservation and other costs

The Borrower shall, within five (5) Business Days of demand by a Finance Party, pay to each Finance Party the amount of all costs and expenses (including fees, costs and expenses of lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts) (together with any applicable VAT) incurred by that Finance Party in connection with:

- (a) the enforcement of, or the preservation of any rights under, any Finance Document and the Transaction Security and any proceedings instituted by or against any Indemnified Person as a consequence of taking or holding the Security Documents or enforcing those rights; or
- (b) any inspection carried out under clause 23.9 (*Inspection and notice of dry-docking*) or any survey carried out under clause 23.8 (*Survey*).

Section 7 - Representations, Undertakings and Events of Default

18 Representations

18.1 The Borrower makes and repeats the representations and warranties set out in this clause 18 to each Finance Party at the times specified in clause 18.39 (*Times when representations are made*).

18.2 Status and goodstanding

- (a) The Borrower is an exempted company with limited liability, duly incorporated and, at the date of this Agreement, validly existing and in good standing under the law of its Original Jurisdiction, and in case of any corporate migration of the Borrower (permitted with prior written notice to the Lenders and subject to satisfactory “know your customers” checks), validity existing and in good standing under the laws of Singapore or Bermuda.
- (b) The Borrower has power and authority to own its assets and to carry on its business as it is now being conducted.

18.3 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by the Borrower in each Finance Document to which it is, or is to be, a party are or, when entered into by it, will be legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above) each Security Document to which the Borrower is, or will be, a party, creates or will create the Security Interests which that Security Document purports to create and those Security Interests are or will be valid and effective.

18.4 Non-conflict

The entry into and performance by the Borrower of, and the transactions contemplated by the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to the Borrower;
 - (b) the Constitutional Documents of the Borrower; or
 - (c) any agreement or other instrument binding upon the Borrower in any material respect or its assets,
- or constitute a default or termination event (however described) under any such agreement or instrument.

18.5 Power and authority

- (a) The Borrower has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, each Finance Document to which it is, or is to be, a party and each of the transactions contemplated by those documents.

- (b) No limitation on the Borrower's powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of, any Finance Document to which the Borrower is, or is to be, a party.

18.6 Validity and admissibility in evidence

- (a) All Authorisations required:
 - (i) to enable the Borrower lawfully to enter into, exercise its rights and comply with its obligations under each Finance Document to which it is a party;
 - (ii) to make each Finance Document to which it is a party admissible in evidence in its Relevant Jurisdictions; and
 - (iii) to ensure that the Transaction Security has the priority and ranking contemplated by the Security Documents,have been obtained or effected and are in full force and effect except any Authorisation or filing referred to in clause 18.16 (*No filing or stamp taxes*), which Authorisation or filing will be promptly obtained or effected within any applicable period.
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Borrower have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations is reasonably likely to have a Material Adverse Effect.

18.7 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of governing law of any Finance Document will be recognised and enforced in the Borrower's Relevant Jurisdictions.
- (b) Subject to the Legal Reservations, any judgment obtained in relation to any Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

18.8 No misleading information

- (a) Any factual information provided by or on behalf of the Borrower to a Finance Party in connection with the Finance Documents is true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.
- (b) Any financial projection or forecast provided by or on behalf of the Borrower to a Finance Party in connection with the Finance Documents has been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) No event or circumstance has occurred or arisen and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections so provided being untrue or misleading in any material respect.
- (d) All other written information provided by or on behalf of the Borrower (including its advisers) to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any material respect.

18.9 Original Financial Statements

- (a) The Original Financial Statements were prepared in accordance with IFRS consistently applied.

- (b) The Original Financial Statements accurately present the financial condition and operations of the Borrower during the relevant Financial Year.

18.10 Pari passu ranking

The Borrower's payment obligations under the Finance Documents to which it is, or is to be, a party rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

18.11 Ranking and effectiveness of security

Subject to the Legal Reservations and any filing, registration or notice requirements which is referred to in any legal opinion delivered to the Agent under clause 4.1 (*Conditions precedent to the submission of the Utilisation Request*):

- (a) the Transaction Security has (or will have when the relevant Security Documents have been executed) the priority which it is expressed to have in the Security Documents;
- (b) the Charged Property is not subject to any Security Interest other than Permitted Security Interests; and
- (c) the Transaction Security will constitute perfected security on the assets described in the Security Documents.

18.12 Registered office

- (a) The Borrower has its registered office in the Cayman Islands and all corporate records and documentation are kept at this location.
- (b) The Borrower receives commercial and administrative services from Hoegh LNG AS in Norway.
- (c) To the best of its belief, the Borrower will not enter into any corporate insolvency proceedings outside of the Cayman Islands.

18.13 Ownership of Charged Property

The Borrower is the sole legal and beneficial owner of the Charged Property over which it purports to grant a Security Interest under the Security Documents.

18.14 Good title to assets

The Borrower has a 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.

18.15 No insolvency

- (a) No corporate action, legal proceeding or other procedure or step described in clause 29.11 (*Insolvency proceedings*) or creditors' process described in clause 29.12 (*Creditors' process*) has been taken or, to the knowledge of the Borrower, threatened in relation to the Borrower and none of the circumstances described in clause 29.10 (*Insolvency*) applies to the Borrower.
- (b) The Borrower is not unable to pay its debts within the meaning of Section 93 of the Companies Act (as amended) of the Cayman Islands (the Cayman Companies Act) and

the Borrower will not, in consequence of executing the Finance Documents to which it is a party, become so unable to pay its debts.

- (c) The value of the Borrower's assets exceeds its liabilities (including its contingent and prospective liabilities).

18.16 No filing or stamp taxes

Subject to any Legal Reservation, under the laws of the Borrower's Relevant Jurisdictions it is not necessary that any Finance Document to which it is, or is to be, party be filed, recorded 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 any such Finance Document or the transactions contemplated by the Finance Documents except any filing, recording or enrolling or any tax or fee payable in relation to any Finance Document which is referred to in any Legal Opinion and which will be made or paid promptly after the date of the relevant Finance Document; in particular, (a) Cayman Islands stamp duty will arise on any Finance Document executed in, or brought into, the Cayman Islands or produced before a court in the Cayman Islands (which stamp duty will, in each such case, upon such duty arising, be timely paid by the Borrower), and (b) any Transaction Security created by the Borrower pursuant to the Security Documents to which it is a party must be timely registered in the Borrower's register of mortgage and charges (which registration the Borrower will timely complete and the Borrower shall provide an updated copy of its register of mortgages and charges to the Security Agent forthwith following the entry into each Security Document).

18.17 Deduction of Tax

The Borrower is not required to make any Tax Deduction (as defined in clause 13.1 (*Definitions*)) from any payment it may make under any Finance Document to which it is, a party.

18.18 Tax compliance

- (a) The Borrower is not materially overdue in the filing of any Tax returns or 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 the Borrower with respect to Taxes such that a liability of, or claim against, the Borrower is reasonably likely to arise for an amount for which adequate reserves have not been provided in the Original Financial Statements and which is reasonably likely to have a Material Adverse Effect.
- (c) The Borrower is not resident for Tax purposes in any jurisdiction outside of its Original Jurisdiction (or in case of a corporate migration (with a prior written notice to the Lenders and subject to satisfactory "know your customers" checks), it may become resident for tax purposes in Singapore or Bermuda).

18.19 Other Tax matters

The execution or delivery or performance by any Party of the Finance Documents will not result in any Finance Party:

- (a) having any liability in respect of Tax in any Flag State;
- (b) having or being deemed to have a place of business in any Flag State or any Relevant Jurisdiction of the Borrower.

18.20 DAC6

To the best of the Borrower's knowledge, no transaction contemplated by the Finance Documents nor any transaction to be carried out by it in connection with any transaction contemplated by the Finance Documents meets any hallmark set out in Annex IV of DAC6.

18.21 No Default

- (a) 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 Finance Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Borrower or to which the Borrower's assets are subject which is reasonably likely to have a Material Adverse Effect.

18.22 No proceedings

- (a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which if adversely determined is reasonably likely to have a Material Adverse Effect has or have, to the best of the Borrower's knowledge and belief (having made due and careful enquiry) been started or threatened against the Borrower.
- (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 is reasonably likely to have a Material Adverse Effect has (to the best of the Borrower's knowledge and belief (having made due and careful enquiry)) been made against the Borrower.

18.23 No breach of laws

The Borrower has not breached any applicable law or regulation which breach is reasonably likely to have a Material Adverse Effect.

18.24 Compliance with Environmental Laws and Environmental Approvals

The Borrower and, to the best of the Borrower's knowledge and belief (having made due and careful enquiry), its Environmental Affiliates, have materially complied with the terms of all applicable Environmental Laws relating to their ownership, operation and management of the Ship and have obtained and materially complied with the terms of all applicable Environmental Approvals relating to the Ship.

18.25 No Environmental Claim

No Environmental Claim has been made or threatened or pending against the Borrower or the Ship where that claim is reasonably likely to have a Material Adverse Effect or, to the best of the Borrower's knowledge and belief (having made due and careful enquiry), against any Environmental Affiliate where that claim is reasonably likely to have a Material Adverse Effect.

18.26 No Environmental Incident

No Environmental Incident has occurred where such Environmental Incident is reasonably likely to have a Material Adverse Effect.

18.27 Anti-corruption law

The Borrower has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws, including any law or regulation or judicial or official order applicable to it (including, where applicable, Directive (EU) 2015/849, implemented to combat money laundering, the Bribery Act 2010 and the United States Foreign Corrupt Practices Act of 1977).

18.28 Sanctions

- (a) The Borrower, the Sponsors, and their directors, officers, employees, and to the best of the Borrower's knowledge its agents and representatives and the Manager and Operating Company and any Intra-Group Charterer is in compliance with Sanctions Laws applicable to it and has not engaged, directly or indirectly in any trade, business or other activities with or for the benefit of any Restricted Party;
- (b) Neither the Borrower, nor the Sponsors, nor any of their respective directors, officers, employees, nor to the best of the Borrower's knowledge none of its representatives or agents or the Manager, any Operating Company or any Intra-Group Charterer:
 - (i) is a Restricted Party; or
 - (ii) is aware that it is subject to or involved in any inquiry, claim, action, suit, proceeding or investigation against it with respect to Sanctions Laws applicable to it by any Sanctions Authority.

18.29 Security and Financial Indebtedness

- (a) No Security Interest exists over all or any of the present or future assets of the Borrower in breach of this Agreement.
- (b) The Borrower does not have any Financial Indebtedness outstanding in breach of this Agreement.

18.30 Shares

- (a) The shares of the Borrower are fully paid and not subject to any option to purchase or similar rights.
- (b) The Constitutional Documents of the Borrower do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Security Documents.
- (c) Save for the amended and restated shareholders agreement dated 18 July 2014 and made between Mitsui O.S.K. Lines, Ltd., Höegh LNG Partners Operating LLC and Tokyo LNG Tanker Co., Ltd, there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of the Borrower (including any option or right of pre-emption or conversion).

18.31 Ownership

- (a) The Borrower is a wholly owned Subsidiary of the Sponsors and each of Höegh LNG Partners LP and Mitsui O.S.K. Lines Ltd. retains at all times (directly or indirectly) at least twenty-five per cent. (25%) of the legal and beneficial ownership of the Borrower.
- (b) Höegh LNG Holdings Ltd. and/or companies directly or indirectly controlled by Höegh LNG Holdings Ltd., individually or collectively, retain at least twenty-five per cent. (25%) of the

legal and beneficial ownership of Höegh LNG Partners LP and at least fifty per cent. (50%) of the legal and beneficial ownership of Höegh LNG GP LLC.

18.32 Accounting Reference Date

The Financial Year-end of the Borrower is the Accounting Reference Date.

18.33 No adverse consequences

- (a) It is not necessary under the laws of the Relevant Jurisdictions of any Obligor:
- (i) in order to enable any Finance Party to enforce its rights under any Finance Document to which it is, or is to be, a party; or
 - (ii) by reason of the execution of any Finance Document or the performance by any Finance Party of its obligations under any Finance Document,
- that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of such Relevant Jurisdictions.
- (b) To the best of its knowledge and belief without making due enquiry, no Finance Party is or will be deemed to be resident, domiciled or carrying on business in any Relevant Jurisdiction of any Obligor by reason only of the execution, performance and/or enforcement of any Finance Document.

18.34 No material adverse change

Since the date of the Original Financial Statements, nothing shall have occurred (and neither the Agent nor any of the Lenders shall have become aware of any condition or circumstance not previously known to it or them) which the Lenders, acting reasonably, shall determine has had or is reasonably likely to have a Material Adverse Effect.

18.35 No immunity

The Borrower or any of its assets is not immune to any legal action or proceeding.

18.36 Corporate records of the Borrower

- (a) Each copy Cayman Corporate Record (as defined below) as provided to the Security Agent (or its advisers) in connection with the Finance Documents is a true, accurate, correct, complete and up-to-date copy of the original and is in full force and effect (without amendment and without having been revoked or superseded) as at (in each such case) the date of this Agreement; and, other than such Cayman Corporate Records, nothing else has effect to regulate the governance of the Borrower.
- (b) **Cayman Corporate Records** means the Constitutional Documents and statutory registers of the Borrower including, without limitation, the Borrower's (i) Certificate of Incorporation, (ii) each Certificate of Incorporation on Change of Name (if any), (iii) Memorandum and Articles of Association (and any amendments thereto), (iv) Register of Members (recording that all the issued shares in the Borrower are free of security and other third party interests), (v) Register of Directors and Officers, (vi) Register of Mortgages and Charges (recording that all the assets and other property of the Borrower are free of security and other third party interests save for any security in favour of the Security Agent), (vii) any other instruments which regulate the governance of the Borrower (if any) and (viii) Certificate of Good Standing.

18.37 Ship status

The Ship will on the first day of the Mortgage Period be:

- (a) registered in the name of the Borrower through the relevant Registry as a ship under the laws and flag of the relevant Flag State;
- (b) operationally seaworthy and in every way fit for service;
- (c) classed with the relevant Classification free of all overdue requirements and recommendations of the relevant Classification Society; and
- (d) insured in the manner required by the Finance Documents.

18.38 Ship's employment

The Ship shall on the first day of the Mortgage Period be free of any charter commitment, which, if entered into after that date, would require approval under the Finance Documents, other than any charter commitment under any Charter Document.

18.39 Times when representations are made

- (a) All of the representations and warranties set out in this clause 18 (other than Ship Representations) are deemed to be made on the dates of:
 - (i) this Agreement;
 - (ii) the Utilisation Request; and
 - (iii) the Utilisation.
- (b) The Repeating Representations are deemed to be made on the first day of each Interest Period.
- (c) All of the Ship Representations are deemed to be made on the first day of the Mortgage Period.
- (d) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

19 Information undertakings

19.1 The Borrower undertakes that this clause 19 will be complied with throughout the Facility Period.

19.2 In this clause 19:

Annual Financial Statements means the audited financial statements for each Financial Year of the Borrower delivered pursuant to paragraph (a) of clause 19.3 (*Financial statements*).

Quarterly Financial Statements means the unaudited financial statements (consisting only of an income statement and the statement of financial position) for each financial quarter year of the Borrower delivered pursuant to paragraph (b) of clause 19.3 (*Financial statements*).

19.3 Financial statements

- (a) The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) as soon as the same become available, but in any event within one hundred and twenty (120) days after the end of each Financial Year its audited financial statements for that Financial Year.
- (b) The Borrower shall supply to the Agent as soon as the same become available, but in any event within sixty (60) days after the end of each financial quarter of each of its Financial Years its unaudited financial statements (consisting only of an income statement and the statement of financial position) for that financial quarter.
- (c) The Borrower shall use reasonable efforts to supply to the Agent with the audited annual financial statements of the Charterer, once they are available.

19.4 Provision and contents of DSCR Compliance Certificate

- (a) The Borrower shall supply a DSCR Compliance Certificate to the Agent, with each set of Annual Financial Statements and each set of Quarterly Financial Statements.
- (b) Each DSCR Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to compliance with clause 20 (*Financial covenants*) and confirm the amount of the Historical Debt Service Cover Ratio and shall confirm that such statements have been prepared on the basis of recent historical information and on the basis of reasonable assumptions and fairly represent the Borrower's financial condition as at the date at which those financial statements were drawn up.
- (c) Each DSCR Compliance Certificate shall be signed by the finance director or chief financial officer of the Höegh LNG Partners LP or, in his or her absence, by two directors of the Borrower.

19.5 Requirements as to financial statements

- (a) The Borrower shall procure that each set of Annual Financial Statements and Quarterly Financial Statements consists of an income statement and the statement of financial position and that each set of Annual Financial Statements includes annual cashflow statement and is audited by the Auditors.
- (b) Each set of financial statements delivered pursuant to clause 19.3 (*Financial statements*) shall:
 - (i) be prepared in accordance with IFRS;
 - (ii) in the case of the Annual Financial Statements, shall be accompanied by a letter addressed to the management of the Borrower by the Auditors and accompanying those Annual Financial Statements; and
 - (iii) in the case of Annual Financial Statements, not be the subject of any qualification in the Auditors' opinion.
- (c) Any reference in this Agreement to any 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.

19.6 Year-end

The Borrower shall procure that its Financial Year-end falls on the Accounting Reference Date.

19.7 Information: miscellaneous

The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) at the same time as they are dispatched, copies of all documents dispatched by the Borrower to their creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower, and which, if adversely determined, is reasonably likely to 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 the Borrower and which is reasonably likely to have a Material Adverse Effect;
- (d) on a quarterly basis, business reports to include, amongst others, management accounts, annual cashflow forecasts for the next two (2) years, commentary on operational performance, and planned maintenance; and
- (e) promptly on request, such financial, commercial and technical information regarding the financial condition, assets and operations of the Borrower.

19.8 Notification of Default

- (a) The Borrower shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by two of its directors 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).

19.9 Sufficient copies

The Borrower, if so requested by the Agent, shall deliver sufficient copies of each document to be supplied under the Finance Documents to the Agent to distribute to each of the Lenders and the Hedging Providers.

19.10 Direct electronic delivery by the Borrower

The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to a Lender by delivering that information directly to that Lender in accordance with clause 41.6 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.

19.11 "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 the Borrower (or of an Obligor) or the composition of the shareholders 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 or a Hedging Provider of any of its rights and/or (in the case of a transfer) obligations under this Agreement or any Hedging Contract to a party that is not already a Lender or a Hedging Provider prior to such assignment or transfer,

obliges the Agent, the relevant Hedging Provider or any Lender (or, in the case of 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 the Agent or any Lender or any Hedging Provider supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender or any Hedging Provider) or any Lender or any Hedging Provider (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender or Hedging Provider) in order for the Agent, such Lender or any Hedging Provider or, in the case of the event described in paragraph (iii) above, any prospective new Lender or Hedging Provider 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 Finance Party shall, promptly upon the request of the Agent or the Security Agent, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent or the Security Agent (for itself) in order for it 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.

20 Financial covenants

20.1 Undertaking to comply

The Borrower undertakes that this clause 20 will be complied with throughout the Facility Period.

20.2 Financial condition

The Borrower shall ensure that, on each Repayment Date, the Historical Debt Service Cover Ratio shall not be less than 1.05:1. For the avoidance of doubt, the Historical Debt Service Cover Ratio shall be tested quarterly by reference to each DSCR Compliance Certificate delivered pursuant to clause 19.4 (*Provision and contents of DSCR Compliance Certificate*).

20.3 Financial testing

The financial covenants set out in clause 20.2 (*Financial condition*) shall be calculated in accordance with IFRS and tested by reference to each DSCR Compliance Certificate delivered pursuant to clause 19.4 (*Provision and contents of DSCR Compliance Certificate*).

21 General undertakings

21.1 Undertaking to comply

The Borrower undertakes that this clause 21 will be complied throughout the Facility Period.

21.2 Use of proceeds

The proceeds of the Utilisation shall be used exclusively for the purposes specified in clause 3 (*Purpose*).

21.3 Authorisations

The Borrower shall 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 Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under the Finance Documents;
- (ii) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document in that Relevant Jurisdiction or in the state of the Approved Flag of the Ship; and
- (iii) carry on its business where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

21.4 Compliance with laws

The Borrower shall comply in all respects with all applicable laws and regulations (including applicable Environmental Laws, anti-money laundering laws, anti-corruption laws) to which it may be subject, in each case where non-compliance is reasonably likely to have a Material Adverse Effect.

21.5 *Pari passu* ranking

The Borrower shall ensure that its payment obligations under the Finance Documents at all times rank at least *pari passu* with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

21.6 Sanctions

- (a) No proceeds of the Loan shall be made available, directly or knowingly indirectly, to or for the benefit of a Restricted Party nor shall they otherwise be applied in a manner or for a purpose that would result in a breach of applicable Sanctions Laws.
- (b) The Borrower shall:
 - (i) promptly upon becoming aware of them, supply to the Agent the details of any inquiry, claim, action, suit, proceeding or investigation pursuant to Sanctions Laws by any Sanctions Authority against it, any of its direct or indirect owners or any of its respective directors, officers, employees, agents or representatives, or against the Sponsors, Manager, any Operating Company or any Intra-Group Charterer, as well as information on what steps are being taken with regards to answer or oppose such; and
 - (ii) inform the Agent promptly upon becoming aware that it, any of its direct or indirect owners or any of its directors, officers, employees, agents or representatives or any of the Sponsors, Manager, any Operating Company or any Intra-Group Charterer has become or is likely to become a Restricted Party.
- (c) The Borrower shall ensure that neither it nor its directors, officers, employees (and shall use best efforts to ensure that none of its agents or representatives nor the Manager, any Operating Company or any Intra-Group Charterer, or any other persons acting on its or their behalf), is or will become a Restricted Party.

- (d) The Borrower shall not fund all or part of any payment or repayment in connection with a Finance Document out of proceeds derived from (A) business or transactions with a Restricted Party, or (B) from any action which is in breach of applicable Sanctions Laws.
- (e) The Borrower shall ensure and shall procure that each of the Sponsors and their subsidiaries will ensure that no proceeds from any activity or dealing with a Restricted Party are credited to any bank account held by the Borrower with any Finance Party or any Affiliate of a Finance Party, to the extent crediting such bank account would lead to non-compliance by it, any Finance Party or any Affiliate of a Finance Party with any applicable Sanctions Laws.

21.7 Anti-corruption law

- (a) The Borrower shall not directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977, the Norwegian Penal Code SS387-389 or other similar legislation in other jurisdictions.
- (b) The Borrower shall:
 - (i) conduct its businesses in compliance with applicable anti-corruption laws (including Directive (EU) 2015/849, the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 and the Norwegian Penal Code SS387-389, each as amended from time to time); and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

21.8 Tax compliance

- (a) The Borrower shall 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 being maintained for those Taxes and the costs required to contest them; and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes is not reasonably likely to have a Material Adverse Effect.
- (b) Except as approved by the Majority Lenders, the Borrower shall ensure that it is not resident for Tax purposes in any other jurisdiction outside of its jurisdiction of incorporation.

21.9 Change of business

Except as approved by the Majority Lenders, no substantial change will be made to the general nature of the business of the Borrower from that carried on at the date of this Agreement.

21.10 Merger

Except as approved by the Majority Lenders, the Borrower shall not enter into any amalgamation, demerger, merger, consolidation, redomiciliation (save as permitted under this Agreement), legal migration or corporate reconstruction. It being understood that the approval of the Majority Lenders in relation to any legal migration shall not be unreasonably withheld and/or delayed.

21.11 Ownership of the Borrower

- (a) The Borrower shall remain at all times owned (directly or indirectly) by the Sponsors, in the following percentages:
- (i) Höegh LNG Partners Operating LLC: fifty per cent. (50%);
 - (ii) Mitsui O.S.K. Lines Ltd.: forty-eight point five per cent. (48.5%); and
 - (iii) Tokyo LNG Tanker Co., Ltd.: one point five per cent. (1.5%).
- (b) Notwithstanding paragraph (a) above, change of ownership of the Borrower is permitted provided that:
- (i) the change of ownership is a result of a transfer of ownership between Höegh LNG Partners Operating LLC and Mitsui O.S.K. Lines Ltd. provided that, at all times, each of Höegh LNG Partners LP and Mitsui O.S.K. Lines Ltd. retains (directly or indirectly) at least twenty-five per cent. (25%) of the legal and beneficial ownership of the Borrower;
 - (ii) the change of ownership is a result of a transfer between a Sponsor and an Affiliate of that Sponsor, provided that the Sponsors retain the same indirect ownership of the Borrower until the end of the Facility Period; or
 - (iii) the Agent (acting on the instructions of the Majority Lenders) has consented to a change in ownership,
- it being understood that immediately following any change in ownership, the new shareholder shall grant a security over the acquired shares in favour of the Security Agent.

21.12 Further assurance

- (a) The Borrower shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Agent may reasonably specify (and in such form as the Agent or the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
- (i) to perfect the Security Interests created or intended to be created by that Obligor under, or evidenced by, the Security 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 Security Documents) or for the exercise of any rights, powers and remedies of the Security Agent and/or any other Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Security Agent and/or any other Finance Parties Security Interests over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to the Security Documents;
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Documents; and/or
 - (iv) to facilitate the accession by a New Lender to any Security Document following an assignment in accordance with clause 31.1 (*Assignments and transfers by the Lenders*).

- (b) The Borrower shall 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 Interest conferred or intended to be conferred on the Security Agent and/or any other Finance Parties by or pursuant to the Finance Documents.

21.13 Environmental matters

- (a) The Borrower shall promptly upon becoming aware of the same inform the Agent in writing of:
 - (i) any Environmental Claim which, if successful to any extent, is reasonably likely to have a Material Adverse Effect;
 - (ii) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against the Borrower and/or any Operating Company and/or any Manager; and
 - (iii) any Environmental Incident which may give rise to such a claim and shall keep the Agent regularly and promptly informed in reasonable detail of the nature of, and response to, any such Environmental Incident and the defence to any such claim.
- (b) The Borrower shall, and shall procure that all of its Environmental Affiliates and the Manager will:
 - (i) materially comply with all applicable Environmental Laws; and
 - (ii) obtain, maintain and ensure compliance with all applicable Environmental Approvals.

21.14 Arm's length basis

Any transactions entered into by the Borrower with an Affiliate shall be (other than under the Finance Documents) and on the basis of arm's length arrangements as required by laws applicable to the relevant parties.

21.15 Continuation

The Borrower shall not (without the prior written consent of the Security Agent) take any action for its registration by way of continuation as a company, body corporate or any other form of entity under the laws of a jurisdiction outside the Cayman Islands (or to otherwise be de-registered in the Cayman Islands) whether pursuant to Sections 206 or 207 of the Cayman Companies Act.

21.16 Register of Mortgages and Charges

Forthwith following execution of this Agreement, the Borrower shall:

- (a) until the full and final unconditional discharge and release of the security granted or otherwise constituted pursuant to the Security Documents to which it is a party (the **Discharge Date**), keep and maintain a register of mortgages and charges (the **Register of Mortgages and Charges**) at the Borrower's registered office in the Cayman Islands, in accordance with Section 54 of the Cayman Companies Act;
- (b) until the Discharge Date, enter into its Register of Mortgages and Charges (and maintain therein) appropriate particulars of each Security Document to which it is a party and any other security granted or otherwise constituted by the Borrower in favour of the Security Agent (which particulars shall include all particulars required to be kept in such Register of Mortgages and Charges pursuant to the provisions of Section 54 of the Cayman

Companies Act), such particulars to be in a form and substance being satisfactory to the Security Agent; and

- (c) provide a copy of its Register of Mortgages and Charges (containing all such particulars as referred to foregoing) to the Security Agent (such copy of the Register of Mortgages and Charges being certified, by a director of the Borrower, as a "true, accurate and complete copy of the original").

21.17 Conditions to be fulfilled on the Utilisation Date

On the Utilisation Date, the Borrower shall (or shall procure that another Obligor will) provide:

- (a) a copy of its Register of Directors and Officers, Register of Members (recording that all the issued shares in the Borrower are free of security and other third party interests) and Register of Mortgages and Charges (and recording that all the assets and other property of the Borrower are free of security and other third party interests);
- (b) evidence of the settlement of any mark to market relating to the excess of existing hedging positions against the Total Commitments; and
- (c) evidence of that the existing indebtedness has been repaid on the Utilisation Date and that the security documents under the existing facility have been released and/or discharged in full.

22 Dealings with Ship

22.1 Undertaking to comply

The Borrower undertakes that this clause 22 will be complied with in relation to the Ship throughout the Mortgage Period.

22.2 Ship's name and registration

- (a) The Ship's name shall only be changed after prior notice to the Agent.
- (b) The Ship shall be registered with the relevant Registry under the laws of its Flag State or an Approved Flag. Except with approval, the Ship shall not be registered under any other flag or at any other port or fly any other flag (other than that of its Flag State or an Approved Flag). If that registration is for a limited period, it shall be renewed at least forty-five (45) days before the date it is due to expire and the Agent shall be notified of that renewal at least thirty (30) days before that date.
- (c) Nothing will be done and no action will be omitted if that might result in such registration being forfeited or imperilled or the Ship being required to be registered under the laws of another state of registry.

22.3 Sale or other disposal of Ship

Except with approval, and save as otherwise provided in Clause 7.7, the Borrower will not sell, or agree to, transfer, abandon or otherwise dispose of the Ship or any share or interest in the Ship, and the Ship will remain wholly owned by the Borrower.

22.4 Sanctions in respect of the Ship's employment

- (a) The Borrower agrees not to employ the Ship or permit its employment in:
 - (i) any manner, trade or business which:
 - (A) is forbidden by international law, in violation of Sanctions Laws applicable to it and/or the Obligors;
 - (B) is by or for the benefit of a Restricted Party;
 - (C) is unlawful or illicit under the law of any Relevant Jurisdiction;
 - (D) could expose the Ship, any Finance Party, the Manager, the Operating Company (if applicable) or the Intra-Group Charterer of the Ship, the Ship's crew or the Ship's insurers to enforcement proceedings arising from applicable Sanctions Laws; or
 - (ii) any transport of any goods that are prohibited to be sold, supplied, transferred, purchased, exported or imported pursuant to any Sanctions Laws.
- (b) The Borrower will provide the Agent upon its request with all relevant documentation related to the Ship, and any transported goods:
 - (i) to demonstrate that the Borrower is in compliance with paragraph (a) and that the Borrower, the Sponsors, the Manager, any Operating Company and any Intra-Group Charterer are not acting in breach of Sanctions Laws applicable to them; or
 - (ii) which a Finance Party is required to disclose to any regulatory authority pursuant to any applicable Sanctions Laws.

22.5 Manager

- (a) A manager of the Ship (other than a Manager) shall not be appointed unless that manager and the terms of its appointment are approved and it has delivered a duly executed Manager's Undertaking or, as applicable, a Management Agreement Assignment to the Security Agent.
- (b) There shall be no change to the terms of appointment of a Manager whose appointment has been approved unless such change is also approved.
- (c) The terms of a Management Agreement shall not be materially amended without the consent of the Majority Lenders (such consent not to be unreasonably withheld) provided that a change of the management fee of up to 5% per annum shall not be regarded a material.

22.6 Copy of Mortgage on board

If required by the laws of the Approved Flag, a certified copy of the Mortgage shall be kept on board the Ship with its papers and shown to anyone having business with the Ship which might create or imply any commitment or Security Interest over or in respect of the Ship (other than a lien for crew's wages and salvage) and to any representative of the Agent or the Security Agent.

22.7 Notice of Mortgage

If required by the laws of the Approved Flag, a framed printed notice of the Mortgage shall be prominently displayed in the navigation room and in the Master's cabin of the Ship. The notice must be in plain type and read as follows:

“NOTICE OF MORTGAGE

This Ship is subject to a First Mortgage in favour of Mizuho Bank, Ltd., of Mizuho House, 30 Old Bailey, London, EC4M 7AU, United Kingdom. Under the said mortgage and related documents, neither the Owner nor any charterer nor the Master of this Ship has any right, power or authority to create, incur or permit to be imposed upon this Ship any commitments or encumbrances whatsoever other than for crew's wages and salvage”.

No-one will have any right, power or authority to create, incur or permit to be imposed upon the Ship any lien whatsoever other than for crew's wages and salvage.

22.8 Conveyance on default

Where the Ship is (or is to be) sold in exercise of any power conferred by the Security Documents, the Borrower shall, upon the Agent's request, immediately execute such form of transfer of title to the Ship as the Agent may require.

22.9 Lay up

Except with approval, the Ship shall not be laid up or deactivated provided that any such lay up or deactivation is permitted whilst charterhire is being paid under any Charter Document.

22.10 Sharing of Earnings

Except with approval, the Borrower shall not enter into any arrangement under which its Earnings from the Ship may be shared with anyone else.

22.11 Payment of Earnings

- (a) The Earnings from the Ship shall be paid in the way required by the General Assignment.
- (b) If any Earnings are held by brokers or other agents, they shall be paid to the Security Agent, if it requires this after the Earnings have become payable to it under the General Assignment.

22.12 Poseidon Principles

- (a) The Borrower shall, upon the request of the Agent (at the request of any Lender) with reasonable notice and at no cost to the Agent, on or before 31 July in each calendar year, supply or procure the supply to the Agent of all information necessary in order for that 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 for the preceding calendar year.
- (b) No Lender shall publicly disclose such information with the identity of the Ship without the prior written consent of the Borrower.
- (c) Such information shall be “Confidential Information” for the purposes of Clause 46 (*Confidential Information*) but the Borrower acknowledges that, in accordance with the

Poseidon Principles, such information will form part of the information published regarding the relevant Lender's portfolio climate alignment.

23 Condition and operation of Ship

23.1 Undertaking to comply

The Borrower undertakes that this clause 23 will be complied with in relation to the Ship throughout the Mortgage Period.

23.2 Defined terms

In this clause 23 and in Schedule 2 (*Conditions precedent*):

applicable code means any code or prescribed procedures required to be observed by the Ship or the persons responsible for its operation under any applicable law (including but not limited to those currently known as the ISM Code and the ISPS Code).

applicable law means all laws and regulations applicable to vessels registered in the Ship's Flag State or which for any other reason apply to the Ship or to its condition or operation at any relevant time.

applicable operating certificate means any certificates, vessel response plans, or other document relating to the Ship or its condition or operation required to be in force under any applicable law or any applicable code.

23.3 Repair

The Ship shall be kept in a good, safe and efficient state of repair. The quality of workmanship and materials used to repair the Ship or replace any damaged, worn or lost parts or equipment shall be sufficient to ensure that the Ship's value is not reduced.

23.4 Modification

Except with approval or as permitted pursuant to clause 25.4(b)(iv), the structure, type or performance characteristics of the Ship shall not be modified in a way which could or might materially alter the Ship or materially reduce the value of the Ship.

23.5 Removal of parts

Except with approval, no material part of the Ship shall be removed from the Ship if to do so would materially reduce its value (unless at the same time it is replaced with equivalent parts owned by the Borrower free of any Security Interest except under the Security Documents).

23.6 Third party owned equipment

Except with approval, equipment owned by a third party shall not be installed on the Ship if it cannot be removed without risk of causing material damage to the structure or fabric of the Ship or incurring significant expense unless the installation of such equipment is contemplated pursuant to the Charter Contract.

23.7 Maintenance of class; compliance with laws and codes

The Ship's class shall be the Classification and the Ship shall be classed free of overdue requirements, conditions, notations and qualifications. The Ship and every person who owns, operates or manages the Ship shall comply with all applicable laws and the requirements of all

applicable codes relating to the ownership and operation of the Ship. There shall be kept in force and on board the Ship or in such person's custody any applicable operating certificates which are required by applicable laws or applicable codes to be carried on board the Ship or to be in such person's custody.

23.8 Surveys

The Ship shall be submitted to periodic surveys and any other surveys which are required for it to maintain the Classification as its class. Copies of reports of those surveys shall be provided promptly to the Agent if it so requests.

23.9 Inspection and notice of dry-docking

The Agent and/or surveyors or other persons appointed by it for such purpose shall be allowed to board the Ship at all reasonable times (provided such inspection does not interfere with or delay the Ship's operations and is permitted by the relevant yard) to inspect it and given all proper facilities needed for that purpose. The Agent shall be given reasonable advance notice of any intended dry-docking of the Ship (whatever the purpose of that dry-docking).

23.10 Prevention of arrest

Any debts, damages, liabilities and outgoings which have given, or may give, rise to maritime, statutory or possessory liens on, or claims enforceable against, the Ship, its Earnings or Insurances (except for any Permitted Security Interest) shall be promptly paid and discharged.

23.11 Release from arrest

The Borrower shall, immediately upon receiving notice of the arrest of the Ships take any steps necessary to ensure that the Ship is promptly released from such arrest, detention, or attachment, and any legal process against the Ship shall be promptly discharged, by whatever action is required to achieve that release or discharge and within thirty (30) days (or such longer period as the Lenders may agree) of receiving notice or becoming aware of the arrest of the Ship or of its detention in exercise or purported exercise of any lien or claim, the Borrower shall procure its release by providing bail or procuring the provision of security or otherwise as the circumstances may require.

23.12 Information about Ship

The Agent shall promptly be given any information which it may reasonably request about the Ship or its employment, position, use or operation, including details of towages and salvages, and copies of all relevant Charter Documents entered into by or on behalf of the Borrower and copies of any applicable operating certificates.

23.13 Notification of certain events

The Agent shall promptly be notified of:

- (a) any damage to the Ship where the cost of the resulting repairs may exceed the Major Casualty Amount;
- (b) any occurrence as a result of which the Ship has become or is likely to become a Total Loss;
- (c) any requisition of the Ship for hire;
- (d) any Environmental Incident involving the Ship and Environmental Claim being made in relation to such an incident;

- (e) any withdrawal or threat to withdraw any applicable operating certificate;
- (f) the receipt of notification that any application for such a certificate has been refused;
- (g) any requirement made in relation to the Ship by any insurer or the Classification Society or by any competent authority which is not, or cannot be, complied with in the manner or time required; and
- (h) any capture, seizure, piracy, arrest or detention of the Ship or any exercise or purported exercise of a lien or other claim on the Ship or its Earnings or Insurances.

23.14 Payment of outgoings

All tolls, dues and other outgoings whatsoever in respect of the Ship and its Earnings and Insurances shall be paid promptly. Proper accounting records shall be kept of the Ship and its Earnings.

23.15 Evidence of payments

At any time following the occurrence of an Event of Default that is continuing, the Agent shall be allowed proper and reasonable access to those accounting records when it requests it and, when it requires it, shall be given satisfactory evidence that:

- (a) the wages and allotments and the insurance and pension contributions of the Ship's crew are being promptly and regularly paid;
- (b) all deductions from its crew's wages in respect of any applicable Tax liability are being properly accounted for; and
- (c) the Ship's master has no claim for disbursements other than those incurred by him in the ordinary course of trading on the voyage then in progress.

23.16 Repairers' liens

Except with approval, the Ship shall not be put into any other person's possession for work to be done on the Ship if the cost of that work will exceed or is likely to exceed the Major Casualty Amount unless that person gives the Security Agent a written undertaking in approved terms not to exercise any lien on the Ship or its Earnings for any of the cost of such work.

23.17 Lawful use

The Ship shall not be employed in any part of the world where there are hostilities (whether war has been declared or not), in carrying contraband goods, and the persons responsible for the operation of the Ship shall take all necessary and proper precautions to ensure that this does not happen, including participation in industry or other voluntary schemes available to the Ship and in which leading operators of similar types of ships engaged in similar trades generally participate at the relevant time.

23.18 War zones

Except with approval, the Ship shall not enter or remain in any zone which has been declared a war zone by any government entity or the Ship's war risk insurers. If approval is granted for it to do so, any requirements of the Ship's insurers necessary to ensure that the Ship remains properly insured in accordance with the Finance Documents (including any requirement for the payment of extra insurance premiums) shall be complied with.

24 Insurance

24.1 Undertaking to comply

The Borrower undertakes that this clause 24 shall be complied with in relation to the Ship and its Insurances throughout the Mortgage Period.

24.2 Insurance terms

In this clause 24:

excess risks means the proportion (if any) of claims for general average, salvage and salvage charges not recoverable under the hull and machinery insurances of a vessel in consequence of the value at which the vessel is assessed for the purpose of such claims exceeding its insured value.

excess war risk P&I cover means cover for claims only in excess of amounts recoverable under the usual war risk cover including (but not limited to) hull and machinery, crew and protection and indemnity risks.

hull cover means insurance cover against the risks identified in paragraphs (a) and (b) of clause 24.3 (*Coverage required*).

P&I risks means the usual risks (including liability for oil pollution, excess war risk P&I cover) covered by a protection and indemnity association which is a member of the International Group of protection and indemnity associations (or, if the International Group ceases to exist, any other leading protection and indemnity association or other leading provider of protection and indemnity insurance) (including, without limitation, the proportion (if any) of any collision liability not covered under the terms of the hull cover).

24.3 Coverage required

The Ship shall at all times be insured:

- (a) against fire and usual marine risks (hull and machinery insurance and increased value or disbursements insurance including excess risks);
- (b) against hull interest and freight interest risks;
- (c) against war risks (including war protection and indemnity, terrorism, piracy, hijacking and confiscation risks);
- (d) against P&I risks for the highest amount then available in the insurance market for vessels of similar age, size and type as the Ship but, in relation to liability for oil pollution, for an amount of not less than Dollar one billion (1,000,000,000);
- (e) against loss of hire;
- (f) against such other risks and matters which the Agent notifies it that it considers reasonable for a prudent shipowner or operator to insure against at the time of that notice; and
- (g) on terms which comply with the other provisions of this clause 24.

24.4 Placing of cover

The insurance coverage required by clause 24.3 (*Coverage required*) shall be:

- (a) in the name of the Borrower and (in the case of the Ship's hull cover) no other person (other than the Technical Manager, the Commercial Manager, the Time Charterer or the Security Agent (and any other Finance Party required by the Agent) if required by the Agent) (unless such other person is approved and, if so required by the Agent, has duly executed and delivered a first priority assignment of its interest in the Ship's Insurances to the Security Agent (and any other Finance Party required by the Agent) in an approved form and provided such supporting documents and opinions in relation to that assignment as the Agent requires);
- (b) if the Agent so requests, in the joint names of the Borrower and the Security Agent (and any other Finance Party required by the Agent) (and, to the extent reasonably practicable in the insurance market, without liability on the part of the Security Agent or such Finance Party for premiums or calls);
- (c) in Dollars or another approved currency;
- (d) in an aggregate insured value equal to or greater than one hundred and twenty per cent (120%) of the Loan outstanding under this Agreement from time to time;
- (e) in the case of the hull and machinery insurances referred to in 24.3(a), in an amount at all time not less than eighty per cent (80%) of the Market Value of the Ship, with an aggregate hull and machinery insured value equal to or greater than the Total Commitment under this Agreement, while the remaining cover may be taken out by way of hull and freight interest insurances;
- (f) arranged through approved brokers or direct with approved insurers or protection and indemnity or war risks associations;
- (g) in full force and effect; and
- (h) in such amounts and on such terms as the Agent may approve (such approval not to be unreasonably withheld) and with approved insurers or associations.

24.5 Deductibles

The aggregate amount of any excess or deductible under the Ship's hull cover shall not exceed an approved amount.

24.6 Mortgagee's insurance

The Borrower shall promptly reimburse to the Agent the cost of taking out and keeping in force in respect of the Ship:

- (a) if required by the Majority Lenders, a mortgagee's interest insurance and a mortgagee's additional perils (pollution risks) for the benefit of the Finance Parties for an amount covering not less than one hundred and twenty per cent (120%) of the Loan outstanding under this Agreement.

24.7 Fleet liens, set off and cancellations

If the Ship's hull cover also insures other vessels, the Security Agent shall either be given an undertaking in approved terms by the brokers or (if such cover is not placed through brokers or

the brokers do not, under any applicable laws or insurance terms, have such rights of set off and cancellation) the relevant insurers that the brokers or (if relevant) the insurers will not:

- (a) set off against any claims in respect of the Ship any premiums due in respect of any of such other vessels insured; or
- (b) cancel that cover because of non-payment of premiums in respect of such other vessels,

or the Borrower shall ensure that hull cover for the Ship is provided under a separate policy from any other vessels.

24.8 Payment of premiums

All premiums, calls, contributions or other sums payable in respect of the Insurances shall be paid punctually and the Agent shall be provided with all relevant receipts or other evidence of payment upon request.

24.9 Details of proposed renewal of Insurances

At least fourteen (14) days before any of the Insurances are due to expire, the Agent shall be notified of the names of the brokers, insurers and associations proposed to be used for the renewal of such Insurances and the amounts, risks and terms in, against and on which the Insurances are proposed to be renewed.

24.10 Instructions for renewal

At least seven (7) days before any of the Insurances are due to expire, instructions shall be given to brokers, insurers and associations for them to be renewed or replaced on or before their expiry.

24.11 Confirmation of renewal

The Insurances shall be renewed upon their expiry in a manner and on terms which comply with this clause 24 and confirmation of such renewal given by approved brokers or insurers to the Agent at least seven days (or such shorter period as may be approved) before such expiry.

24.12 P&I guarantees

Any guarantee or undertaking required by any protection and indemnity or war risks association in relation to the Ship shall be provided when required by the association.

24.13 Insurance documents

The Agent shall be provided with pro forma copies of all insurance policies and other documentation issued by brokers, insurers and associations in connection with the Insurances as soon as they are available after they have been placed or renewed and all insurance policies and other documents relating to the Insurances shall be deposited with any approved brokers or (if not deposited with approved brokers) the Agent or some other approved person.

24.14 Letters of undertaking

Unless otherwise approved where the Agent is satisfied that equivalent protection is afforded by the terms of the relevant Insurances and/or any applicable law and/or a letter of undertaking provided by another person, on each placing or renewal of the Insurances, the Agent shall be provided promptly with letters of undertaking in an approved form (having regard to general insurance market practice and law at the time of issue of such letter of undertaking) from the relevant brokers, insurers and associations.

24.15 Insurance Notices and Loss Payable Clauses

The interest of the Security Agent as assignee of the Insurances shall be endorsed on all insurance policies and other documents by the incorporation of a Loss Payable Clause (which shall include the Major Casualty Amount) and an Insurance Notice in respect of the Ship and its Insurances signed by the Borrower and, unless otherwise approved, each other person assured under the relevant cover (other than the Security Agent if it is itself an assured).

24.16 Insurance correspondence

If so required by the Agent, the Agent shall promptly be provided with copies of all written communications between the assureds and brokers, insurers and associations relating to any of the Insurances as soon as they are available.

24.17 Qualifications and exclusions

All requirements applicable to the Insurances shall be complied with and the Insurances shall only be subject to approved exclusions or qualifications.

24.18 Independent report

If the Agent asks the Borrower for a detailed report from an approved independent firm of marine insurance brokers giving their opinion on the adequacy of the Insurances then the Agent shall be provided promptly with such a report at no cost to the Agent or (if the Agent obtains such a report itself) the Borrower shall reimburse the Agent for the cost of obtaining that report. It being understood that no more than one (1) report per year shall be required and in case there has been no change to the insurance arrangements from the report from the previous year, such report will not be required.

24.19 Collection of claims

All documents and other information and all assistance required by the Agent to assist it and/or the Security Agent in trying to collect or recover any claims under the Insurances shall be provided promptly.

24.20 Employment of Ship

The Ship shall only be employed or operated in conformity with the terms of the Insurances (including any express or implied warranties) and not in any other way (unless the insurers have consented and any additional requirements of the insurers have been satisfied).

24.21 Declarations and returns

If any of the Insurances are on terms that require a declaration, certificate or other document to be made or filed before the Ship sails to, or operates within, an area, those terms shall be complied with within the time and in the manner required by those Insurances.

24.22 Application of recoveries

All sums paid under the Insurances to anyone other than the Security Agent shall be applied in repairing the damage and/or in discharging the liability in respect of which they have been paid except to the extent that the repairs have already been paid for and/or the liability already discharged.

24.23 Settlement of claims

Any claim under the Insurances for a Total Loss or Major Casualty shall only be settled, compromised or abandoned with prior approval.

24.24 Change in insurance requirements

If the Agent gives notice to the Borrower to change the terms and requirements of this clause 24 (which the Agent may only do, in such manner as it considers appropriate, as a result in changes of circumstances or practice after the date of this Agreement), this clause 24 shall be modified in the manner so notified by the Agent on the date fourteen (14) days after such notice from the Agent is received

25 Chartering undertakings

25.1 Quiet enjoyment

The Security Agent will promptly duly execute and enter into the Quiet Enjoyment Agreement and return it to the Borrower.

25.2 Undertaking to comply

The Borrower undertakes that the following provisions of this clause 25 will be complied with in relation to the Ship and its relevant Charter Documents.

25.3 Ship Employment

- (a) Other than the Charter Contract with Total, and any sub-charters entered into by Total (which, for the avoidance of doubt, shall not require the consent of the Lenders, provided that Total shall always remain responsible for the due fulfilment of the relevant Charter Document), the Borrower agrees not to employ the Ship or permit its employment under a time or bareboat charter for any period other than as permitted below:
 - (i) Intra-Group chartering:
 - (A) on a time charter to an Intra-Group Charterer for a period equal to or less than twelve (12) Months (including any optional extensions); or
 - (B) on (i) any bareboat charter to an Intra-Group Charterer (irrespective of its duration); and (ii) a time charter to an Intra-Group Charterer for a period exceeding from its effectiveness, twelve (12) Months (or which, following exercise of an optional extension, exceeds twelve (12) Months), provided in each case that:
 - (1) the Intra-Group Charterer has executed a General Assignment in form and substance acceptable to the Lenders;
 - (2) the rights of the Intra-Group Charterer are subordinated to the rights of the Finance Parties;
 - (3) the Borrower has to the satisfaction of the Lenders assigned its rights under such charter to the Security Agent; and
 - (4) the Agent has received legal opinions satisfactory to the Lenders in relation to such subordination and General Assignment and, if relevant, such bareboat charter assignment;

- (ii) Third party chartering:
 - (A) *Short Term Charters*: on a Short Term Charter, in circumstances where all management and other operational functions in respect of the Ship are performed either by an Intra-Group Charterer or by a Technical Manager or (if applicable) any Operating Company; or
 - (B) *Long Term LNGC Charters*: on a Long Term LNGC Charter;
 - (C) *Long Term FSRU Charter*: on a Long Term FSRU Charter;
 - (D) *Bareboat Charters – no Sponsor operation and maintenance agreement*: a bareboat charter not contemplated by the foregoing sub-clauses of this clause, with the consent of the Lenders (such consent not to be unreasonably withheld and/or delayed);
 - (E) *Other*: any other Long Term Charter arrangement with the consent of the Lenders, such consent not to be unreasonably withheld or delayed and be provided within ten (10) Business Days of receipt by the Agent of a notice from the Borrower, failing which the Long Term Charter shall be deemed not approved.
- (b) If at any time during the Facility Period, the Ship shall be subject to a Long Term Charter, the Borrower or the Intra-Group Charterer (as the case may be) will provide a Long Term Charter Assignment in relation to the Ship in form and substance acceptable to the Lenders in favour of the Security Agent simultaneously with conditions to the chartering of the Ship under an executed Long Term Charter being lifted.
- (c) The Lenders shall further co-operate to release any existing Long Term Charter Assignment at the expiry of a Long Term Charter (or in circumstances where a Long Term Charter is replaced following the consent of the Lenders (as applicable) pursuant to and in accordance with this clause.

25.4 Variations of Charter Contract

- (a) Any material amendment to a Charter Contract (in the reasonable opinion of the Agent, acting on the instructions of the Majority Lenders) shall require the consent of the Majority Lenders.
- (b) Notwithstanding paragraph (a) above, if any of the following amendments are made to the Charter Contract, these shall not be deemed to be material and shall not require any consent of the Majority Lenders:
 - (i) the removal of any provisions in a Charter Contract which are considered by the parties to be historic or no longer relevant in nature or the amendment and restatement of the Charter Contract to incorporate general amendments which have been agreed to date;
 - (ii) any amendments to permit project specific requirements for FSRU projects by Total (provided that there is no reduction in hire);
 - (iii) any changes in employment of the Ship by the Charterer including any sub time-chartering and bareboat and operating, operation and maintenance agreement structures where the Charter Contract is suspended, provided that Total remains responsible for the due fulfilment of the relevant Charter Contract;

- (iv) any modification for the deployment of the Ship which (i) does not materially reduce the Ship's value and (ii) for which the Charterer cover the modification costs or, in the event the Charterer does not cover the modification costs, such costs do not exceed two (2) million Dollars (it being understood that modifications which do not require an amendment to the Charter Contract are not restricted in amount);
- (v) the inclusion of a purchase option in the Charter Contract in favour of a Charterer provided that the purchase option is only exercisable during the last three (3) years of the Initial Charter Period and the purchase price is equal to or more than the higher of (i) the termination fee payable by the Charterer under the Charter Document and (ii) 120% of the Loan outstanding under this Agreement; and
- (vi) the extension of the term of the Charter Contract, changes to the extension options (after the Initial Charter Period) and, notice for declaring extension, and changes to any charter hire payable during such extended term,

subject in all cases to items (i) to (vi) above, to the Charter Contract remaining in full and force and effect (save for any permitted suspension as set out at paragraph (iii) above) and Total remaining responsible for the due fulfilment of obligations under the Charter Contract.

- (c) For the avoidance of doubt, a change in charterer under the Charter Contract, a reduction in the capex rate, reduction in the termination fee payable by Total and shortening of the Initial Charter Period shall require the consent of all Lenders.

25.5 Releases and waivers

Except with approval, there shall be no release by the Borrower of any obligation of any Charterer under the Charter Documents (including by way of novation or assignment), no waiver of any breach of any such obligation and no consent to anything which would otherwise be such a breach.

25.6 Termination by the Borrower

Except with approval, the Borrower shall not terminate or rescind any Charter Document or withdraw the Ship from service under the Charter or take any similar action.

25.7 Charter performance

The Borrower shall perform its obligations under the relevant Charter Documents.

25.8 Notice of assignment of Charter Documents

The Borrower shall give notice of assignment of the relevant Charter Documents to the other parties to them in the form specified by the relevant Security Documents and shall use its reasonable commercial endeavour to ensure that the Agent receives a copy of that notice acknowledged by each addressee in the form specified therein on or before the date of the Mortgage.

25.9 Payment of Charter Earnings

All Earnings which the Borrower is entitled to receive under any Charter Document shall be paid in the manner required by the Security Documents.

26 Bank accounts

26.1 Undertaking to comply

The Borrower undertakes that this clause 26 will be complied with throughout the Facility Period.

26.2 Opening and closing of bank accounts

- (a) The Borrower undertakes (i) that it shall not own any bank account other than the Accounts, (ii) not to open any bank account other than the Accounts and (iii) to keep the Accounts open and not to close until no sum is liable to be due under the Finance Documents.

26.3 Operating Account

- (a) The Borrower shall be the holder of an Account with the Account Bank which is designated as an “Operating Account” for the purposes of the Finance Documents.
- (b) The Earnings of the Ship and all moneys payable to the Borrower under the Ship’s Insurances and any net amount payable to the Borrower under any Hedging Contract shall be paid by the persons from whom they are due to the Operating Account unless required to be paid to the Security Agent under the Finance Documents.
- (c) The Borrower shall not withdraw amounts standing to the credit of the Operating Account except as permitted by the Cash Waterfall set out in paragraph (d) below.
- (d) Cash Waterfall
 - (i) Unless and until an Event of Default occurs, monies credited to the Operating Account shall be applied by the Borrower on a date on which charter hire is payable to the Borrower under the Charter Contract, the charter hire may be applied for the following purposes in the following order:
 - (A) pro-rata payment to the Manager for (x) operating costs (not exceeding 110% of the lesser of the operating cost component of the charter hire and the operating costs payable monthly under a Management Agreement, (y) insurance premiums and tax due from the Borrower and (z) payment of fees to the Manager;
 - (B) transfer of the Debt Service Retention Amount to the Debt Service Retention Account;
 - (C) to make payments to the Debt Service Reserve Account up to the amount of the Debt Service Reserve; and
 - (D) to make payments to the Dividend Distribution Account provided that the Dividend Release Conditions have been met or if the Dividend Release Conditions have not been met, to the Dividend Lock-Up Account,(the **Cash Waterfall**).
 - (ii) At any time:
 - (A) A Drydocking Cost Payment or a Drydocking Cost Reimbursement may be applied in payment of a Drydocking Cost; or
 - (B) A Drydocking Cost Reimbursement may be paid to the Sponsors in

reimbursement of a Drydocking Cost Payment (notwithstanding any other restriction in the Finance Documents to the contrary).

26.4 Debt Service Reserve Account

- (a) The Borrower shall be the holder of an account with the Account Bank which shall be designated as the "Debt Service Reserve Account" for the purposes of the Finance Documents.
- (b) The Borrower shall procure that, save as otherwise expressly provided for in a Finance Document, at all times the aggregate credit balance on the Debt Service Reserve Account is not less than the then applicable Debt Service Reserve.
- (c) The aggregate credit balance on the Debt Service Reserve Account shall be tested quarterly on each Repayment Date.

26.5 Debt Service Retention Account

- (a) The Borrower shall be the holder of an account with the Account Bank which shall be designated as the "Debt Service Retention Account" for the purposes of the Finance Documents.
- (b) The Borrower shall procure that, save as otherwise expressly provided for in a Finance Document, on each Debt Service Retention Date the aggregate credit balance on the Debt Service Retention Account is not less than the then applicable Debt Service Retention Amount.

26.6 Dividend Distribution Account

- (a) The Borrower shall be the holder of an account with the Account Bank which shall be designated as the "Dividend Distribution Account" for the purposes of the Finance Documents.
- (b) The Borrower shall have no right whatsoever to operate the Dividend Distribution Account if the Dividend Release Conditions are not fulfilled.

26.7 Dividend Lock-Up Account

- (a) The Borrower shall be the holder of an account with the Account Bank which shall be designated as the "Dividend Lock-up Account" for the purposes of the Finance Documents.
- (b) In the event that the Dividend Release Conditions are not fulfilled in form and substance satisfactory to the Agent, the Borrower shall have the right to apply monies credited to the Operating Account to make payments to the Dividend Lock-up Account. Any amount standing on the Dividend Lock-up Account shall be transferred to the Dividend Distribution Account once all Dividend Release Conditions are fulfilled in form and substance satisfactory to the Agent.

26.8 Other provisions

- (a) An Account may only be designated for the purposes described in this clause 26 if:
 - (i) such designation is made in writing by the Agent and acknowledged by the Borrower and specifies the name and address of the Account Bank and the number and any designation or other reference attributed to the Account;

- (ii) an Account Security has been duly executed and delivered by the Borrower in favour of the Security Agent (and any other Finance Party required by the Agent);
 - (iii) any notice required by the Account Security to be given to an Account Bank has been given to, and acknowledged by, the Account Bank in the form required by the relevant Account Security; and
 - (iv) the Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to the Account and the Account Security including documents and evidence of the type referred to in Schedule 2 (*Conditions precedent*) in relation to the Account and the relevant Account Security.
- (b) The rates of payment of interest and other terms regulating any Account will be a matter of separate agreement between the Borrower and the Account Bank.
 - (c) If an Account is a fixed term deposit account, the Borrower may select the terms of deposits until the relevant Account Security has become enforceable and the Security Agent directs otherwise.
 - (d) The Borrower shall not close any Account or alter the terms of any Account from those in force at the time it is designated for the purposes of this clause 26 or waive any of its rights in relation to an Account except with approval.
 - (e) The Borrower shall deposit with the Security Agent all certificates of deposit, receipts or other instruments or securities relating to any Account, notify the Security Agent of any claim or notice relating to an Account from any other party and provide the Agent with any other information it may request concerning any Account.
 - (f) Each of the Agent and the Security Agent agrees that if it is an Account Bank in respect of an Account then there will be no restrictions on creating a Security Interest over that Account as contemplated by this Agreement and it shall not (except with the approval of the Majority Lenders) exercise any right of combination, consolidation or set-off which it may have in respect of that Account in a manner adverse to the rights of the other Finance Parties.

27 Business restrictions

27.1 Undertaking to comply

Except as otherwise approved by the Majority Lenders, the Borrower undertakes that this clause 27 will be complied with by and in respect of each person to which each relevant provision of this clause is expressed to apply throughout the Facility Period.

27.2 General negative pledge

- (a) In this clause 27.2, Quasi-Security means an arrangement or transaction described in paragraph (c) below.
- (b) The Borrower shall not create or permit to subsist any Security Interest in respect of Financial Indebtedness over any of its assets.
- (c) (Without prejudice to clause 18.29 (*Security and Financial Indebtedness*)), the Borrower shall not:
 - (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 Affiliate of an Obligor;

- (ii) sell, transfer, factor 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,
 - (v) 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.
- (d) Paragraph (b) and (c) above do not apply to any Security Interest or (as the case may be) Quasi-Security, listed below:
- (i) those granted or expressed to be granted by any of the Security Documents;
 - (ii) in relation to the Ship, Permitted Maritime Liens; and/or
 - (iii) Permitted Security Interests.

27.3 Financial Indebtedness restrictions

- (a) In this clause 27.3, **Permitted Financial Indebtedness** means an arrangement or transaction described in paragraph (c) below.
- (b) Save as otherwise expressly provided for in a Finance Document, the Borrower shall not incur or permit to exist, any Financial Indebtedness owed by it to anyone else, other than any Permitted Financial Indebtedness
- (c) (Without prejudice to clause 18.29 (*Security and Financial Indebtedness*)), paragraph (b) do not apply to the Financial Indebtedness listed below:
 - (i) any Financial Indebtedness in respect of intercompany loans with a Sponsor or a shareholder as long as the rights of the intercompany lenders are subordinated to the rights of the Lenders and the Hedging Providers;
 - (ii) any Financial Indebtedness incurred in relation to any acquisition or to make any investment in any person or business or undertaking or to enter into any joint-venture arrangement in the ordinary course of its business;
 - (iii) the incurrence by the Borrower of any Financial Indebtedness in the ordinary course of business up to an aggregate amount of three hundred thousand Dollars (USD 300,000).

27.4 Subsidiaries

The Borrower shall not establish or acquire a company or other entity, other than an Intra-Group Charterer and/or an Operating Company.

27.5 Acquisitions and investments

The Borrower shall not acquire any person, business, assets or liabilities or make any investment in any person or business or undertaking or enter into any joint-venture arrangement except:

- (a) acquisitions of assets in the ordinary course of business (not being new businesses or vessels);

- (b) any loan or credit not otherwise prohibited under this Agreement; or
- (c) pursuant to any Finance Document to which it is party.

27.6 Reduction of capital

The Borrower shall not redeem or purchase or otherwise reduce any of its equity or any other share capital or any warrants or any uncalled or unpaid liability in respect of any of them or reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption or other undistributable reserve in any manner.

27.7 Disposals

The Borrower shall not enter into a single transaction or a series of transactions, whether related or not and whether voluntarily or involuntarily, to sell, lease, transfer or otherwise dispose of any asset except for any of the following disposals (so long as they are not prohibited by any other provision of the Finance Documents):

- (a) disposals of assets made in (and on terms reflecting) the ordinary course of trading or pursuant to clause 7.8 (*Sale or Total Loss*);
- (b) disposals permitted by clause 27.2 (*General negative pledge*) or clause 27.3 (*Financial Indebtedness restrictions*);
- (c) dealings with its trade creditors with respect to book debts in the ordinary course of trading; and
- (d) the application of cash or cash equivalents in the acquisition of assets or services in the ordinary course of its business.

27.8 Distributions and other payments

Except in accordance with the Cash Waterfall or if the Dividend Release Conditions have been met, the Borrower shall not, without the prior consent of the Majority Lenders:

- (a) declare or pay (including by way of set-off, combination of accounts or otherwise) 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) or any warrants for the time being in issue;
- (b) repay or distribute any dividend or share premium reserve;
- (c) pay to pay any management, advisory or other fee to or to the order of any of its shareholders;
- (d) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so;
- (e) make any payment (including by way of set-off, combination of accounts or otherwise) by way of interest, or repayment, redemption, purchase or other payment, in respect of any shareholder loan, loan stock or similar instrument, provided that the Borrower may repay any intercompany loan permitted pursuant to clause 27.3(c)(i), provided that the Dividend Release Conditions are met and no Event of Default has occurred and is continuing or would occur as a result of the repayment.

27.9 Issuance of share capital

The Borrower shall not issue further share capital unless such new shares are the subject of a share security in favour of the Security Agent.

28 Hedging Contracts

28.1 Undertaking to comply

The Borrower undertakes that this clause 28 will be complied with throughout the Facility Period.

28.2 Hedging

- (a) The Borrower shall enter into and maintain at all times Hedging Transactions which hedge the Borrower's interest rate risk in relation to the Loan for an aggregate notional principal amount that is equal to the Loan as then scheduled to be repaid pursuant to clause 6.2 (*Scheduled repayment of Facility*).
- (b) The Hedging Transactions contemplated by paragraph (a) above shall collectively:
 - (i) provide for the Borrower to pay a fixed or capped rate of interest in respect of the relevant notional principal amount; and
 - (ii) match the repayment profile of the Loan.
- (c) The Borrower shall ensure that each due date for value in respect of each such Hedging Transaction shall coincide with each date on which interest is payable under clause 9.2 (*Payment of interest*).
- (d) The Borrower shall, promptly upon entry into of any Confirmation under a Hedging Contract, deliver to the Agent an original or certified copy of such Confirmation.
- (e) Other than Hedging Transactions which meet the requirements of paragraphs (a) to (d) above, the Borrower shall not enter into Treasury Transactions, except with approval.

28.3 Unwinding of Hedging Contracts

If, at any time, and whether as a result of any repayment, prepayment (in whole or in part) of the Loan or any cancellation (in whole or in part) of any Commitment or otherwise, the aggregate notional principal amount under all Hedging Transactions in respect of the Loan entered into by the Borrower exceeds or will exceed the amount of the Loan outstanding at that time after such repayment, prepayment or cancellation, then the Borrower shall (unless otherwise approved by the Majority Lenders) (and each Hedging Provider may, if the Borrower does not, without the Hedging Provider needing to demonstrate that the failure of the Borrower to do so was approved by the Majority Lenders, unless it has express notice in writing of such approval) (*pro rata* between Hedging Providers) immediately close out and terminate sufficient Hedging Transactions as are necessary to ensure that the aggregate notional principal amount under the remaining continuing Hedging Transactions equals, and will in the future be equal to, the amount of the Loan at that time and as scheduled to be repaid from time to time thereafter pursuant to clause 6.2 (*Scheduled repayment of Facility*).

28.4 Variations

Except with approval or as required by clause 28.3 (*Unwinding of Hedging Contracts*) and subject to clause 30.5 (*Transfer of Hedging Contracts to Affiliates*), any Hedging Master Agreement and the Hedging Contracts shall not be varied. Amendments that are for correcting typographical

errors, or of a purely technical or administrative nature or required due to regulatory changes shall not require approval under this clause.

28.5 Releases and waivers

Except with approval, there shall be no release by the Borrower of any obligation of any other person under the Hedging Contracts (including by way of novation), no waiver of any breach of any such obligation and no consent to anything which would otherwise be such a breach.

28.6 Assignment of Hedging Contracts by the Borrower

Except with approval or by the Hedging Contract Security or as may be permitted under clause 32 (*Changes to the Borrower*), the Borrower shall not assign or otherwise dispose of its rights under any Hedging Contract provided however that any assignment to the Lenders pursuant to a Hedging Contract Security does not require approval.

28.7 Termination of Hedging Contracts by the Borrower

Except with approval, the Borrower shall not terminate or rescind any Hedging Contract or close out or unwind any Hedging Transaction except in accordance with clause 28.3 (*Unwinding of Hedging Contracts*).

28.8 Performance of Hedging Contracts by the Borrower

The Borrower shall perform its obligations under the Hedging Contracts .

28.9 Information concerning Hedging Contracts

The Borrower shall provide the Agent with any information it may request concerning any Hedging Contract, including all reasonable information, accounts and records that may be necessary or of assistance to enable the Agent to verify the amounts of all payments and any other amounts payable under the Hedging Contracts.

29 Events of Default

29.1 Each of the events or circumstances set out in this clause 29 (except clause 29.22 (*Acceleration*)) is an Event of Default.

29.2 Non-payment

The Borrower 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 its failure to pay is caused by an administrative or technical error or by a Disruption Event and payment is made within three (3) Business Days of its due date.

29.3 Hedging Contracts

An Event of Default (in each case as defined in any Hedging Master Agreement) has occurred and is continuing under any Hedging Contract.

29.4 Financial covenants

- (a) The Borrower does not comply with clause 20 (*Financial covenants*).
- (b) No Event of Default under paragraph (a) above will occur if, within five (5) Business Days of the occurrence of the breach of the financial covenant under clause 20 (*Financial*

covenants), an equity injection or entry into a shareholder loan is made to remedy the breach in the amount necessary to prevent the occurrence of such Event of Default. It is understood that:

- (i) immediately following such equity injection, the Borrower shall provide a DSCR Compliance Certificate to the Agent to demonstrate that the financial covenant under clause 20 (*Financial covenants*) is complied with; and
- (ii) for the purpose of this clause 29.4(b), (A) no more than two (2) equity injection or shareholder loans per year and (B) no more than five (5) equity injection or shareholder loans throughout the Facility Period shall be permitted.

29.5 Ownership

Høegh LNG Holdings Ltd. and/or companies directly or indirectly controlled by the latter, cease to retain, individually or collectively, at least twenty-five per cent. (25%) of the legal and beneficial ownership of Høegh LNG Partners LP and at least fifty per cent. (50%) of the legal and beneficial ownership of Høegh LNG GP LLC.

29.6 Insurance

- (a) The Insurances of the Ship are not placed and kept in force in the manner required by clause 24 (*Insurance*).
- (b) Any insurer either:
 - (i) cancels any such Insurances; or
 - (ii) disclaims liability under them or asserts that its liability under them is or should be reduced by reason of any mis-statement or failure or default by any person.

29.7 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in clause 29.2 (*Non-payment*), clause 29.3 (*Hedging Contracts*), clause 29.4 (*Financial covenants*) and clause 29.5 (*Insurance*)).
- (b) No Event of Default under paragraph (a) above will occur if the Agent considers that the failure to comply is capable of remedy and the failure is remedied within five (5) Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower becoming aware of the failure to comply.

29.8 Misrepresentation

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 in any material respect when made or deemed to be made.

29.9 Cross default

- (a) Any Financial Indebtedness of the Borrower is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of the Borrower 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 the Borrower is cancelled or suspended by a creditor of the Borrower as a result of an event of default (however described).
- (d) Any creditor of the Borrower becomes entitled to declare any Financial Indebtedness of the Borrower 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 paragraphs (a) to (d) above if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than one million Dollars (USD 1,000,000) (or its equivalent in any other currency or currencies).

29.10 Insolvency

- (a) An Obligor:
 - (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 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 the Borrower is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of the Borrower. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.
- (d) This clause shall only apply to the Sponsors as long as the Sponsor Undertaking remains in place.

29.11 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 Obligor;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor;
 - (iii) the appointment of a liquidator in respect of any Obligor or any of its assets;
 - (iv) enforcement of any Security Interest over any assets of any Obligor; or
 - (v) in the case of the Borrower, action is being taken by the Registrar of Companies of the Cayman Islands, the Borrower or any third party to dissolve it or to strike it off the Cayman Islands register of companies,or any analogous procedure or step is taken in any jurisdiction.

- (b) Paragraph (a) above shall not apply to any winding-up petition (or analogous procedure or step) which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement or, if earlier, the date on which it is advertised.
- (c) This clause shall only apply to the Sponsors as long as the Sponsor Undertaking remains in place.

29.12 Creditors' process

- (a) Any expropriation, attachment, sequestration, distress, execution or any other analogous process or enforcement action (including enforcement by a landlord) affects any asset or assets of any Obligor for an amount in excess of:
 - (i) as per the Borrower: five hundred thousand Dollars (USD 500,000) (or its equivalent in any other currency or currencies);
 - (ii) as per any of the Sponsors: five million Dollars (USD 5,000,000) (or its equivalent in any other currency or currencies),and is not discharged within thirty (30) days except for any of the foregoing falling within the scope of clause 7.8 (Sale or *Total Loss*) or within the scope of what is permitted under clause 29.20 (*Arrest of Ship*).
- (b) This clause shall only apply to the Sponsors as long as the Sponsor Undertaking remains in place and only if the Charterer has served a notice of termination of the Charter Contract.

29.13 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Transaction Security ceases to be effective.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Finance Parties under the Finance Documents.
- (c) Any Finance Document or any Transaction Security ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective or is ineffective.
- (d) Any Security Document does not create legal, valid, binding and enforceable security over the assets charged under that Security Document or the ranking or priority of such security is adversely affected.

29.14 Cessation of business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on (in writing)) all of its business.

29.15 Expropriation

- (a) The authority or ability of the Borrower to conduct its business is 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 the Borrower or any of its assets.
- (b) No Event of Default will occur under paragraph (a) above if the aggregate amount of any insurance payment or indemnity received by the Borrower in relation to any such seizure,

expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person are used for the repayment of the Loan.

29.16 Repudiation and rescission of Finance Documents

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security.

29.17 Litigation

Either:

- (a) any litigation, alternative dispute resolution, arbitration or administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened; or
- (b) 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 Finance Document or the transactions contemplated in the Finance Documents or against the Borrower or any of its assets, rights or revenues which has or is reasonably likely to have a Material Adverse Effect.

29.18 Material Adverse Effect

- (a) Any event or circumstance (including any Environmental Incident or any change of law) occurs which has, or is reasonably likely to have, a Material Adverse Effect.
- (b) This clause shall only apply to the Sponsors as long as the Sponsor Undertaking remains in place and only if the Charterer has served a notice of termination of the Charter Contract.

29.19 Security enforceable

Any Security Interest (other than a Permitted Maritime Lien) in respect of Charged Property becomes enforceable.

29.20 Arrest of Ship

The Ship is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim and the Borrower fails to procure the release of the Ship in accordance with the provisions set out above at Clause 23.11 (*Release from arrest*).

29.21 Ship registration

Except with approval, the registration of the Ship under the laws and flag of its Flag State is cancelled or terminated or, where applicable, not renewed.

29.22 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing, the Agent may, and shall if so directed by the Majority Lenders and the Majority Hedging Providers:

- (a) by notice to the Borrower:

- (i) cancel the Available Commitments at which time they shall immediately be cancelled and the Facility shall immediately cease to be available for further utilisation;
 - (ii) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents (other than the Hedging Contracts) be immediately due and payable, at which time they shall become immediately due and payable; and/or
 - (iii) declare that all or part of the Loan be payable on demand, at which time it shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (b) exercise or direct the Security Agent and/or any other beneficiary of the Security Documents to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

30 Position of Hedging Provider

30.1 Rights of Hedging Provider

Each Hedging Provider is a Finance Party and, as such, will be entitled to share in the Transaction Security *pari passu* with the other Finance Parties in respect of any liabilities of the Borrower under the Hedging Contracts with such Hedging Provider in the manner and to the extent contemplated by the Finance Documents.

30.2 No voting rights

Other than in relation to a decision to be taken under or pursuant to clause 29.22 (*Acceleration*), no Hedging Provider shall be entitled to vote on any matter where a decision of the Lenders alone is required under this Agreement, whether before or after the termination or close out of the Hedging Contracts with such Hedging Provider, provided that each Hedging Provider shall be entitled to vote on any matter where a decision of all the Finance Parties is expressly required.

30.3 Acceleration and enforcement of security

Neither the Agent nor the Security Agent nor any other beneficiary of the Security Documents shall be obliged, in connection with any action taken or proposed to be taken under or pursuant to clause 29 (*Events of Default*) or pursuant to the other Finance Documents, to have any regard to the requirements or interests of any Hedging Provider except to the extent that the relevant Hedging Provider is also a Lender.

30.4 Close out of Hedging Contracts

- (a) The Parties agree that at any time on and after any acceleration of the Loan pursuant to clause 29.22 (*Acceleration*) the Agent (acting on the instructions of the Majority Lenders) shall be entitled, by notice in writing to a Hedging Provider, to instruct such Hedging Provider to terminate and close out any Hedging Transactions (or part thereof) with the relevant Hedging Provider. The relevant Hedging Provider will (and shall be entitled to) terminate and close out the relevant Hedging Transactions (or parts thereof) and/or the relevant Hedging Contracts in accordance with such notice as soon as reasonably practicable and in accordance with the relevant Hedging Master Agreement upon receipt of such notice.
- (b) No Hedging Provider shall be entitled to terminate or close out any Hedging Contract or any Hedging Transaction under it prior to its stated maturity except:
 - (i) in accordance with a notice served by the Agent under paragraph (a) above;

- (ii) in accordance with clause 28.3 (*Unwinding of Hedging Contracts*);
 - (iii) if the Borrower have not paid amounts due under the Hedging Contract and such amounts remain unpaid for a period of five (5) Business Days after the due date for payment
 - (iv) if the Agent takes any action under clause 29.22 (*Acceleration*) or in case of enforcement of any Transaction Security in accordance with its terms;
 - (v) at any time on or after any Event of Default occurs under clause 29.10 (*Insolvency*), or clause 29.11 (*Insolvency Proceedings*) in each case, in relation to the Borrower;
 - (vi) if the full principal amount of the Loan has been repaid or prepaid by the Borrower or the Commitments have been cancelled in full (in each case, whether by way of refinancing or otherwise);
 - (vii) if any Termination Event (as defined in the Hedging Contract) under Section 5(b)(i) (*Illegality*), 5(b)(ii) (*Force Majeure*), 5(b)(iii) (*Tax Event*) or 5(b)(iv) (*Tax Event Upon Merger*) or under any “*Non-Cooperative State Event*” clause of the relevant Hedging Master Agreement occurs;
 - (viii) in accordance with the provisions of the ISDA 2013 EMIR NFC Representation Protocol, if applicable;
 - (ix) in accordance with a close-out or termination right which arises pursuant to Section 1.5 (*No fault termination right*) of the ISDA Benchmarks Supplement, if applicable;
 - (x) if the Hedging Provider, or any of its Affiliates ceases to be a Lender in accordance with clauses 7.1 (*Illegality*), and/or 7.2 (*Sanctions*), and/or 7.5 (*Right of cancellation and prepayment in relation to a single Lender*), and/or 7.6 (*Right of cancellation in relation to a Defaulting Lender*), and/or 7.7 (*Replacement of Lender*), and/or 45.3(d), and/or 45.8 (*Replacement of a Defaulting Lender*); or
 - (xi) in respect of any other termination or close out by a Hedging Provider, with the prior written consent of the Agent (acting on the instructions of the Majority Lenders).
- (c) If there is a net amount payable to any Borrower under a Hedging Transaction or a Hedging Contract upon its termination and close out, the relevant Hedging Provider shall forthwith pay that net amount (together with interest earned on such amount) to the Security Agent for application in accordance with clause 36.1 (*Order of application*).
- (d) For the avoidance of any doubt and notwithstanding anything to the contrary in this Agreement, no Hedging Provider is under any obligation to enter into any Hedging Contract with the Borrower and any Hedging Provider may decide in its sole and absolute discretion to enter into or not enter into any Hedging Contract with the Borrower.

30.5 Transfer of Hedging Contracts to Affiliates

A Hedging Provider may at any time and without the consent of the Borrower transfer by novation all or part its rights and obligations comprising or assign its rights forming all or part of its Hedging Contract(s) to:

- (a) any person to whom it or its Affiliate (in its capacity as Lender) transfers all (or, as applicable, a portion of) its rights as Lender; or
- (b) any of its Affiliates,

provided that such transferee shall accede to this Agreement in accordance with clause 31.10 (*Accession of Hedging Providers*).

Section 8 - Changes to Parties

31 Changes to the Lenders

31.1 Assignments and transfers by the Lenders

Subject to this clause 31, a Lender (the **Existing Lender**) may assign any of its rights or transfer by novation any of its rights and obligations under any Finance Document 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 (the **New Lender**).

31.2 Borrower consent

- (a) The consent of the Borrower is required for an assignment or transfer by a Lender, unless the assignment or transfer is:
 - (i) to another Lender or an Affiliate of any Lender; or
 - (ii) to any bank or financial institution listed in the White List; or
 - (iii) made at a time when an Event of Default is continuing.
- (b) The Borrower's consent to an assignment or transfer may not be unreasonably withheld or delayed and will be deemed to have been given ten (10) Business Days after the Lender has requested consent unless consent is expressly refused within that time.

31.3 Other conditions of assignment or transfer

- (a) An assignment or transfer will only be effective:
 - (i) in the case of an assignment, on receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the Borrower and the other Finance Parties as it would have been under if it had been an Original Lender or, in the case of a transfer, if the procedure set out in clause 31.7 (*Procedure for assignment and transfer*) is complied with;
 - (ii) on the Existing Lender and the New Lender entering into any documentation required for the New Lender to accede as a party to any Security Document to which the Existing Lender is a party in its capacity as a Lender and/or (if it will no longer have an Available Commitment or participation in the Facility) to remove the Existing Lender as a party to and/or beneficiary of any such Security Document and, in relation to such Security Documents, completing any filing, registration or notice requirements;
 - (iii) on the performance by the Agent of all necessary "know your customer" or similar checks under all applicable laws and regulations relating to any person that it is required to carry out in relation to such assignment or transfer to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender; and
 - (iv) if that Existing Lender assigns or transfers equal fractions of its Commitment and participation in the Loan and each Utilisation (if any) under the Facility.

- (b) If:
 - (i) a Lender transfers any of its rights or obligations or assigns any of its rights under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the transfer, assignment or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under clause 13 (*Tax gross-up and indemnities*) or clause 14 (*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 transfer, assignment or change had not occurred unless the transfer, assignment or change is made by the Lender with the Borrower's agreement to mitigate any circumstances giving rise to a Tax Payment or increased cost, or a right to be prepaid and/or cancelled by reason of illegality.

- (c) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the 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 the Finance Documents on or prior to the date on which the transfer or assignment becomes effective in accordance with the Finance Documents and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

31.4 Processing fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of two thousand and five hundred Dollars (USD 2,500).

31.5 Transfer costs and expenses relating to security

The New Lender shall, promptly on demand, pay the Agent and the Security Agent the amount of:

- (a) all costs and expenses (including legal fees) reasonably incurred by the Agent or the Security Agent to facilitate the accession by the New Lender to, or assignment or transfer to the New Lender of, any Security Document granted in favour of (among others) the Lenders and/or the benefit of any such Security Document and any appropriate registration of any such accession or assignment or transfer; and
- (b) any cost, loss or liability the Agent or the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any such accession, assignment or transfer.

It being understood that the Agent and the Security Agent shall not be responsible to determine which actions shall be performed by the New Lender to ensure the accession by the New Lender to, or assignment or transfer to the New Lender of, any Security Document.

31.6 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 Finance Documents, the Transaction Security or any other documents;

- (ii) the financial condition of any Obligor;
- (iii) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
- (iv) the performance and observance by any Obligor or any other person of its obligations under the Finance Documents or any other documents; or
- (v) the accuracy of any statements (whether written or oral) made in or in connection with any Finance 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 that it:

- (i) has made (and shall continue to make) its own independent investigation and assessment of:
 - (A) the financial condition and affairs of the Obligors and their related entities in connection with its participation in this Agreement; and
 - (B) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;

and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document or the Transaction Security;

- (ii) will continue to make its own independent appraisal of the application of any Basel Regulation to the transactions contemplated by the Finance Documents; and
- (iii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

- (i) accept a re-assignment or re-transfer from a New Lender of any of the rights and obligations transferred or assigned under this clause 31; or
- (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Finance Document or by reason of the application of any Basel II Regulation to the transactions contemplated by the Finance Documents or otherwise.

31.7 Procedure available for assignment or transfer

- (a) Subject to the conditions set out in clause 31.2 (*Borrower consent*) and clause 31.3 (*Other conditions of assignment or transfer*) an assignment may be or a transfer is effected in accordance with paragraph (d) below when (a) the Agent executes an otherwise duly completed Assignment Agreement or Transfer Certificate, as applicable, and (b) the Agent executes any document required under paragraph (a) of clause 31.3 (*Other conditions of assignment or transfer*) which it may be necessary for it to execute in each case delivered to it by the Existing Lender and the New Lender duly executed by them and, in the case of any such other document, any other relevant person. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of an Assignment Agreement or a Transfer Certificate, as applicable, and any such other document each

duly completed, 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 or Transfer Certificate, as applicable, and such other document.

- (b) The Agent shall only be obliged to execute an Assignment Agreement or 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 assignment or transfer to such New Lender.
- (c) The Borrower and the other Finance Parties irrevocably authorise the Agent to execute any Transfer Certificate on their behalf without any consultation with them.
- (d) On the Transfer Date:
 - (i) in case of a novation:
 - (A) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under this Agreement and the other Finance Documents each of the Borrower and the Existing Lender shall be released from further obligations towards one another under this Agreement and the other Finance Documents and their respective rights against one another under this Agreement shall be cancelled (being the **Discharged Rights and Obligations**);
 - (B) the Borrower 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 Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (C) the other Finance Parties and the New Lender shall acquire the same rights and assume the same obligations between themselves under this Agreement 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 Existing Lender and the other Finance Parties shall each be released from further obligations to each other under this Agreement; and
 - (D) the New Lender shall become a Party as a “Lender”.
 - (ii) in case of an assignment:
 - (A) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;
 - (B) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the **Relevant Obligations**) and expressed to be the subject of the release in the Assignment Agreement (but the obligations owed by the Obligors under the Finance Documents shall not be released); and
 - (C) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.

- (e) Lenders may utilise procedures other than those set out in this clause 31.7 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with this clause 31.7 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 31.2 (*Borrower consent*) and clause 31.3 (*Other conditions of assignment or transfer*).

31.8 Copy of Assignment Agreement or Transfer Certificate to Borrower

The Agent shall, as soon as reasonably practicable after it has executed an Assignment Agreement or a Transfer Certificate and any other document required under paragraph (a) of clause 31.3 (*Other conditions of assignment or transfer*), send a copy of that Assignment Agreement or Transfer Certificate and such other documents to the Borrower.

31.9 Security over Lenders' rights

In addition to the other rights provided to Lenders under this clause 31, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create a Security Interest 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 Interest to secure obligations to a federal reserve or central bank; and
- (b) any charge, assignment or other Security Interest 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 other Security Interest shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security Interest 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.

31.10 Accession of Hedging Providers to this Agreement

Any Party (other than an Original Lender) which becomes a Lender after the date of this Agreement shall, at the same time, become a Party to this Agreement as a Hedging Provider.

32 Changes to the Borrower

The Borrower may not assign any of its rights or transfer any of its rights or obligations under this Agreement, except as expressly permitted by the terms of this Agreement. The Lenders agree, subject to clause 19.11 (*"Know your customer" checks*), at the cost of the Borrower to provide reasonable cooperation with any restructuring of the ownership (including any re-domiciliation of the Borrower), chartering, flagging and loan and security arrangements for the Ship requested by the Borrower to accommodate bona fide tax planning and/or operational requirements for the Ship. Any restructuring will be on the basis that the Lenders and the Hedging Providers will be in no worse a credit or security position, including the security over the Ship, the Sponsor Undertakings and the guarantees or other security to be provided. For the avoidance of doubt, any such transfer shall be subject to unanimous Lenders and Hedging Providers consent.

Section 9 - The Finance Parties

33 Roles of Agent, Security Agent and Mandated Lead Arrangers

33.1 Appointment of the Agent and Security Agent

Each other Finance Party (other than the Security Agent) appoints:

- (a) the Agent to act as its agent under and in connection with the Finance Documents; and
- (b) the Security Agent to act as its agent and as trustee under the Security Documents.

33.2 Security Agent as trustee

The Security Agent declares that it holds the Security Property on trust for itself and the other Finance Parties on the terms contained in this Agreement.

33.3 Authorisation of Agent and Security Agent

Each of the Finance Parties authorises the Agent and the Security Agent:

- (a) to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent or (as the case may be) the Security Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions; and
- (b) to execute each of the Security Documents and all other documents that may be approved by the Majority Lenders for execution by it.

33.4 Instructions to Agent and the Security Agent

- (a) The Agent and the Security Agent shall:
 - (i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent or (as the case may be) the Security 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 paragraph (i) above (or, if the relevant Finance Document 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 Agent and the Security 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 Agent or (as the case may be) the Security Agent may refrain from acting unless and until it receives those instructions or that clarification.

- (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 Agent or (as the case may be) 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 Agent or the Security Agent to act in a specified manner or to take a specified action;
 - (iii) in respect of any provision which protects the Agent's or the Security Agent's own position in its personal capacity as opposed to its role of the Agent or the Security Agent for the Finance Parties including, without limitation, clauses 33.9 (*No duty to account*) to clause 33.14 (*Exclusion of liability*), clause 33.20 (*Confidentiality*) to clause 34.5 (*Custodians and nominees*) and clauses 34.8 (*Acceptance of title*) to 34.11 (*Disapplication of Trustee Acts*).
- (e) If giving effect to instructions given by any other Finance Party or group of Finance Parties would (in the Agent's or (as the case may be) the Security Agent's opinion) have an effect equivalent to an amendment or waiver which is subject to clause 45 (*Amendments and waivers*), the Agent or (as the case may be) the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than itself) whose consent would have been required in respect of that amendment or waiver.
- (f) The Agent or the Security Agent may refrain from acting in accordance with any instructions of any other 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.
- (g) Without prejudice to the provisions of clause 35 (*Enforcement of Transaction Security*) and the remainder of this clause 33, in the absence of instructions, the Agent and the Security Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

33.5 Legal or arbitration proceedings

Neither the Agent nor the Security Agent is authorised to act on behalf of another Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This clause 33.5 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.

33.6 Duties of the Agent and the Security Agent

- (a) The Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent or (as the case may be) the Security Agent shall promptly

- (i) (in the case of the Security Agent) forward to the Agent a copy of any document received by the Security Agent from any Obligor under any Finance Document; and
 - (ii) forward to a Party the original or a copy of any document which is delivered to the Agent or (as the case may be) the Security Agent for that Party by any other Party.
- (c) Without prejudice to clause 31.8 (*Copy of Assignment Agreement or Transfer Certificate to Borrower*), paragraph (b) above shall not apply to any Assignment Agreement or any Transfer Certificate.
 - (d) Except where a Finance Document specifically provides otherwise, neither the Agent nor the Security Agent is obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
 - (e) Without prejudice to clause 36.12 (*Notification of prescribed events*), if the Agent or the Security Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
 - (f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or a Mandated Lead Arranger or the Security Agent for their own account) under this Agreement, it shall promptly notify the other Finance Parties.
 - (g) The Agent shall provide to the Borrower, within five (5) Business Days of a request by the Borrower (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.
 - (h) The Agent and 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).

33.7 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 or the transactions contemplated by the Finance Documents.

33.8 No fiduciary duties

Nothing in any Finance Document constitutes the Agent, the Security Agent or a Mandated Lead Arranger as a trustee or fiduciary of any other person except to the extent that the Security Agent acts as trustee for the other Finance Parties pursuant to clause 33.2 (*Security Agent as trustee*).

33.9 No duty to account

None of the Agent, the Security Agent or Mandated Lead Arrangers shall be bound to account to any other Finance Party for any sum or the profit element of any sum received by it for its own account.

33.10 Business with the Sponsors

The Agent, the Security Agent and a Mandated Lead Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Obligor or their Affiliates.

33.11 Rights and discretions of the Agent and the Security Agent

- (a) The Agent and 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 Lenders or other Finance Parties or any group of Lenders or other 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; and
 - (C) in the case of the Security Agent, 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 Agent and the Security Agent may assume (unless it has received notice to the contrary in its capacity as agent or (as the case may be) security trustee for the other Finance Parties) that:
 - (i) no Default has occurred (unless (in the case of the Agent) it has actual knowledge of a Default arising under clause 29.2 (*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 the Borrower (other than (in the case of the Agent) the Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) Each of the Agent and the Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, each of the Agent and the Security Agent may at any time engage and pay for the services of any

lawyers to act as independent counsel to it (and so separate from any lawyers instructed by the Lenders or any other Finance Party) if it, in its reasonable opinion, deems this to be desirable.

- (e) Each of the Agent and the Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts (whether obtained by it 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 Agent, the Security Agent, any Receiver and any Delegate may act in relation to the Finance Documents, the Transaction Security 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 Agent's, the Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct.

- (g) Unless any Finance Document expressly specifies otherwise, the Agent or the Security Agent may disclose to any other Party any information it reasonably believes it has received as agent or security trustee under this Agreement.
- (h) Without prejudice to the generality of paragraph (g) above, the Agent:
 - (i) may disclose; and
 - (ii) on the written request of the Borrower or the Majority Lenders shall, as soon as reasonably practicable, disclose the identity of a Defaulting Lender to the other Finance Parties and the Borrower.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Security Agent nor any Mandated Lead Arranger is 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, neither the Agent nor the Security Agent is 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.
- (k) Neither the Agent nor any Mandated Lead Arranger shall be obliged to request any certificate, opinion or other information under clause 19 (*Information undertakings*) unless so required in writing by a Lender or any Hedging Provider, in which case the Agent shall promptly make the appropriate request of the Borrower if such request would be in accordance with the terms of this Agreement.

33.12 Responsibility for documentation and other matters

None of the Agent, the Security Agent, any Mandated Lead Arranger, any Receiver or any Delegate is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Security Agent, any Mandated Lead Arranger, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document, the Transaction Security or the Security Property;
- (c) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
- (d) (in the case of the Security Agent) any loss to the Security Property arising in consequence of the failure, depreciation or loss of any Charged Property or any investments made or retained in good faith or by reason of any other matter or thing;
- (e) the failure of any Obligor or any other party to perform its obligations under any Finance Document or the financial condition of any such person;
- (f) (save as otherwise provided in this clause 33) taking or omitting to take any other action under or in relation to the Security Documents;
- (g) any other beneficiary of a Security Document failing to perform or discharge any of its duties or obligations under any Finance Document; or
- (h) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by any applicable law or regulation relating to insider dealing or otherwise.

33.13 No duty to monitor

Neither the Agent nor the Security Agent shall be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party or any Obligor of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

33.14 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 Agent, the Security Agent, any Receiver or Delegate), none of the Agent, the Security Agent, any Receiver nor any

Delegate will be liable (including, without limitation, for negligence or any other category of liability whatsoever) 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 Finance 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 Finance 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 Finance Document or the Security Property;
- (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, losses, 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 Agent, the Security Agent, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Agent, the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Agent, 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 Finance Document or any Security Property and any officer, employee or agent of the Agent, the Security Agent, a Receiver or a Delegate may rely on this clause subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) Neither of the Agent or the Security Agent will 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 it if it 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 it for that purpose.
- (d) Nothing in any Finance Document shall oblige the Agent, the Security Agent or any Mandated Lead Arranger 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 any of the Finance Documents might be unlawful for any Finance Party or for any Affiliate of any Finance Party,

on behalf of any other Finance Party and each other Finance Party confirms to the Agent, the Security 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 Agent, the Security Agent or any Mandated Lead Arranger.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Agent, the Security Agent, any Receiver or any Delegate, any liability of the Agent, the Security Agent, any Receiver or any Delegate arising under or in connection with any Finance 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 Agent, the Security Agent, Receiver or Delegate (as the case may be) 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 Agent, the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. In no event shall the Agent, the Security Agent, any Receiver or any 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 Agent, the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

33.15 Amounts paid in error

- (a) If any of the Agent or the Security Agent pays an amount to another Finance Party and the Agent or the Security Agent (as applicable) notifies that Finance Party that such payment was an Erroneous Payment, then the Finance Party to whom that amount was paid shall on demand refund the same to the Agent or the Security Agent (as applicable) together with interest on that amount from the date of payment to the date of receipt by the Agent or the Security Agent (as applicable), calculated by the Agent or the Security Agent (as applicable) to reflect its cost of funds.
- (b) Neither:
 - (i) the obligations of any Finance Party to the Agent or the Security Agent (as applicable); nor
 - (ii) the remedies of the Agent or of the Security Agent (as applicable),(whether arising under this clause or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Agent or the Security Agent (as applicable) or any other Finance Party).
- (c) All payments to be made by a Finance Party to the Agent or the Security Agent (as applicable) (whether made pursuant to this clause or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this clause, **Erroneous Payment** means a payment of an amount by the Agent or the Security Agent (as applicable) to another Finance Party which the Agent or the Security Agent (as applicable) determines (in its sole discretion) was made in error.

33.16 Lenders' indemnity to the Agent and others

- (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 being reduced to zero) indemnify the Agent, the Security Agent, every Receiver and every Delegate, within three (3) Business Days of demand, against any Losses (including,

without limitation, for negligence or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the relevant Agent's, Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) (or, in the circumstances contemplated pursuant to clause 39.11 (*Disruption to payment systems etc.*), notwithstanding the Agent's negligence, gross negligence, or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent, Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Finance Documents (unless the relevant Agent, Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document).

- (b) Subject to paragraph (c) below, the Borrower shall immediately on demand reimburse any Lender for any payment that Lender makes to the Agent or the Security Agent or any Receiver or Delegate 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 Agent or the Security Agent to an Obligor.

33.17 Resignation of the Agent or the Security Agent

- (a) The Agent or the Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.
- (b) Alternatively the Agent or the Security Agent may resign by giving thirty (30) days' notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (with the consent of the Borrower), not to be unreasonably withheld (unless the successor Agent or Security Agent is a Lender or Affiliate of a Lender or if an Event of Default has occurred and is continuing, in which case such consent is not required and only notice of the appointment shall be provided to the Borrower) may appoint a successor Agent or Security Agent.
- (c) If the Majority Lenders have not appointed a successor Agent or Security Agent in accordance with paragraph (b) above within twenty (20) days after notice of resignation was given, the retiring Agent or Security Agent in each case with the consent of the Borrower not to be unreasonably withheld or delayed (unless the successor Agent or Security Agent is a Lender, Affiliate of a Lender, a Hedging Provider, an Affiliate of a Hedging Provider or if an Event of Default has occurred and is continuing in which case no such consent is required and only notice of the appointment shall be provided to the Borrower) and the Borrower will be deemed to have given its consent ten (10) Business Days after the retiring Agent or the Security Agent has requested it unless consent is expressly refused by the Borrower within that time may appoint a successor Agent or Security Agent.
- (d) If the Agent or Security Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent or trustee and the Agent or (as the case may be) Security Agent is entitled to appoint a successor Agent or (as the case may be) Security Agent under paragraph (c) above, the Agent or (as the case may be) Security Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent or (as the case may be) Security Agent to become a party to this Agreement as Agent or (as the case may be) Security Agent) agree with the proposed successor Agent or (as the case may be) Security Agent amendments to this clause 33 and any other term of this Agreement dealing with the rights or obligations of the Agent or (as the case may be) Security Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the fee payable to it in its capacity as Agent or (as the case may be) Security Agent under this Agreement which are consistent with the successor

Agent's or (as the case may be) Security Agent's normal fee rates and those amendments will bind the Parties.

- (e) The retiring Agent or Security Agent shall make available to the successor Agent or Security Agent such documents and records and provide such assistance as the successor Agent or Security Agent may reasonably request for the purposes of performing its functions as Agent or (as the case may be) Security Agent under the Finance Documents. The Borrower shall, within three (3) Business Days of demand, reimburse the retiring Agent or (as the case may be) Security Agent for the amount of all costs and expenses (including legal fees) (together with any applicable VAT) properly incurred by it in making available such documents and records and providing such assistance.
- (f) The Agent's or Security Agent's resignation notice shall only take effect upon:
 - (i) the appointment of a successor; and
 - (ii) (in the case of the Security Agent) the transfer or assignment of all the Transaction Security and the other Security Property to that successor and any appropriate filings or registrations, any notices of transfer or assignment and the payment of any fees or duties related to such transfer or assignment which the Security Agent considers necessary or advisable have been duly completed.
- (g) Upon the appointment of a successor, the retiring Agent or Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of clause 34.9 (*Winding up of trust*) and paragraph (e) above) but shall remain entitled to the benefit of clauses 15.3 (*Indemnity to the Agent and the Security Agent*) and 15.4 (*Indemnity concerning security*) and this clause 33 (and any agency or other fees for the account of the retiring Agent or Security Agent in its capacity as such 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 that successor had been an original Party.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor 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 Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under clause 13.8 (*FATCA Information*) and the Borrower or a Lender reasonably believes that the 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 Agent pursuant to clause 13.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrower and the Lenders that the 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 Borrower or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Borrower or that Lender, by notice to the Agent, requires it to resign.

33.18 Replacement of the Agent

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent.
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of clauses 15.3 (*Indemnity to the Agent and the Security Agent*) and 15.4 (*Indemnity concerning security*) and this clause 33 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent 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.

33.19 Replacement of the Security Agent

The Majority Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) of clause 33.17 (*Resignation of the Agent or the Security Agent*). In this event, the Security Agent shall resign in accordance with that paragraph.

33.20 Confidentiality

- (a) In acting as agent or trustee for the Finance Parties, the Agent or (as the case may be) the Security Agent shall be regarded as acting through its agency, trustee or other division or department directly responsible for the management of the Finance Documents which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent or (as the case may be) Security Agent, it may be treated as confidential to that division or department and the Agent or (as the case may be) Security Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Security Agent nor any Mandated Lead Arranger is 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.

33.21 Agent's relationship with the Lenders and Hedging Providers

- (a) The Agent may treat the person shown in its records as Lender or as a Hedging Provider at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender or (as the case may be) as a Hedging Provider acting through its Facility Office:
 - (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 (5) Business Days prior notice from that Lender or (as the case may be) a Hedging Provider to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender or a Hedging Provider may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender or (as the case may be) a Hedging Provider 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 41.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt 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, department and officer (or such other information) by that Lender or (as the case may be) a Hedging Provider for the purposes of clause 41.2 (*Addresses*) and clause 41.6 (*Electronic communication*) and the 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 or (as the case may be) a Hedging Provider.

33.22 Information from the Finance Parties

Each Finance Party shall supply the Agent or the Security Agent with any information that the Agent or (as the case may be) the Security Agent may reasonably specify as being necessary or desirable to enable the Agent or (as the case may be) the Security Agent to perform its functions as Agent or (as the case may be) Security Agent.

33.23 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each other Finance Party confirms to the Agent, the Security 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 Finance Document including but not limited to:

- (a) the financial condition, status and nature of each Obligor;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document, the Transaction Security or the Security Property;
- (c) the application of any Basel Regulation to the transactions contemplated by the Finance Documents;
- (d) 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 Finance Document, the Transaction Security, the Security Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document, the Transaction Security or the Security Property;
- (e) the adequacy, accuracy or completeness of any information provided by the Agent, the Security Agent, the Mandated Lead Arrangers or any other Party or by any other person

under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

- (f) the right or title of any person in or to, or the value or sufficiency of, any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security Interest affecting the Charged Property.

33.24 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the 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.

33.25 Reliance and engagement letters

Each of the Agent, the Security Agent and the Mandated Lead Arrangers may enter into any reliance letter or engagement letter relating to any valuations, reports, opinions or letters or advice or assistance provided by lawyers, accountants, tax advisers, insurance consultants, ship managers, valuers, surveyors or other professional advisers or experts in connection with the Finance Documents or the transactions contemplated in the Finance Documents on such terms as it may consider appropriate (including, without limitation, restrictions on the lawyer's, accountant's, tax adviser's, insurance consultant's, ship manager's, valuer's, surveyor's or other professional adviser's or expert's liability and the extent to which their valuations, reports, opinions or letters may be relied on or disclosed).

34 Trust and security matters

34.1 Undertaking to pay

- (a) The Borrower undertakes with the Security Agent as trustee for the Finance Parties that it will, on demand by the Security Agent, pay to the Security Agent as trustee for the Finance Parties all money from time to time owing to the other Finance Parties (in addition to paying any money owing under the Finance Documents to the Security Agent for its own account), and discharge all other obligations from time to time incurred, by it under or in connection with the Finance Documents.
- (b) Each payment which the Borrower makes to another Finance Party in accordance with any Finance Document shall, to the extent of the amount of that payment, satisfy the Borrower's corresponding obligation under paragraph (a) above to make that payment to the Security Agent.

34.2 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

- (a) ascertain whether all deeds and documents which should have been deposited with it under or pursuant to any of the Security Documents have been so deposited;
- (b) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;

- (c) 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;
- (d) 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;
- (e) take, or to require any Obligor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security Interest under any law or regulation; or
- (f) require any further assurance in relation to any Security Document.

34.3 Insurance by Security Agent

- (a) The Security Agent shall not be obliged:
 - (i) to insure any of the Charged Property;
 - (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 Agent requests it to do so in writing and the Security Agent fails to do so within fourteen (14) days after receipt of that request.

34.4 Common parties

Although the Agent and the Security Agent may from time to time be the same entity, that entity will have entered into the Finance Documents (to which it is party) in its separate capacities as agent for the other Finance Parties and (as appropriate) security agent and trustee for all of the other Finance Parties. Where any Finance Document provides for an Agent or Security Agent to communicate with or provide instructions to the other, while they are the same entity, such communication or instructions will not be necessary.

34.5 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.

34.6 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 Finance 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.

34.7 Additional trustees

- (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 Finance Parties;
 - (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 Borrower 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.
- (d) At the request of the Security Agent, the other Parties shall forthwith execute all such documents and do all such things as may be required to perfect such appointment or removal and each such Party irrevocably authorises the Security Agent in its name and on its behalf to do the same.
- (e) Such a person shall accede to this Agreement as a Security Agent to the extent necessary to carry out their role on terms satisfactory to the Security Agent.
- (f) The Security Agent shall not be bound to supervise, or be responsible for any loss incurred by reason of any act or omission of, any such person if the Security Agent shall have exercised reasonable care in the selection of such person.

34.8 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 Obligor may have to any of the Charged Property and shall not be liable for, or bound to require any Obligor to remedy, any defect in its right or title.

34.9 Winding up of trust

If the Security Agent, with the approval of the Agent, determines that:

- (a) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged; and
- (b) no Finance Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any 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 33.17 (*Resignation of the Agent or the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

34.10 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.

34.11 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.

Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement 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 shall constitute a restriction or exclusion for the purposes of that Act.

35 Enforcement of Transaction Security

35.1 Enforcement Instructions

- (a) The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by Majority Lenders.
- (b) Subject to the Transaction Security having become enforceable in accordance with its terms, the Majority Lenders may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.
- (c) The Security Agent is entitled to rely on and comply with instructions given in accordance with this clause 35.1.

35.2 Manner of enforcement

If the Transaction Security is being enforced pursuant to clause 35.1 (*Enforcement Instructions*), the Security Agent shall enforce the Transaction Security in such manner as the Majority Lenders

shall instruct or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate.

35.3 Waiver of rights

To the extent permitted under applicable law and subject to clause 35.1 (*Enforcement Instructions*), clause 35.2 (*Manner of enforcement*) and clause 36 (*Application of Proceeds*), each of the Finance Parties and the Obligors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

35.4 Enforcement through Security Agent only

- (a) The other Finance 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 or to grant any consents or releases under the Security Documents except through the Security Agent or as required and permitted by this clause 35.4.
- (b) Where a Finance Party (other than the Security Agent) is a party to a Security Document that Finance Party shall:
 - (i) promptly take such action as the Security Agent may reasonably require (acting on the instructions of the Agent) to enforce, or have recourse to, any of the Transaction Security constituted by such Security Document or, for such purposes, to exercise any right, power, authority or discretion arising or to grant any consents or releases under such Security Document or (subject to clause 45.5 (*Releases*)) to release, reassign and/or discharge any such Transaction Security or any guarantee or other obligations under any such Security Document; and
 - (ii) not take any such action except as so required or (in the case of a release) for a release which is expressly permitted or required by the Finance Documents.
- (c) Each Finance Party (other than the Security Agent) which is party to a Security Document shall, promptly upon being requested by the Security Agent (acting on the instructions of the Agent) to do so, grant a power of attorney or other sufficient authority to the Security Agent or its legal advisers to enable the Security Agent or such legal advisers to enforce or have recourse in the name of such Finance Party to the relevant Transaction Security constituted by such Security Document or to exercise any such right, power, authority or discretion or to grant any such consent or release under such Security Document or to release, reassign and/or discharge any such Transaction Security on behalf of such Finance Party.

36 Application of proceeds

36.1 Order of application

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this clause 36, 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 provisions of this clause 36), in the following order of priority:

- (a) in discharging any sums owing to the Security Agent (other than pursuant to clause 34.1 (*Undertaking to pay*)), any Receiver or any Delegate;

- (b) in discharging all costs and expenses incurred by any Finance Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement;
- (c) in payment or distribution to the Agent on its own behalf and on behalf of the other Finance Parties for application in accordance with clause 39.6 (*Partial payments*);
- (d) if none of the Obligor 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 Obligor; and
- (e) the balance, if any, in payment or distribution to the relevant Obligor.

36.2 Security proceeds realised by other Finance Parties

Where a Finance Party (other than the Security Agent) is a party to a Security Document and that Finance Party receives or recovers any amounts pursuant to the terms of that Security Document or in connection with the realisation or enforcement of all or any part of the Transaction Security which is the subject of that Security Document then, subject to the terms of that Security Document and to the extent permitted by applicable law, such Finance Party shall account to the Security Agent for those amounts and the Security Agent shall apply them in accordance with clause 36.1 (*Order of application*) as if they were Recoveries for the purposes of such clause or (if so directed by the Security Agent) shall apply those amounts in accordance with clause 36.1(*Order of application*).

36.3 Investment of cash proceeds

Prior to the application of any Recoveries in accordance with clause 36.1 (*Order of Application*) the Security Agent may, in its discretion, hold:

- (a) all or part of any Recoveries which are in the form of cash; and
- (b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the Security Property which are not in the form of cash

in one or more interest bearing suspense or impersonal accounts 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 application from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of this clause 36.

36.4 Currency conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may:
 - (i) convert any moneys received or recovered by the Security Agent from one currency to another; and
 - (ii) notionally convert the valuation provided in any opinion or valuation from one currency to another,

in each case at the Agent's Spot Rate of Exchange for the purchase of that other currency with the currency in which the relevant moneys are received or recovered or the valuation is provided in the London foreign exchange market at or about 11:00 am (London time) on a particular day.

- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied:
 - (i) in the case of paragraph (a)(i) above, to the extent of the amount of the due currency purchased after deducting the costs of conversion; and
 - (ii) in the case of paragraph (a)(ii) above, to the extent of the amount of the due currency which results from the notional conversion referred to in that paragraph.

36.5 Permitted Deductions

The Security Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, 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).

36.6 Good discharge

- (a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent may be made to the Agent on behalf of the Finance Parties.
- (b) Any distribution or payment made as described in paragraph (a) above shall be a good discharge, to the extent of that payment or distribution, by the Security Agent to the extent of that payment.
- (c) The Security Agent is under no obligation to make the payments to the Agent under paragraph (a) above in the same currency as that in which the Secured Obligations owing to the relevant Finance Party are denominated pursuant to the relevant Finance Document.

36.7 Calculation of amounts

For the purpose of calculating any person's share of any amount payable to or by it, the Security Agent shall be entitled to:

- (a) notionally convert the Secured Obligations owed to any person into a common base currency (decided in its discretion by the Security Agent), that notional conversion to be made at the spot rate at which the Security Agent is able to purchase the notional base currency with the actual currency of the Secured Obligations owed to that person at the time at which that calculation is to be made; and
- (b) assume that all amounts received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Secured Obligations in accordance with the terms of the Finance Documents under which those Secured Obligations have arisen.

36.8 Release to facilitate enforcement and realisation

- (a) Each Finance Party acknowledges that, for the purpose of any enforcement action by the Security Agent or a Receiver and/or maximising or facilitating the realisation of the Charged Property, it may be desirable that certain rights or claims against an Obligor and/or under certain of the Transaction Security, be released.
- (b) Each other Finance Party hereby irrevocably authorises the Security Agent (acting on the instructions of the Agent) to grant any such releases to the extent necessary to effect such

enforcement action and/or realisation including, to the extent necessary for such purpose, to execute release documents in the name of and on behalf of the other Finance Parties.

- (c) Where the relevant enforcement is by way of disposal of shares in the Borrower, the requisite release may include releases of all claims (including under guarantees) of the Finance Parties and/or the Security Agent against the Borrower and of all Security Interests over its assets.

36.9 Dealings with Security Agent

Subject to clause 41.5 (*Communication when Agent is Impaired Agent*), each Finance Party shall deal with the Security Agent exclusively through the Agent.

36.10 Agent's dealings with Hedging Provider

The Agent shall not be under any obligation to act as agent or otherwise on behalf of any Hedging Provider except as expressly provided for in, and for the purposes of, this Agreement.

36.11 Disclosure between Finance Parties and Security Agent

Notwithstanding any agreement to the contrary, each of the Obligors consents, until the end of the Facility Period, to the disclosure by any Finance Party to each other (whether or not through the Agent or the Security Agent) of such information concerning the Obligors as any Finance Party shall see fit.

36.12 Notification of prescribed events

- (a) If an Event of Default or Default either occurs or ceases to be continuing, the Agent shall, upon becoming aware of that occurrence or cessation, notify the Security Agent.
- (b) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each other Finance Party of that action.
- (c) If any Finance Party exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Finance Party of that action.
- (d) If an Obligor defaults on any payment due under a Hedging Contract, the Hedging Provider which is party to that Hedging Contract shall, upon becoming aware of that default, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent.
- (e) If a Hedging Provider terminates or closes-out, in whole or in part, any Hedging Transaction under any Hedging Contract it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Agent.

37 Finance Parties tax affairs

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.

38 Sharing among the Finance Parties

38.1 Payments to Finance Parties

If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with clause 39 (*Payment mechanics*) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
- (b) the 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 Agent and distributed in accordance with clause 39 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 39.6 (*Partial payments*).

38.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with clause 39.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

38.3 Recovering Finance Party's rights

On a distribution by the Agent under clause 38.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant 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 Obligor.

38.4 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 Agent, pay to the 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 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 Obligor.

38.5 Exceptions

- (a) This clause 38 shall not apply (i) 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 Obligor or (ii) to any amount received or recovered by any Hedging Provider pursuant to any payment or close-out netting provisions under the relevant Hedging Contract.
- (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;
 - (ii) the taking legal or arbitration proceedings was in accordance with the terms of this Agreement; and
 - (iii) 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 10 - Administration

39 Payment mechanics

39.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document (other than a Hedging Contract), that Obligor or Lender shall make the same available to the 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 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 Agent) and with such bank as the Agent, in each case, specifies.

39.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to clause 39.3 (*Distributions to an Obligor*) and clause 39.4 (*Clawback and pre-funding*) be made available by the 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 Agent by not less than five (5) 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).

39.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with clause 40 (*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.

39.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the 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 Agent pays an amount to another Party and it proves to be the case that the 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 Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of the Borrower before receiving funds from the Lenders then if and to the extent

that the 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 Borrower:

- (i) the Agent shall notify the Borrower of that Lender's identity and the Borrower shall on demand refund it to the Agent; and
- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

39.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, the Borrower or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with clause 39.1 (*Payments to the Agent*) may instead either:
 - (i) pay that amount direct to the required recipient(s); or
 - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Borrower or the Lender making the payment (the **Paying Party**) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the **Recipient Party** or **Recipient Parties**).

In each case such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with this clause 39.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with this Agreement, each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with clause 39.2 (*Distributions by the Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
 - (i) that it has not given an instruction pursuant to paragraph (d) above; and
 - (ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

39.6 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent 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 amount owing to the Agent, the Security Agent or the Mandated Lead Arrangers for their own account under those Finance Documents;
 - (ii) **secondly**, in or towards payment to the Lenders pro rata of any amount owing to the Lenders under clause 33.16 (*Lenders' indemnity to the Agent and others*);
 - (iii) **thirdly**, in or towards payment pro rata and pari passu to (A) and (B) below:
 - (A) to the Lenders pro rata of all other amounts due to them but unpaid under the Finance Documents in the following order of:
 - (1) first, any accrued interest, fee or commission due to them but unpaid under the Finance Documents;
 - (2) secondly, any principal due to them but unpaid under this Agreement; and
 - (3) thirdly, any other sum due to them but unpaid under the Finance Documents; and
 - (B) to the Hedging Providers pro rata of any amounts due to them but unpaid under the Finance Documents; and
 - (iv) **fourth**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by all the Lenders and each Hedging Providers, vary the order set out in paragraphs (ii) to (iv) of paragraph (a) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

39.7 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 other than pursuant to any payment or close-out netting provisions under any Hedging Contract or other provisions of the Hedging Contract seeking to achieve a single net sum payable in respect of that Hedging Contract.

39.8 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 Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

39.9 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) A repayment of all or part of the Loan or an Unpaid Sum and each payment of interest shall be made in dollars on its due date.
- (c) Each payment in respect of the amount of any costs, expenses or Taxes or other losses shall be made in dollars and, if they were incurred in a currency other than dollars, the amount payable under the Finance Documents shall be the equivalent in dollars of the relevant amount in such other currency on the date on which it was incurred.
- (d) All moneys received or held by the Security Agent or by a Receiver under a Security Document in a currency other than dollars may be sold for dollars and the Obligor which executed that Security Document shall indemnify the Security Agent against the full cost in relation to the sale. Neither the Security Agent nor such Receiver will have any liability to that Obligor in respect of any loss resulting from any fluctuation in exchange rates after the sale.

39.10 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 Agent (after consultation with the Borrower); 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 Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Interbank Market and otherwise to reflect the change in currency.

39.11 Disruption to payment systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrower 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 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 Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 45 (*Amendments and waivers*);
- (e) the 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 Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 39.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

40 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.

41 Notices

41.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents (other than any Hedging Contract) shall be made in writing and, unless otherwise stated, may be made by fax or letter.

41.2 Addresses

The address, and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Obligor or Finance Party for any communication or document to be made or delivered under or in connection with the Finance Documents (other than any Hedging Contract) is:

- (a) in the case of any Obligor who is a Party, that identified with its name in Schedule 1 (*The original parties*);
- (b) in the case of any Obligor which is not a Party, that identified in any Finance Document to which it is a party;
- (c) in the case of the Security Agent, the Agent and any other original Finance Party, that identified with its name in Schedule 1 (*The original parties*); and
- (d) in the case of each Lender or other Finance Party, that notified in writing to the Agent on or prior to the date on which it becomes a Party in the relevant capacity,

or, in each case, any substitute address, fax number, or department or officer as an Obligor or Finance Party may notify to the Agent (or the Agent may notify to the other Finance Parties and the Obligors who are Parties, if a change is made by the Agent) by not less than five Business Days' notice.

41.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents (other than any Hedging Contract) 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 41.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Schedule 1 (*The original parties*) (or any substitute department or officer as the Agent or the Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Borrower in accordance with this clause 41.3 will be deemed to have been made or delivered to each of the 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.

41.4 Notification of address and fax number

Promptly upon changing its' address or fax number, the Agent shall notify the other Parties.

41.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

41.6 Electronic communication

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents (other than any Hedging Contract) may be made or delivered 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 or document 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 or delivery.
- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and, in the case of any electronic communication or document made or delivered by a Party to the Agent or the Security Agent, only if it is addressed in such a manner as the Agent or the Security Agent shall specify for this purpose.
- (d) Any electronic communication or document 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 or document is sent or made available has its address for the purpose of this Agreement or any other Finance Document shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document (other than any Hedging Contract) to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this clause 41.6.

41.7 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 Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

42 Calculations and certificates

42.1 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.

42.2 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.

42.3 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 Interbank Market differs, in accordance with that market practice.

43 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 nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

44 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance 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 any Finance 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.

45 Amendments and waivers

45.1 Required consents

- (a) Subject to clause 45.2 (*All Lender matters*) and clause 45.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrower and any such amendment or waiver will be binding on all the Finance Parties and other Obligors.
- (b) The Agent may (or, in the case of the Security Documents, instruct the Security Agent to) effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause 45.
- (c) Without prejudice to the generality of paragraphs (c), (d) and (e) of clause 33.11 (*Rights and discretions of the Agent*), the 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.
- (d) Each Obligor agrees to any such amendment or waiver permitted by this clause 45 which is agreed to by the Borrower.

45.2 All Lender matters

Subject to clause 45.3 (*Other exceptions*) and clause 45.4 (*Replacement of Screen Rate*) an amendment, waiver or discharge or release or a consent of, or 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) the definition of “Last Availability Date” in clause 1.1 (*Definitions*);
- (c) an extension to the date of payment of any amount under the Finance Documents;
- (d) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable or the rate at which they are calculated;
- (e) an increase in any Commitment or the Total Commitments;
- (f) an extension of any period within which the Facility is available for Utilisation;

- (g) any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably;
 - (h) a change to the Borrower or any other Obligor (other than an Operating Company);
 - (i) any provision which expressly requires the consent or approval of all the Lenders;
 - (j) clause 38 (*Sharing among the Finance Parties*);
 - (k) clause 2.2 (*Finance Parties' rights and obligations*), clause 5.1 (*Delivery of a Utilisation Request*), clause 7.1 (*Illegality*), clause 7.2 (*Sanctions*), clauses 18.25 (*Anti-corruption law*), 18.26 (*Sanctions*), 21.5 (*Sanctions*), 21.6 (*Anti-corruption law*) and/or 22.4 (*Sanctions in respect of the Ship's employment*), clause 31 (*Changes to the Lenders*), clause 8.9 (*Application of prepayments*), this clause 45, clause 51 (*Governing law*) or clause 52.1 (*Jurisdiction of English courts*);
 - (l) the order of distribution under clause 36.1 (*Order of application*);
 - (m) the order the order of distribution under clause 39.6 (*Partial payments*) (unless clause 39.6(b) allows the Majority Lenders to vary such order);
 - (n) the currency in which any amount is payable under any Finance Document;
 - (o) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:
 - (i) any guarantee and indemnity granted under any Finance Document;
 - (ii) the Charged Property; or
 - (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed;
 - (p) the release of any of the Transaction Security or any guarantee or other obligation or the circumstances in which any of the Transaction Security or any guarantee or other obligations under any Finance Document is permitted or required to be released under any of the Finance Documents (other than in the context of the replacement of a Charter Document or where a Charter Document is temporarily suspended or required to be split into separate contracts);
 - (q) a change in the governing law of any Finance Documents (other than the Mortgage, subject to the Approved Flag),
- shall not be made, or given, without the prior consent of all the Lenders.

45.3 Other exceptions

- (a) Amendments to or waivers in respect of the Hedging Contracts may only be agreed by the relevant Hedging Provider.
- (b) An amendment or waiver which relates to or affects the rights or obligations of the Agent, the Security Agent, any Hedging Provider, or the Mandated Lead Arrangers in their respective capacities as such (and not just as a Lender) may not be effected without the consent of the Agent, the Security Agent, the relevant Hedging Provider, that Mandated Lead Arrangers (as the case may be).

- (c) Notwithstanding clauses 45.1 and 45.2 and paragraph (b) above, the Agent may make technical amendments to the Finance Documents arising out of manifest errors on the face of the Finance Documents, where such amendments would not prejudice or otherwise be adverse to the interests of any Finance Party without any reference or consent of the Finance Parties.
- (d) The Borrower may (at his own costs) have the right, in the absence of a Potential Event of Default or Event of Default, to replace any Lender under this Agreement that refuses to consent to certain amendments or waivers of this Agreement which expressly require the consent of such Lender and which have been approved by the Majority Lenders.
- (e) An amendment or waiver which relates to the rights or obligations of the Agent may not be effected without the consent of the Agent.

45.4 Replacement of Screen Rate

- (a) Subject to clause 45.3 (*Other exceptions*), if a Screen Rate Replacement Event has occurred, any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Benchmark in place of (or in addition to) the Screen Rate; and
 - (ii) any or all of the following:
 - (A) aligning any provision of any Finance Document (other than Hedging Contracts) 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 Agent (acting on the instructions of the Majority Lenders) and the Borrower.

- (b) If, as at 31 October 2022 this Agreement provides that the rate of interest under this Agreement is to be determined by reference to the Screen Rate:
 - (i) a Screen Rate Replacement Event shall be deemed to have occurred on that date in relation to the Screen Rate; and
 - (ii) the Agent (acting on the instructions of the of the Majority Lenders) and the Obligors shall enter into negotiations in good faith with a view to agreeing the use of a

Replacement Benchmark in place of the Screen Rate from and including a date no later than 28 February 2023 (or such later date as the Parties, acting reasonably, may agree) with the terms relating to the use of that Replacement Benchmark.

- (c) Without prejudice to clause 45.7 (*Excluded Commitments*), if any Lender fails to respond to a request for an amendment or waiver described in , or for any other vote of Lenders in relation to, paragraphs (a) or (b) above within ten (10) Business Days (or such longer time period in relation to any request which the Borrower and the Agent may agree) of that request being made:
 - (i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the Facility when ascertaining whether any relevant percentage of Total Commitments 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.
- (d) In this clause 45.4:

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.

Replacement Benchmark means a benchmark rate which is:

- (i) formally designated, nominated or recommended as the replacement for the Screen Rate by:
 - (A) the administrator of that Screen Rate; or
 - (B) 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;
- (ii) in the opinion of the Majority Lenders and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the Screen Rate; or
- (iii) in the opinion of the Majority Lenders and the Borrower, an appropriate successor to the Screen Rate.

Screen Rate Replacement Event means, in relation to the Screen Rate:

- (i) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Majority Lenders and the Borrower materially changed; or
 - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate; or

- (ii) the administrator of the Screen Rate determines that the Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fall-back policies or arrangements and either:
 - (A) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or
 - (B) that Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than fifteen (15) Business Days; or
 - (iii) in the opinion of the Majority Lenders and the Borrower, the Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.
- (e) If a Lender fails to respond to a request for an amendment or waiver as so described in paragraphs (a) or (b) above within ten (10) Business Days (or such longer period as agreed between the Agent and the Borrower) of that request being made:
- (i) its Commitment or its participation in the Loan shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments or the amount of the Loan 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.

45.5 Releases

Except with the approval of all of Lenders and Hedging Providers or for a release which is expressly permitted or required by the Finance Documents, the Agent shall not have authority to authorise the Security Agent to release (nor shall any Finance Party, unless so directed by the Security Agent in accordance with clause 35.4 (*Enforcement through Security Agent only*), release):

- (a) any Charged Property from the Transaction Security; or
- (b) any Obligor from any of its guarantee or other obligations under any Finance Document.

45.6 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:
- (i) the Majority Lenders; or
 - (ii) whether:
 - (A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the Facility; or
 - (B) the agreement of any specified group of Lenders,
- has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents,

that Defaulting Lender's Commitment will be reduced by the amount of its Available Commitment and, to the extent that such reduction results in that Defaulting Lender's Commitment being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

- (b) For the purposes of this clause 45.6, the Agent may assume that the following Lenders are Defaulting Lenders:
- (i) any Lender which has notified the Agent that it has become a Defaulting Lender; and
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

45.7 Excluded Commitments

If:

- (a) any Defaulting Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within five (5) Business Days of that request being made; or
- (b) any Lender which is not a Defaulting Lender fails to respond to such a request (other than an amendment, waiver or consent referred to in paragraphs (b), (c), (d) and (o) of clause 45.2 (*All Lender matters*)) or such a vote within ten (10) Business Days of that request being made,

(unless (in either such case) the Borrower and the Agent agree to a longer time period in relation to any request):

- (i) its Commitment or its participation in the Loan shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments or the amount of the Loan 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.

45.8 Replacement of a Defaulting Lender

- (a) The Borrower may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five (5) Business Days' prior notice to the Agent and such Lender replace such Lender by requiring such Lender to (and to the extent permitted by law such Lender shall) assign or transfer pursuant to clause 31 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement (and any Security Document to which that Lender is a party in its capacity as a Lender) to an Eligible Institution (a **Replacement Lender**) which confirms its willingness to assume and does assume or to undertake and does undertake all the obligations or all the relevant obligations of the assigning or transferring Lender in accordance with clause 31 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer which is either:

- (i) in an amount equal to:
 - (A) the outstanding principal amount of such Lender's participation in the Loan;
 - (B) all accrued interest owing to such Lender;
 - (C) the Break Costs which would have been payable to such Lender pursuant to clause 11.5 (*Break Costs*) had the Borrower prepaid in full that Lender's participation in the Loan on the date of the assignment or transfer; and
 - (D) all other amounts payable to that Lender under the Finance Documents on the date of the assignment or transfer; or
 - (ii) in an amount agreed between that Defaulting Lender, the Replacement Lender and the Borrower and which does not exceed the amount described in paragraph (i) above.
- (b) Any assignment or transfer by a Defaulting Lender pursuant to this clause 45.8 shall be subject to the following conditions:
- (i) the Borrower shall have no right to replace the Agent or the Security Agent;
 - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Borrower to find a Replacement Lender;
 - (iii) the assignment or transfer must take place no later than twenty (20) Business Days after the notice referred to in paragraph (a) above;
 - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and
 - (v) the Defaulting Lender shall only be obliged to assign or transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that assignment or transfer to the Replacement Lender.
- (c) The Defaulting Lender shall perform the checks described in paragraph (b) (v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

46 Confidential Information

46.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by clause 46.2 (*Disclosure of Confidential Information*) and clause 46.3 (*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.

46.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, 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 (a) 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;
- (b) to any underwriter, (re)insurance company, mutual insurance association or other insurer (or their officers, directors, employees, professional advisers, auditors or partners) or broker with or through whom the Agent or the Security Agent has effected or proposes to effect any form of (re)insurance for the benefit of any of the Finance Parties in relation to their interests and/or potential liabilities in relation to the Transaction Security (including, but not limited to, any mortgagee interest insurance or mortgagee additional perils insurance) such Confidential Information as the Agent or the Security Agent shall consider appropriate in relation to that insurance;
- (c) to any person:
 - (i) 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 Agent or Security Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) 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 Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraphs (b)(i) or (b)(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 (b) of clause 33.21 (*Agent's relationship with the Lenders and Hedging Providers*));
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraphs (c)(i) or (ii) above;
 - (v) 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;
 - (vi) 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;

- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to clause 31.9 (*Security over Lenders' rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate;

- (d) to any person appointed by that Finance Party or by a person to whom paragraphs (b)(i) or (b)(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 (d) if the service provider to whom the Confidential 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 Borrower and the relevant Finance Party;
- (e) 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 Obligors; and

46.3 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 Obligors the following information:
 - (i) names of Obligors;
 - (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) date of this Agreement;
 - (v) clause 51 (*Governing law*);
 - (vi) the names of the 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) the term of the Facility;

- (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
 - (xiv) such other information agreed between such Finance Party and the Borrower,
- 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 Facilities and/or one or more Obligor 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) The Borrower represents that none of the information set out in paragraphs (a)(i) to (xiv) above is, nor will at any time be, unpublished price-sensitive information.
 - (d) The Agent shall notify the Borrower and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligor; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligor by such numbering service provider.

46.4 Entire agreement

This clause 46 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.

46.5 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.

46.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made to 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 or the rules of any relevant stock exchange or pursuant to any applicable law or regulation pursuant to clause 46.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any such person 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 46.

46.7 Continuing obligations

The obligations in this clause 46 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve (12) months from the earlier of:

- (a) the date on which all amounts payable by the Obligor under or in connection with the Finance Documents 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.

47 Restricted Lenders

The representation and warranty given in clause 18.28 (*Sanctions*) and the undertakings given in clause 21.6 (*Sanctions*) and any other sanction-related provisions of this Agreement apply to a Finance Party only if and to the extent that that Finance Party considers that the making of or compliance with such representations and warranties and such undertakings does not result in a violation of or conflict with (i) the Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extraterritorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom, section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung - AWV*) (in connection with section 4 paragraph 1 a no. 3 German Foreign Trade Law (*Außenwirtschaftsgesetz - AWG*)) and/or (ii) any similar law or regulation in the United Kingdom or any other applicable anti-boycott laws or regulations by that Finance Party.

48 Confidentiality of Funding Rates

48.1 Confidentiality and disclosure

- (a) The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate to the Borrower pursuant to clause 9.4 (*Notification of rates of interest*); and
 - (ii) any Funding Rate 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 Agent and the relevant Lender.
- (c) The Agent may disclose any Funding Rate, 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 is to be given pursuant to this 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 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 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 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 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 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.

48.2 Related obligations

- (a) The Agent and each Obligor acknowledge that each Funding Rate 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 Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.
- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:
 - (i) of the circumstances of any disclosure made pursuant to clause 48.1(c)(ii) (*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 47.

48.3 No Event of Default

No Event of Default will occur under clause 29.7 (*Other obligations*) by reason only of an Obligor's failure to comply with this clause 47.

49 Counterparts and Electronic signature

- (a) 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.
- (b) The Parties acknowledge and agree that they may execute any Finance Documents and any variation or amendment to the same, by electronic instrument. The Parties agree that the electronic signatures appearing on each such document shall have the same effect as handwritten signatures and the use of an electronic signature on any such document shall have the same validity and legal effect as the use of a signature affixed by hand and is made with the intention of authenticating such document, and evidencing the Parties' intention to be bound by the terms and conditions contained herein. For the purposes of using an electronic signature, the Parties authorise each other to the lawful processing of

personal data of the signers for contract performance and their legitimate interests including contract management.

50 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party (and any other Obligor who is a party to any other Finance Document to which this clause is expressed by the terms of that other Finance Document to apply) acknowledges and accepts that any liability of any Finance Party to another Finance Party or to an Obligor under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

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

Section 11 - Governing Law and Enforcement

51 Governing law

This Agreement and any non-contractual obligations connected with it are governed by English law.

52 Enforcement

52.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Agreement) (a Dispute).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

52.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, the Borrower (unless it is incorporated in England and Wales):

- (a) irrevocably appoints the person named in Schedule 1 (*The original parties*) as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
- (b) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned; and
- (c) if any person appointed as process agent for it is unable for any reason to act as agent for service of process, it must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the 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 original parties**

Borrower

Borrower	
Name of Borrower:	SRV JOINT GAS LTD.
Jurisdiction of incorporation:	Cayman Island
Registered office:	OCORIAN TRUST (CAYMAN) LIMITED, P. O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands
Registered number:	165287

Borrower's process agent

Obligor process agent	
Name:	Leif Hoegh (U.K) Limited
Registered office:	5 Young Street, London, W8 5EH, UK

Original Lenders and their Commitments

Name of Original Lender	Facility Office and contact details	Jurisdiction of incorporation	Original Lender's Commitment (\$)
MIZUHO BANK, LTD.	<p><i>Lending Office</i></p> <p>Mizuho House, 30 Old Bailey, London, EC4m 7AU, United Kingdom</p> <p><i>Contact details for Credit matters</i></p> <p>Nadia Lalliche / Jerome Gayet / Brendan Goulding</p> <p>Mizuho House, 30 Old Bailey, London, EC4m 7AU, United Kingdom</p> <p>Tel: +44 (0)20 7012 4965 / 4377 / 4697</p> <p>Group email: esfdportfoliomanagement@mhcb.co.uk</p>	Japan	35,000,000

	<p>Individual emails:</p> <p>nadia.lalliche@mhcb.co.uk</p> <p>jerome.gayet@mhcb.co.uk</p> <p>brendan.goulding@mhcb.co.uk</p>		
SMBC BANK EU AG	<p>Lending Office</p> <p>Main Tower, Neue Mainzer Straße 52-58, 60311 Frankfurt am Main, Germany</p> <p>Contact details for Credit matters</p> <p>Nathanael Tamaillon / Ilias Zanifi</p> <p>3 rue Paul Cézanne, 75008 Paris, France</p> <p>Tel: +33 1 44 90 48 86 / +33 1 44 90 48 84</p> <p>Individual emails:</p> <p>nathanael_tamaillon@fr.smbcgroup.com</p> <p>ilias_zanifi@fr.smbcgroup.com</p> <p>smbemgshipping@gb.smbcgroup.com</p>	Germany	35,000,000
ABN AMRO BANK N.V., OSLO BRANCH	<p>Lending Office</p> <p>Olav V's Gate 5, N-0161 Oslo, Norway</p> <p>Contact details for Credit matters</p> <p>Emile Karsten</p> <p>Olav V's Gate 5, N-0161 Oslo, Norway</p> <p>Tel: +47 23114966</p> <p>Group email:</p> <p>mail_lending_oslo@no.abnamro.com</p> <p>Individual email:</p> <p>emile.karsten@no.abnamro.com</p>	The Netherlands	14,000,000
Crédit Agricole Corporate & Investment Bank	<p>Lending Office</p> <p>12, place des Etats-Unis, CS 70052, 92547 MONTROUGE CEDEX, France</p> <p>Contact details for Credit matters</p>	France	14,000,000

	<p>Tobias GILJE / Nils Christian GREEN / Andreas LILLEROVDE</p> <p>Ruselokkveien 6, 0251 Oslo, Norway</p> <p>Tel: +47 2201 0650</p> <p>Fax: +47 2201 0651</p> <p>Individual emails:</p> <p>tobias.gilje@ca-cib.com</p> <p>nilschristian.green@ca-cib.com</p> <p>andreas.lillerovde@ca-cib.com</p>		
MUFG Bank, Ltd.	<p>Lending Office</p> <p>25 Ropemaker Street, London, EC2Y 9AN, United Kingdom</p> <p>Contact details for Credit matters</p> <p>Jaspreet Sokhi / Andrew Proudfoot</p> <p>25 Ropemaker Street, London, EC2Y 9AN, United Kingdom</p> <p>Tel: +44-020-7577-1791 / +442075771328</p> <p>Individual emails:</p> <p>jaspreet.sokhi@uk.mufg.jp</p> <p>andrew.proudfoot@uk.mufg.jp</p>	United Kingdom	14,000,000
National Australia Bank Limited	<p>Lending Office</p> <p>245 Park Avenue, 28th Floor, New York, NY 10167, United States of America</p> <p>Contact details for Credit matters</p> <p>Daniel Carr / Dean K. Kim / Karen Fung</p> <p>245 Park Avenue, 28th Floor, New York, NY 10167, United States of America</p> <p>Tel: +1 212-916-9605 / +1 212-916-9589 / +1 212-916-9651</p> <p>Individual emails:</p> <p>Daniel.j.carr@nabny.com</p>	United States of America	14,000,000

	dean.kim@nabny.com Karen.Fung@nabny.com		
Shinsei Bank, Limited	<p>Lending Office</p> <p>2-4-3 Nihonbashi-muromachi, Chuo-ku, Tokyo 103-8303, Japan</p> <p>Contact details for Credit matters</p> <p>Toshiaki Nosaka / Koichi Tsuru</p> <p>2-4-3 Nihonbashi-muromachi, Chuo-ku, Tokyo 103-8303, Japan</p> <p>Tel: +81-50-3509-0370 (Main)</p> <p>Fax: +81-3-4560-1846</p> <p>Individual emails:</p> <p>Toshiaki.Nosaka@shinseibank.com</p> <p>Koichi.Tsuru@shinseibank.com</p>	Japan	14,000,000
Sumitomo Mitsui Trust Bank, Limited (London Branch)	<p>Lending Office</p> <p>155 Bishopsgate, London EC2M 3XU, United Kingdom</p> <p>Contact details for Credit matters</p> <p>Tomoaki Enomoto</p> <p>155 Bishopsgate, London EC2M 3XU, United Kingdom</p> <p>Tel: +44 02079457272</p> <p>Group email:</p> <p>shipping.london@smtb.jp</p> <p>Individual email:</p> <p>Enomoto_Tomoaki@smtb.jp</p>	United Kingdom	14,000,000
Total Commitments:			154,000,000

The Agent

Name:	Mizuho Bank, Ltd.
Facility Office address:	Mizuho House, 30 Old Bailey, London, EC4m 7AU
Tel:	+44 20 7 012 4703
Fax:	+44 207 147 4118
Email:	loanagency@mhcb.co.uk
Attention:	Loan Agency
Jurisdiction of incorporation:	Japan

The Security Agent

Name:	Mizuho Bank, Ltd.
Facility Office address:	Mizuho House, 30 Old Bailey, London, EC4m 7AU
Tel:	+44 20 7 012 4703
Fax:	+44 207 147 4118
Email:	loanagency@mhcb.co.uk
Attention:	Loan Agency
Jurisdiction of incorporation:	Japan

The Original Mandated Lead Arranger

Name of Original Mandated Lead Arrangers	Address	Fax number for service of electronic notices	Name or title of individual for whose attention notices to Original Mandated Lead Arrangers should be marked	Jurisdiction of incorporation

MIZUHO BANK, LTD.	Mizuho House, 30 Old Bailey, London, EC4m 7AU	Esfportfoliomanagement@mhcb.co.uk	Nadia Lalliche / Jerome Gayet / Brendan Goulding	Japan
SMBC BANK EU AG	<p>Lending Office</p> <p>Main Tower, Neue Mainzer Straße 52-58, 60311 Frankfurt am Main, Germany</p> <p>Credit matters</p> <p>3 rue Paul Cézanne, 75008 Paris, France</p>	<p>nathanael_tamaillon@fr.smbcgroup.com</p> <p>ilias_zanifi@fr.smbcgroup.com</p> <p>smbemgshipping@gb.smbcgroup.com</p> <p>Tel: +33 1 44 90 48 86 / +33 1 44 90 48 84</p>	Nathanael Tamaillon / Ilias Zanifi	Germany

The Original Hedging Providers

Name of Original Hedging Provider	Facility Office	Fax number for service of electronic notices	Name or title of individual for whose attention notices to Original Hedging Provider should be marked	Jurisdiction of incorporation
MIZUHO BANK, LTD.	Mizuho House, 30 Old Bailey, London, EC4m 7AU, United Kingdom	Esfportfoliomanagement@mhcb.co.uk	Nadia Lalliche / Jerome Gayet / Brendan Goulding	Japan
SMBC BANK EU AG	<p>C/O Sumitomo Mitsui Banking Corporation Europe Limited</p> <p>99 Queen Victoria Street, London, EC4V 4EH, United Kingdom</p> <p>With a copy to:</p> <p>SMBC Bank EU AG, Neue Mainzer Straße 52-58, 60311 Frankfurt am Main, Germany</p>	<p>+44 (0) 20 7786 1302</p> <p>gbloodtops@gb.smbcgroup.com</p> <p>derivatives@de.smbcgroup.com</p>	Nathanael Tamaillon / Diane Bruelle / Martin Schroeder	Germany

ABN AMRO BANK N.V.	Gustav Mahlerlaan 10, NL 1082 PP Amsterdam, Netherlands	mdu@nl.abnamro.com Tel: +31-20-343 48 70	c/o Markets Documentation Unit	The Netherlands
Crédit Agricole Corporate & Investment Bank	12, place des États-Unis, CS70052, 92547 Montrouge cedex, France	IRD.fixing@ca-cib.com	Christophe Vilna	France
MUFG Securities EMEA plc	Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AJ	+442075772898 +442075772875	Swaps Administration – Operations Despoina.Pavlidou@mufgsecurities.com Direct Line: +44 207-577-2606 Mobile: +44 777-033-4934	United Kingdom
National Australia Bank Limited	Level 22, 500 Bourke St, Melbourne, VIC 3000, Australia	+44-20-7710-2100 +44-20-7710-2101	Manager, OTC Confirmations	Australia (Commonwealth of Australia)
Shinsei Bank, Limited	2-4-3 Nihonbashi-muromachi, Chuo-ku, Tokyo, Japan	81-3-4560-1846	Toshiaki Nosaka / Koichi Tsuru	Japan
Sumitomo Mitsui Trust Bank, Limited (London Branch)	155 Bishopsgate, London EC2M 3XU	londonloanadm@smtb.jp Telephone No.: +44 (0) 207 945 1000 Facsimile No.: +44 (0) 207 945 7177	Loans Administration	United Kingdom

The Account Bank

Name:	MIZUHO BANK, LTD.
Address:	Mizuho House, 30 Old Bailey, London, EC4m 7AU, United Kingdom

Schedule 2 Conditions precedent

1 Original Obligor's corporate documents

- (a) A copy of the Constitutional Documents (any any amendment thereto) of each Original Obligor (other than the Managers) and of Höegh LNG Partners Operating LLC.
- (b) A copy of a resolution of the board of directors of each Original Obligor (other than the Managers) and of Höegh LNG Partners Operating LLC:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party (its **Relevant Documents**) and resolving that it execute, deliver and perform the Relevant Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute its Relevant Documents on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, the Utilisation Request) to be signed and/or despatched by it under or in connection with its Relevant Documents.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to its Relevant Documents and related documents.
- (d) A certificate of the Borrower (signed by a director) confirming that borrowing the Total Commitments would not cause any borrowing or similar limit binding on the Borrower to be exceeded.
- (e) If required, a copy of any power of attorney under which any person is appointed by any Original Obligor (other than the Managers) and by Höegh LNG Partners Operating LLC to execute any of its Relevant Documents on its behalf.
- (f) A certificate of an authorised signatory or a director of each relevant Original Obligor (other than the Managers) and of Höegh LNG Partners Operating LLC certifying that each copy document relating to it specified in this Part of this Schedule is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement and that any such resolutions or power of attorney have not been revoked.
- (g) In respect of the Borrower, a copy of its Register of Directors and Officers, Register of Members, Register of Mortgages and Charges and a certificate of good standing issued by the Registrar of Companies of the Cayman Islands dated within thirty (30) Business Days from the date of this Agreement.

2 Finance Documents

- (a) Duly executed and dated copies of:
 - (i) this Agreement, and
 - (ii) the Fee Letters.

- (b) Duly executed and undated (with authorisation to date them on the Utilisation Date) copies of:
 - (i) the Security Documents;
 - (ii) the Hedging Contracts; and/or
 - (iii) the Hedging Master Agreement.
- (c) Duly executed and undated (with authorisation to date them on the Utilisation Date) copies of any notice in relation to any of the documents referred to in paragraph (b) above.

3 Legal opinions

Agreed forms of the following legal opinions, each addressed to the Agent, the Security Agent and the Original Lenders and Hedging Providers and capable of being relied upon by any persons who become Lenders pursuant to the primary syndication of the Facility:

- (a) A legal opinion of Norton Rose Fulbright LLP, addressed to the Agent on matters of English law, substantially in the form distributed to the Original Lenders and approved by the Agent, the Lenders and the Hedging Providers prior to signing this Agreement.
- (b) A legal opinion of Walkers (Europe) LLP, addressed to the Agent on matters of Cayman Island law, substantially in the form distributed to the Original Lenders and approved by the Agent, the Lenders and the Hedging Providers prior to signing this Agreement.
- (c) A legal opinion of Advokatfirmaet Wiersholm AS, addressed to the Agent on matters of Norwegian law, substantially in the form distributed to the Original Lenders and approved by the Agent, the Lenders and the Hedging Providers prior to signing this Agreement.
- (d) A legal opinion of Oxton Law, addressed to the Agent on matters of Marshall Islands law, substantially in the form distributed to the Original Lenders and approved by the Agent, the Lenders and the Hedging Providers prior to signing this Agreement.
- (e) A legal opinion of TMI Associates, addressed to the Agent on matters of Japanese law, substantially in the form distributed to the Original Lenders and approved by the Agent, the Lenders and the Hedging Providers prior to signing this Agreement.

4 Other documents and evidence

- (a) Evidence that any process agent referred to in the Finance Documents has accepted its appointment.
- (b) Duly executed and undated (with authorisation to date them on the Utilisation Date) novation agreements in relation to the existing hedging contracts and in favour of the Hedging Coordinators.
- (c) The Agent shall have received:
 - (i) a certificate of ownership from the appropriate authorities showing the registered ownership of the Ship;
 - (ii) a report, in form and scope acceptable to the Lenders, from a firm of marine insurance brokers acceptable to the Lenders with respect to the insurance maintained in respect of the Ship, together with a certificate from such broker certifying that such insurances (A) are placed with such insurance companies and/or underwriters and/or clubs, in such amounts, against such risks, and in such form, as

is acceptable to the Lenders and (B) conform with requirements of the mortgage taken for the benefit of the Lenders in the Ship then acting as security under the Facility; and

- (iii) an undated certificate of the Borrower (signed by a director) (with authorisation to follow on the Utilisation Date that this can be dated on the Utilisation Date) confirming that:
 - (A) on the Utilisation Date, no Default is continuing or would result from the proposed Utilisation;
 - (B) on the Utilisation Date, all of the representations set out in clause 18 (Representations) are true; and
 - (C) Total has not given a notice of termination in respect of the Charter Contract.
 - (d) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.
 - (e) Copy of the Charter Contract (including any amendments).
 - (f) Receipt of the duly executed version of the Consent and Agreement in the form attached hereto as Schedule 7 (*Form of Consent and Agreement*).
 - (g) The Original Financial Statements.
 - (h) Evidence that the aggregate credit balance on the Debt Service Reserve Account is, or will, immediately following the Utilisation, be at least equal to the applicable Debt Service Reserve.
 - (i) Copies of the safety management certificate in respect of the Ship issued in accordance with the ISM Code.
 - (j) The international ship security certificate in respect of the Ship issued under the ISPS Code.
 - (k) The document of compliance issued in accordance with the ISM Code to the person who is the operator of the Ship for the purposes of that code.
 - (l) Copy of each Management Agreement.
 - (m) Such evidence as the Agent may reasonably require and which the Borrower uses its reasonable endeavours to provide as to the due incorporation of the relevant Charterer and any other party to the Charter Contract (other than an Obligor) and the Quiet Enjoyment Agreement, their power and authority to enter into and perform those documents and the authorisation of their entry into them.
 - (n) All costs, fees, expenses (including, without limitation, legal fees and expenses) and other compensation contemplated hereby, payable to the Agent and the Lenders and the Hedging Providers or otherwise payable in respect of the Facility, shall have been paid to the extent due.
-

5 Bank Accounts

Evidence that any Account required to be established under clause 26 (*Bank accounts*) has been opened and established, that any Account Security in respect of each such Account has been executed and delivered by the Borrower and that any notice required to be given to an Account Bank under that Account Security has been given to it and acknowledged by it in the manner required by that Account Security and that an amount has been credited to it.

6 "Know your customer" information

Such documentation and information as any Finance Party may reasonably request through the Agent to comply with "know your customer" or similar identification procedures under all laws and regulations applicable to that Finance Party.

**Schedule 3
Utilisation Request**

From: **SRV JOINT GAS LTD.**

To: **[name of Agent]**

Dated: [●]

Dear Sirs

USD 154,000,000

Facility Agreement dated [●] (the Facility Agreement)

1 We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2 We wish to borrow the Loan on the following terms:

Drawdown Date: [●]

Utilisation Date: [●]

Amount: USD [●]

First Interest Period: [●] Months.

3 We confirm that each condition specified in clause 4.3 (*Further conditions precedent*) of the Facility Agreement is satisfied on the date of this Utilisation Request.

4 The purpose of the Loan complies with clause 3.1 of the Facility Agreement and its proceeds should be credited:

(a) as per an amount equal to USD [●] to [●][*this shall be the Escrow Account*]; and

(b) as per an amount equal to USD [●] [*this shall be the applicable Debt Service Reserve*] to the bank account opened with the Account Bank denominated "SRV JOINT GAS LIMITED DEBT SERVICE RESERVE ACCOUNT", with account number F10-741-151594 and IBAN GB83MHCB40506910151594.

5 This Utilisation Request is irrevocable.

Yours faithfully

.....

authorised signatory for

SRV JOINT GAS LTD.

**Schedule 4
Repayment Schedule**

Instalment Number	Repayment Date (subject to following business day convention)	Repayment due
1	28 Feb 22	3,340,705.21
2	31 May 22	3,636,136.19
3	31 Aug 22	3,832,090.90
4	30 Nov 22	3,899,849.02
5	28 Feb 23	3,636,999.20
6	31 May 23	3,912,688.88
7	31 Aug 23	4,113,768.24
8	30 Nov 23	4,183,611.68
9	29 Feb 24	3,946,002.00
10	31 May 24	4,235,128.64
11	31 Aug 24	4,417,614.68
12	30 Nov 24	4,489,708.84
13	28 Feb 25	4,231,012.27
14	31 May 25	4,530,979.37
15	31 Aug 25	4,743,516.89
16	30 Nov 25	4,818,026.31
17	28 Feb 26	4,561,644.40
18	31 May 26	4,875,121.97
19	31 Aug 26	5,094,037.59
20	30 Nov 26	5,171,145.99
21	28 Feb 27	4,917,255.61
22	31 May 27	5,245,262.63
23	31 Aug 27	5,471,038.50
24	30 Nov 27	5,550,943.48
25	29 Feb 28	5,338,346.74
26	31 May 28	5,668,645.30
27	31 Aug 28	5,877,707.22
28	30 Nov 28	5,960,630.24
29	28 Feb 29	5,712,316.76
30	31 May 29	6,072,802.57
31	31 Aug 29	6,313,917.21
32	29 Nov 29	6,201,345.47
-	Total Repayments	154,000,000.00

Schedule 5
Form of Transfer Certificate

To: [name of Agent] as Agent, a company incorporated in [insert jurisdiction of incorporation] with limited liability

From: [The Existing Lender], a company incorporated in [insert jurisdiction of incorporation] with limited liability (the Existing Lender), and [The New Lender], a company incorporated in [insert jurisdiction of incorporation] with limited liability (the New Lender)

Dated:

USD 154,000,000 Facility Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This agreement (the **Agreement**) shall take effect as a Transfer Certificate for the purposes of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
- 2 We refer to clause 31.7 (*Procedure for assignment or transfer*) of the Facility Agreement:
 - (a) [*for novation only*]: The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with clause 31.7 (*Procedure for assignment and transfer*) of the Facility Agreement, all of the Existing Lender's rights and obligations under the Facility Agreement and the other Finance Documents which correspond to that portion of the Existing Lender's Commitment and participation in the Loan under the Facility Agreement as specified in the Schedule.]
 - (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 41.2 (*Addresses*) of the Facility Agreement are set out in the Schedule.
- 3 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in clause 31.6 (*Limitation of responsibility of Existing Lenders*) of the Facility Agreement.]
- 4 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.
- 5 This Agreement and any non-contractual obligations connected with it are governed by English law.
- 6 This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 6
Form of Assignment Agreement

To: [name of Agent] as Agent, a company incorporated in [insert jurisdiction of incorporation] with limited liability

From: [The Existing Lender], a company incorporated in [insert jurisdiction of incorporation] with limited liability (the Existing Lender), and [The New Lender], a company incorporated in [insert jurisdiction of incorporation] with limited liability (the New Lender)

Dated:

USD 154,000,000 Facility Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This agreement (the **Agreement**) shall take effect as an Assignment Agreement for the purposes of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
- 2 We refer to Clause 31.7 (*Procedure for assignment or transfer*) of the Facility Agreement:
 - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment(s) and participations in Loans under the Facility 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 Commitment(s) and participations in Loans under the Facility 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.
- 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 41.2 (*Addresses*) of the Facility Agreement 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 31.6 (*Limitation of responsibility of Existing Lenders*) of the Facility Agreement.
- 7 This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 31.8 (*Copy of Assignment Agreement or Transfer Certificate to Borrower*) of the Facility Agreement, to the Borrower (on behalf of each 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.

THE SCHEDULE

Rights to be assigned and obligations to be released and undertaken

[Insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

Schedule 7
Form of Consent and Agreement

Dated _____ 2021

TOTALENERGIES GAS & POWER LIMITED,
LONDON, MEYRIN-GENEVA BRANCH
as Charterer

and

MIZUHO BANK, LTD.
as Security Trustee

and

SRV JOINT GAS LTD.
as Borrower

CONSENT AND AGREEMENT

relating to
m.v. NEPTUNE"

CONSENT AND AGREEMENT

CONSENT AND AGREEMENT (this "Consent"), dated as of _____ 2021, among:

- (1) **TOTALENERGIES GAS & POWER LIMITED**, a company organised and existing under the laws of England, with registered office at Bridge Gate, 55-57 High Street, Redhill, Surrey, RH1 1RX trading through its branch office TotalEnergies Gas & Power Limited, London, Meyrin-Geneva Branch (the "**Charterer**")
- (2) **MIZUHO BANK, LTD.**, as Security Trustee (together with its successors in such capacity, the "**Security Trustee**") for the sole benefit of the Finance Parties under the Finance Documents (as each such term is defined below)
- (3) **SRV JOINT GAS [TWO] LTD.**, a company organised and existing under the laws of the Cayman Islands (the "**Borrower**")

RECITALS

(A) The Vessel

The Borrower is the registered owner of a shuttle and regasification vessel with IMO number 9385673 named "Neptune" (the "**Vessel**").

(B) The Charter

The Borrower and Global LNG SAS as original charterer entered into a time charterparty originally dated 20 March 2007 in respect of the Vessel, which time charterparty was novated from GDF Suez LNG Trading SA as initial charterer to Global LNG SAS as original charterer pursuant to a novation agreement dated 25 March 2010 and as further novated from Global LNG SAS as original charterer to the Charterer pursuant to a novation agreement dated 20 December 2019 (the "**Charter Novation Agreement**") entered into among the Borrower, the Original Charterer and the Charterer (the "**Charter**"). Pursuant to the Charter, the Charterer has chartered the Vessel from the Borrower for an initial period of about twenty (20) years (subject to termination rights) from delivery thereunder.

(C) The Finance Documents

Pursuant to a facility agreement dated _____ November 2021 and as further amended from time to time (the "**Facility Agreement**") among (i) the Borrower, (ii) the Arrangers (as therein defined), (iii) the financial institutions listed therein as Original Lenders, (iv) Mizuho Bank, Ltd. as Agent, (v) Mizuho Bank, Ltd. as Security Trustee, (vi) Mizuho Bank, Ltd. as Account Bank, (vii) the Bookrunners (as therein defined) and (viii) the Swap Banks (as therein defined) (such parties referred to above other than the Borrower being referred to below as the "**Finance Parties**", which expression shall include their successors and assigns), the Finance Parties have agreed, *inter alia*, to make certain loan and swap facilities available to the Borrower upon the terms and subject to the conditions of the Finance Documents (as such term is defined in the Facility Agreement). As part of the security for the obligations of the Borrower to the Finance Parties under the Finance Documents, the Borrower has agreed to grant to the Security Trustee certain security including (*inter alia*):

- (i) a first priority assignment of its rights under the Charter; and
- (ii) a first priority ship mortgage over the Vessel (the "**Mortgage**").

(D) Condition Precedent

The Finance Documents require the execution, delivery and implementation of this Consent and it is a condition precedent to the making of the loans under the Facility Agreement that the parties to this Consent shall have executed and delivered this Consent. The parties enter into this Consent in replacement of the consent and agreement dated 20th December 2019. It is acknowledged by the Borrower and the Charterer that the execution of this Consent satisfies the requirement of Clause 14(c) of the Charter.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Charterer, the Security Trustee and the Borrower hereby agree as follows:

1 CONSENT TO ASSIGNMENT, ETC.

1.1 Quiet Enjoyment Undertaking

The Security Trustee for itself and in its capacity as agent and trustee for the Finance Parties irrevocably undertakes that subject to due performance by the Charterer of all its material obligations under the Charter (subject to the expiry of any grace periods), the Security Trustee shall, for the duration of the Charter and any extension thereof permitted by the Charter, allow the Charterer unfettered use of the Vessel in accordance with the terms and conditions of the Charter. Any breach by the Charterer of its obligations under the Charter shall be subject solely to the rights and remedies afforded the Borrower under the Charter. The Security Trustee will not exercise any rights it may have against the Vessel or in connection with the Charter if any "Event of Default" of the Borrower (as that term is defined in the Facility Agreement, an "**Event of Default**") has occurred and is continuing, except as provided by Articles 1.3 and 1.7 below and save that the Security Trustee may exercise any rights it may have against the Vessel or in connection with the Charter, without the Charterer's prior consent provided that such actions do not interfere with the Charterer's unfettered use of the Vessel.

1.2 Consent to Assignment

The Charterer:

- (a) consents in all respects to the pledge and assignment to the Security Trustee pursuant to the Finance Documents of all of the Borrower's right, title and interest in, to and under the Charter (the "**Assigned Interests**");
- (b) confirms that it has not received notice of any other assignment or charge of the Borrower's rights under the Charter;
- (c) acknowledges the right of the Security Trustee or any designee of the Security Trustee, in the exercise of the Security Trustee's rights and remedies under the Finance Documents, to make all demands, give all notices, take all actions and exercise all rights of the Borrower under the Charter; and
- (d) acknowledges that the Borrower may not, without the prior written consent of the Security Trustee, materially amend, modify, vary, or supplement, or terminate or assign the Charter save for the following amendments which are expressly permitted under the terms of the Facility Agreement and which the Finance Parties have agreed shall not constitute a material amendment and shall not require the consent of the Security Trustee:
 - (i) the removal of any provisions in the Charter which are considered by the parties to be historic or no longer relevant in nature or the amendment and restatement of the Charter to incorporate general amendments which have been agreed to date;
 - (ii) any amendments to permit project specific requirements for FSRU projects by the Charterer (provided that there is no reduction in hire);

- (iii) any changes in employment of the Vessel by the Charterer including any Sub Charter and bareboat and operation and maintenance agreement structures where the Charter is suspended, provided that the Charterer remains responsible for the due fulfilment of the Charter;
- (iv) any modification for the deployment of the Vessel which (i) does not materially reduce the Vessel's value and (ii) for which the Charterer covers the modification costs or, in the event the Charterer does not cover the modification costs, such costs do not exceed two (2) million United States Dollars (it being understood that modifications which do not require an amendment to the Charter are not restricted in amount);
- (v) the inclusion of a purchase option in the Charter in favour of the Charterer provided that the purchase option is only exercisable during the last three (3) years of the 'Initial Charter Period' (as defined in the Charter) and the purchase price is equal to or more than the higher of (i) the termination fee payable by the Charterer under the Charter and (ii) 120% of the loan outstanding under the Facility Agreement; and
- (vi) the extension of the term of the Charter, changes to the extension options (after the 'Initial Charter Period' (as defined in the Charter)) and, notice for declaring extension, and changes to any charter hire payable during such extended term,

subject in all cases to items (i) to (vi) above, to the Charter remaining in full and force and effect (save for any permitted suspension as set out at paragraph (iii) above) and the Charterer remaining responsible for the due fulfilment of obligations under the Charter.

1.3 **Substitute Owner**

The Charterer agrees that:

- (a) if the Security Trustee notifies the Charterer that an Event of Default has occurred and is continuing and that the Security Trustee or its designee has elected to exercise the rights and remedies set forth in the Finance Documents, then the Security Trustee or its designee which elects to assume the Borrower's obligations under the Charter (the "**Substitute Owner**") shall be substituted for the Borrower under the Charter; and
- (b) in such event, the Charterer shall (without prejudice to Article 1.4 below) recognise the Substitute Owner and shall continue to perform its obligations under the Charter in favour of the Substitute Owner, provided that:
 - (i) the Security Trustee shall give the Charterer not less than thirty (30) days' prior written notice of the intended transfer and details of the proposed Substitute Owner;
 - (ii) in the opinion of the Charterer (acting reasonably and without undue delay), the proposed Substitute Owner shall have the legal capacity and the financial resources and expertise to own and operate the Vessel and, without limitation, to perform the Borrower's obligations under the Charter and meets the compliance (including 'know your customer' and sanctions) requirements of the Charterer; and
 - (iii) such proposed Substitute Owner shall have undertaken to the Charterer in writing to remedy as soon as practicable any outstanding defaults of the Borrower under the Charter.

1.4 **Preservation of Charterer's Rights**

Notwithstanding any other provision in this Consent, any disposal of the Vessel by the Security Trustee to a Substitute Owner in accordance with Article 1.3 shall not prejudice the Charterer's rights under the Charter accruing before or after the date of such disposal, including, without

limitation, any right that the Charterer may then have to terminate the Charter (but as between the Charterer and the Finance Parties, subject always to Article 1.5). If the Security Trustee exercises its rights under Article 1.3 above to dispose of the Vessel to a Substitute Owner during the term of the Charter, the Security Trustee shall comply with the conditions set out in Article 1.1 above and shall (subject to any requirements or restrictions imposed by any applicable law in relation to disposal of the Vessel) dispose of the Vessel expressly subject to the Charter. The Security Trustee shall procure that the Substitute Owner (and any other person providing financing to the Substitute Owner for the purposes of the acquisition by the Substitute Owner of the Vessel) issues an undertaking to the Charterer on substantially the same terms as the undertaking granted by the Security Trustee in Article 1.1 above.

1.5 **Right to Cure**

In the event of a default or breach by the Borrower in the performance of any of its obligations under the Charter, or upon the occurrence or non-occurrence of any event or condition under the Charter that would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable the Charterer to suspend or terminate the Charter (a "**Default**"), to the extent such Default is capable of being cured the Charterer shall not terminate the Charter until it first gives written notice of such Default to the Security Trustee or its designee and affords such party a period of thirty (30) days to cure the circumstances giving rise to such suspension or termination rights; provided, however that such thirty (30) day cure period shall in no circumstance delay the termination date afforded to Charterer under the Charter.

1.6 **Assignment, Transfer, Sub-chartering**

The Borrower undertakes to notify the Charterer as soon as reasonably practicable after the registration of the Mortgage over the Vessel. The Charterer agrees that in the event the Charterer sub charters the Vessel (each a "**Sub Charter**") to any person permitted in accordance with the terms of the Charter (each a "**Sub-Charterer**"), the Charterer shall (provided that the Borrower has advised the Charterer of the registration of the Mortgage):

- (a) in respect of a Sub Charter which is entered into after the registration of the Mortgage over the Vessel, notify the Sub-Charterer of the existence of the Mortgage; and
- (b) procure that in the case of Sub-Charters of twelve (12) months or more such Sub-Charterer acknowledges that its rights as Sub-Charterer are subject to and subordinate in all respects to the rights of the Finance Parties under this Consent.

1.7 **Replacement Agreement**

In the event that the Charter is terminated by the Charterer as a result of any bankruptcy or insolvency proceeding or other similar proceeding affecting the Borrower, the Charterer shall, at the option of the Security Trustee, enter into a new agreement with the Security Trustee or its transferee or nominee (the "**Replacement Owner**") on terms identical, *mutatis mutandis*, to the terms of the Charter. The Security Trustee (or, as the case may be, the Replacement Owner) shall comply with the provisions of Article 1.3(b)(i), (ii) and (iii) which shall apply for the purposes of this Article 1.7 as if the words "proposed Substitute Owner" have been replaced by the words "proposed Replacement Owner".

1.8 **No Liability**

The Charterer acknowledges and agrees that neither the Security Trustee nor its designees shall have any liability or obligation under the Charter as a result of this Consent, nor shall the Security Trustee or its designees be obligated or required to:

- (a) perform any of the Borrower's obligations under the Charter, except during any period in which the Security Trustee or its designee is a Substitute Owner under the Charter pursuant to Article 1.3 or the Security Trustee or its transferee or nominee is a Replacement Owner under the

Charter pursuant to Article 1.7, in which case the obligations of such Substitute Owner or Replacement Owner shall be no more onerous than those of the Borrower under the Charter for such period (unless otherwise expressly agreed by the Borrower and the Security Trustee or the Substitute Owner or the Replacement Owner); or

(b) take any action to collect or enforce any claim for payment assigned under the Finance Documents.

1.9 Borrower's Undertaking

The Borrower undertakes to the Charterer that it shall not make any claim against the Vessel and/or the Charterer arising from any transfer or novation of the Charter to the Security Trustee or any Substitute Owner or from the entry into a new agreement by the Charterer with a Replacement Owner. The Security Trustee acknowledges that delivery by the Borrower of a notice in writing to the Charterer stating that the Borrower has no claim, and has no intention of making such a claim, against the Vessel and/or the Charterer which may arise from such transfer or novation or from the entry into a new agreement shall be a condition precedent to the effectiveness of any transfer, novation or new agreement.

1.10 Delivery of Notices

The Charterer shall deliver to the Security Trustee, concurrently with the delivery thereof to the Borrower, a copy of any notice of suspension or termination given by the Charterer to the Borrower under the Charter.

2 PAYMENTS UNDER THE CHARTER

The Charterer shall pay all amounts due and payable by it to the Borrower under the Charter in the manner required by the Charter directly into the account specified in Exhibit A hereto, or to such other person or account as shall be specified from time to time by the Security Trustee to the Charterer in writing in accordance with Article 4.1. Should the Charterer receive a notice from the Security Trustee asking the Charterer to make payments to an alternative account in accordance with this Article 2, the Borrower shall pay to the Charterer any net increase in payment costs incurred by the Charterer as a result of making such payments into such alternative account.

3 REPRESENTATIONS AND WARRANTIES OF THE CHARTERER

The Charterer makes the following representations and warranties to the Security Trustee as at the date hereof.

3.1 Organisation

The Charterer is duly organised and validly existing under the laws of jurisdiction of its incorporation, and has all requisite corporate power and authority to execute and deliver this Consent and the Charter and perform its obligations thereunder.

3.2 Authorisation; No Conflict

The Charterer has duly authorised, executed and delivered this Consent. Neither the execution and delivery of this Consent by the Charterer nor its compliance with the terms thereof does or will require any consent or approval not already obtained, or will conflict with the Charterer's formation documents or any contract or agreement binding on it.

3.3 Legality, Validity and Enforceability

Each of this Consent and the Charter is in full force and effect and is a legal, valid and binding obligation of the Charterer, enforceable against the Charterer in accordance with its terms. The

Charter has not been amended, supplemented, suspended, novated, extended, restated or otherwise modified except in accordance with its terms.

3.4 **Governmental Consents**

There are no governmental consents existing as of the date of this Consent that are required or will become required to be obtained by the Charterer in connection with the execution, delivery or performance of this Consent and the performance of the Charter and the consummation of the transactions contemplated under the Charter, other than those governmental consents which have been obtained or can be obtained without undue expense or delay.

3.5 **Litigation**

There are no pending or, to the Charterer's knowledge, threatened actions, suits, proceedings or investigations of any kind (including arbitration proceedings) to which the Charterer is a party or is subject, or by which it or any of its properties are bound, that if adversely determined to or against the Charterer, could reasonably be expected to materially and adversely affect the ability of the Charterer to execute and deliver this Consent or to perform its obligations hereunder or under the Charter.

4 **MISCELLANEOUS**

4.1 **Notices**

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given:

- (a) if delivered in person;
- (b) if sent by overnight delivery service; or
- (c) if sent by electronic mail.

Notices shall be directed:

- (i) if to the Charterer, in accordance with the Charter as amended by the Charter Novation Agreement;
- (ii) if to the Borrower, in accordance with the Charter; and
- (iii) if to the Security Trustee, to Mizuho Bank, Ltd., Loan Agency, Mizuho House, 30 Old Bailey, London, EC4M 7AU (Email: loanagency@mhcb.co.uk).

Notice so given shall be effective upon receipt by the addressee. Any party hereto may change its address for notice hereunder to any other location by giving no less than twenty (20) days' notice to the other parties in the manner set forth hereinabove.

4.2 **Further Assurances**

The Charterer shall fully cooperate with the Security Trustee or any Substitute Owner and perform all additional acts (without any obligation to incur costs) reasonably requested by the Security Trustee or any Substitute Owner to effect the purposes of this Consent.

4.3 **Amendments**

This Consent may not be amended, changed, waived, discharged, terminated or otherwise modified unless such amendment, change, waiver, discharge, termination or modification is in writing and signed by each of the parties hereto.

4.4 **Entire Agreement**

This Consent supersedes all oral negotiations and prior writings in respect to the subject matter hereof.

4.5 **Governing Law**

This Consent shall be governed by the laws of England.

4.6 **Severability**

In case any one or more of the provisions contained in this Consent should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and the parties hereto shall enter into good faith negotiations to replace the invalid, illegal or unenforceable provision with a view to obtaining the same commercial effect as this Consent would have had if such provision had been legal, valid and enforceable.

4.7 **Dispute Resolution**

Any dispute arising under this Consent shall be decided by the High Court of Justice in London, England to whose jurisdiction the parties hereby agree. Notwithstanding the foregoing, the parties may jointly agree in writing to have any dispute arising from this Consent referred to or determined by any arbitral tribunal appointed pursuant to Clause 53 of the Charter. It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been or may be, arrested in connection with a dispute under this Consent, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.

4.8 **Service of Process**

- (a) The Charterer hereby appoints TotalEnergies Gas & Power Limited of Bridge Gate, 55-57 High Street, Redhill, Surrey, RH1 1RX as its agent for service of any proceedings under this Charter in the High Court of England and Wales;
- (b) the Borrower hereby appoints Leif Höegh (UK) Limited of 5 Young Street, London, W8 5HE as its agent for service of any proceedings under this Charter in the High Court of England and Wales.

4.9 **Successors and Assigns**

The provisions of this Consent shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns.

4.10 **Counterparts**

This Consent may be executed in one or more duplicate counterparts and when signed by all of the parties listed below shall constitute a single binding agreement.

4.11 **Termination**

Each party's obligations hereunder are absolute and unconditional, and no party shall have any right to terminate this Consent or to be released, relieved or discharged from any obligation or liability hereunder until the earlier of:

- (a) the irrevocable payment in full of all sums owed to the Finance Parties under the Finance Documents followed by the discharge of the Mortgage; and

(b) any permanent withdrawal of the Vessel from service under, or termination of, the Charter.

4.12 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Consent may not enforce any of its terms under the Contract (Rights of Third Parties) Act 1999.

In witness whereof, the parties have caused this Consent to be duly executed and delivered by its officer thereunto duly authorised as of the date first above written.

CHARTERER

**TOTAL GAS & POWER LIMITED,
LONDON, MEYRIN-GENEVA BRANCH**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BORROWER

SRV JOINT GAS LTD.

By: _____
Name: _____
Title: _____

SECURITY TRUSTEE

MIZUHO BANK, LTD.

By: _____
Name: _____
Title: _____

EXHIBIT A
PAYMENT INSTRUCTIONS

USD account No. F10-741-151560

Name of the account: SRV Joint Gas Ltd.

Payment instructions for transactions into the account:

Bank Deutsche Bank Trust Company Americas

Swift BIC BKTRUS33

For the account of:

Bank Mizuho Bank, London

Swift BIC MHCGB2L

Account 04-409-313

For further credit to:

USD a/c No. F10-741-151560 in the name of SRV Joint Gas Ltd.

Schedule 8
Form of DSCR Compliance Certificate

To: **[name of Agent]** as Agent

From: **SRV JOINT GAS LTD.**, as Borrower

Dated: [●]

Dear Sirs

USD 154,000,000

Facility Agreement dated [●] (the Facility Agreement)

- 1 We refer to the Facility Agreement. This is a DSCR Compliance Certificate. Terms defined in the Facility Agreement have the same meaning when used in this DSCR Compliance Certificate unless given a different meaning in this DSCR Compliance Certificate.
- 2 We confirm that the Historical Debt Service Cover Ratio is not less than 1.05:1.
- 3 We confirm that no Event of Default is continuing.

Signed by:

.....

[Finance Director] [Chief Financial Officer]

HLNG PARTNERS LP for and on behalf of

SRV JOINT GAS LTD.

.....

**Schedule 9
White List**

ABN Amro
ANZ
Aozora Bank
Bank of America
Bank of China
Bank of Taiwan
BayernLB
BNP Paribas
Caixa Bank
Chang Hwa
China Development Bank
China Eximbank
China Minsheng
CIBC
CIC
Citi
Credit Agricole
Credit Suisse
CTBC
Dai Ichi Life
Daido Life
Danske Bank
DBS Bank
Development Bank of Japan
DNB
E Sun
Hamburg Commercial Bank
ICBC
ING Bank
KEB Hana
KfW
KGI
Korea Development Bank
La Banque Postale
Mega
Meiji Yasuda Life
Mitsubishi Trust
MUFG
National Australia Bank
Natixis

NEC Capital
Nippon Life Insurance Company
Nordea Bank
Norinchukin Bank
OCBC
SEB
Shanghai Pudong
Shinkin Central Bank
Shinsei Bank
Societe Generale
Standard Chartered
State Bank of India
Sumi Trust
Swedbank
Taishin
Woori Bank
Yuanta

SIGNATURES

THE BORROWER

SRV JOINT GAS LTD.

By: Laura Gerrard /s/ Laura Gerrard

THE AGENT

MIZUHO BANK, LTD.

By: Jerome Gayet /s/ Jerome Gayet

Tomohiro Kitano /s/ Tomohiro Kitano

THE SECURITY AGENT

MIZUHO BANK, LTD.

By: Jerome Gayet /s/ Jerome Gayet

Tomohiro Kitano /s/ Tomohiro Kitano

THE ACCOUNT BANK

MIZUHO BANK, LTD.

By: Jerome Gayet /s/ Jerome Gayet

Tomohiro Kitano /s/ Tomohiro Kitano

THE ORIGINAL MANDATED LEAD ARRANGERS

MIZUHO BANK, LTD.

By: Jerome Gayet /s/ Jerome Gayet

Tomohiro Kitano /s/ Tomohiro Kitano

SMBC BANK EU AG

By: Guillaume Dufour /s/ Guillaume Dufour

Phuong Vo /s/ Phuong Vo

THE HEDGING COORDINATORS

MIZUHO BANK, LTD.

By: Jerome Gayet /s/ Jerome Gayet

Tomohiro Kitano /s/ Tomohiro Kitano

SMBC BANK EU AG

By: Guillaume Dufour /s/ Guillaume Dufour

Phuong Vo /s/ Phuong Vo

THE ORIGINAL LENDERS

MIZUHO BANK, LTD.

By: Jerome Gayet /s/ Jerome Gayet

Tomohiro Kitano /s/ Tomohiro Kitano

SMBC BANK EU AG

By: Guillaume Dufour /s/ Guillaume Dufour

Phuong Vo /s/ Phuong Vo

ABN AMRO BANK N.V., OSLO BRANCH

By: Bjørn Flaate /s/ Bjørn Flaate

Emile Karsten /s/ Emile Karsten

Crédit Agricole Corporate & Investment Bank

By: Paolo Pinna /s/ Paolo Pinna

MUFG Bank, Ltd.

By: Christophe Maurat /s/ Christophe Maurat

Stephen Jennings /s/ Stephen Jennings

National Australia Bank Limited

By: Daniel Carr /s/ Daniel Carr

Shinsei Bank, Limited

By: [signature illegible]

Sumitomo Mitsui Trust Bank, Limited (London Branch)

By: Takashi Danjo /s/ Takashi Danjo

THE ORIGINAL HEDGING PROVIDERS

MIZUHO BANK, LTD.

By: Jerome Gayet /s/ Jerome Gayet

Tomohiro Kitano /s/ Tomohiro Kitano

SMBC BANK EU AG

By: Guillaume Dufour /s/ Guillaume Dufour

Phuong Vo /s/ Phuong Vo

ABN AMRO BANK N.V.

By: Bjørn Flaate /s/ Bjørn Flaate

Emile Karsten /s/ Emile Karsten

Crédit Agricole Corporate & Investment Bank

By: Michel Recio /s/ Michel Recio

Christine Cremel /s/ Christine Cremel

MUFG Securities EMEA plc

By: Corina Painter /s/ Corina Painter

National Australia Bank Limited

By: Daniel Carr /s/ Daniel Carr

Shinsei Bank, Limited

By: [signature illegible]

Sumitomo Mitsui Trust Bank, Limited (London Branch)

By: Takashi Danjo /s/ Takashi Danjo

Confidential

Dated 30 November 2021

Höegh LNG Partners LP

Mitsui O.S.K. Lines Ltd.

**Tokyo LNG Tanker Co., Ltd.
as Sponsors**

**MIZUHO BANK, LTD.
as Security Agent**

SPONSORS' UNDERTAKING
in relation to a facility of up to USD 154,000,000
for the purpose of refinancing the existing
indebtedness in relation to the vessel m.v.
"Neptune"

 **NORTON ROSE FULBRIGHT**

Contents

Clause	Page
Whereas	3
Interpretation	3
1 Definitions and interpretation	3
Undertaking	7
2 Sponsors' undertaking	7
3 Protections and limitations	7
4 Representations and warranties	8
5 General undertakings	11
6 Set-off	14
Miscellaneous	14
7 Payments	14
8 Remedies	14
9 The Security Agent	14
10 Notices	15
11 Governing law	15
12 Enforcement	15
Schedule 1 The Sponsors	16
Schedule 2 Initial administrative details of the parties	17

THIS DEED OF UNDERTAKING is made on 30 November 2021

BY

1. **Höegh LNG Partners LP**, a limited partnership formed in the Marshall Islands with limited liability (**HMLP**)
2. **Mitsui O.S.K. Lines Ltd.**, a company incorporated in Japan with limited liability (**MOL**)
3. **Tokyo LNG Tanker Co., Ltd.**, a company incorporated in Japan with limited liability (**TLT**)

(HMLP, MOL and TLT the **Sponsors**)

IN FAVOUR OF

4. **MIZUHO BANK, LTD.** (acting in its capacity as agent and as trustee for the Finance Parties under the Facility Agreement), a company incorporated in Japan with limited liability (the **Security Agent**)

Whereas

- A. Pursuant to a facility agreement dated 17 November 2021 (the **Facility Agreement**) made between, among others, SRV JOINT GAS LTD. as borrower (the **Borrower**), MIZUHO BANK, LTD. and SMBC BANK EU AG as bookrunner, underwriters and mandated lead arrangers, the financial institutions listed in Schedule 1 thereto as original lenders (the **Lenders**), the financial institutions listed in Schedule 1 thereto as hedging providers, and the Security Agent, for itself and the Finance Parties and their assignees and transferees, the Lenders have agreed to make a facility of up to USD 154,000,000 (the **Facility**) available to the Borrower for the purpose of refinancing the existing credit facility of the Borrower in relation to the vessel m.v. "Neptune" with IMO Number 9385673 (the **Ship**);
- B. pursuant to a time charter party agreement originally dated 20 March 2007 (the **Charter**) made between GLOBAL LNG SAS as original charterer (the **Original Charterer**) and the Borrower as owner in respect of the Ship, as amended and/or supplemented from time to time, including by way of a novation agreement dated 25 March 2010 made between the Original Charterer, the Borrower and Global LNG Supply SAS as intermediate charterer (the **Intermediate Charterer**) and an amendment and novation agreement dated 20 December 2019 made between the Intermediate Charterer, the Borrower and Total Gas & Power Limited as new charterer (the **Charterer**), the Borrower as owner has agreed to let and the Charterer has agreed to hire the Ship for a minimum period of about twenty (20) years commencing on the delivery and ending when the Ship is redelivered to Owner for the purpose of carrying LNG cargo; and
- C. it is a condition of the Lenders making the Facility available to the Borrower that the Sponsors enter into this Deed in favour of the Security Agent as security agent and trustee under the Facility Agreement for itself and the Finance Parties (as defined in the Facility Agreement) and their assignees and transferees.

Interpretation

1 Definitions and interpretation

Definitions

- 1.1 In this Deed:

Article 55 BRRD means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

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

Bail-In Legislation means:

- (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;
- (b) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (c) in relation to the United Kingdom, the UK Bail-In Legislation.

Debt Service Reserve Account means the account in the name of the Borrower with MIZUHO BANK, LTD., London branch as account bank with number F10-741-151594 and IBAN GB83MHCB40506910151594.

Default Rate means the rate specified in clause 9.3 of the Facility Agreement.

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

Enforcement Time means any time at which you are entitled to enforce your rights as under the terms of the Facility Agreement and any Finance Document.

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.

Finance Documents means:

- (a) the Facility Agreement;
- (b) this Deed; and
- (c) any other document defined as such in the Facility Agreement.

Finance Party means the Agent, the Security Agent, any Mandated Lead Arranger, any Hedging Provider or any Lender and any other person defined as such in the Facility Agreement.

Loan means the loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

Officer, in relation to a person, means any officer, employee or agent of that person.

Party means a party to this Deed.

Right means any right, privilege, power or immunity, or any interest or remedy, of any kind, whether it is personal or proprietary.

Sponsors means:

- (a) HMLP;
- (b) MOL; and
- (c) TLT,

and **Sponsor** means any one of them, as better described in Schedule 1 (*The Sponsors*).

Third Parties Act means the Contracts (Rights of Third Parties) Act 1999.

UK Bail-In Legislation means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

Utilisation means the making of the Loan.

Utilisation Date means the date on which the Utilisation is to be made.

VAT means value added tax.

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:
 - (i) 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.

Interpretation

1.2 In this Deed:

- (a) the table of contents, the summary and the headings are inserted for convenience only and do not affect the interpretation of this Deed;
- (b) references to clauses and schedules are to clauses of, and schedules to, this Deed;

- (c) references to the Facility Agreement, any Finance Document or any other document are to that document as from time to time amended, restated, novated or replaced, however fundamentally;
- (d) references to a person include an individual, firm, company, corporation, unincorporated body of persons and any government entity;
- (e) references to a person include its successors in title, permitted assignees and permitted transferees;
- (f) words importing the plural include the singular and vice versa; and
- (g) references to any enactment include that enactment as amended or re-enacted; and, if an enactment is amended, any provision of this Deed which refers to that enactment will be amended in such manner as the Agent, after consultation with the Guarantors, determines to be necessary in order to preserve the intended effect of this Deed.

- 1.3 Each of the Sponsors acknowledges that they have received a copy of the Facility Agreement and agrees to the terms and conditions thereof.
- 1.4 This Deed may be executed in counterparts.

Parties and third parties

- 1.5 The Finance Parties are parties to this Deed.
- 1.6 Each Officer of a Finance Party is not a party to this Deed. However, the Rights conferred on each Officer of a Finance Party under this Deed are enforceable by each of them under the Third Parties Act.
- 1.7 No other term of this Deed is enforceable under the Third Parties Act by anyone who is not a party to this Deed.
- 1.8 The parties to this Deed may terminate this Deed or vary any of its terms without the consent of any third party. However, they may not terminate this Deed or vary any of its terms if this would have the effect of terminating or adversely affecting the Rights of an Officer of a Finance Party under this Deed without its consent, but only to the extent that it has notified the Agent that it intends to enforce that clause at the time of the termination or variation.

Contractual recognition of bail-in

- 1.9 Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Finance Party to another Finance Party or to a Sponsor under or in connection with this Deed 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.

Undertaking

2 Sponsors' undertaking

- 2.1 Each Sponsor irrevocably and unconditionally:
- (a) guarantees the punctual payment and discharge of any amount being the difference between:
 - (i) the aggregate of (A) any termination fee payable by the Charterer to the Borrower under the Charter and (B) the amounts held in the Debt Service Reserve Account; and
 - (ii) the amounts outstanding under the Finance Documents and swap exposure (valued on a mark-to-market basis); and
 - (b) undertakes that, whenever the Borrower does not pay or discharge any of the amounts mentioned in paragraph (a) above when they become due for payment or discharge, it will immediately on demand do so itself, as if it were the principal obligor.
- 2.2 The Sponsors' undertakings are given with the benefit of clause 3 (*Protections and limitations*) and the other provisions of this Deed.

3 Protections and limitations

Continuing undertakings

- 3.1 Each undertaking is a continuing undertaking, regardless of any intermediate payment or discharge in whole or in part.

Waiver of defences

- 3.2 The obligations of each Sponsor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or to any Finance Party), including:
- (a) any time, waiver or consent granted to, or composition with, the Borrower or other person;
 - (b) the release of the Borrower or any other person;
 - (c) 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, the 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;
 - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Borrower or any other person;
 - (e) any amendment (however fundamental) or replacement of a Finance Document or any 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.

Additional security

- 3.3 This Deed is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.
- 3.4 The obligations of the Sponsors under this Deed are:
- (a) several, on the basis of their relevant shares held in the Borrower which, as at the date of this letter are as follows:
 - (i) Høegh LNG Partners Operating LLC: fifty per cent (50%);
 - (ii) MOL: forty-eight point five per cent (48.5%); and
 - (iii) TLT: one point five per cent (1.5%);
 - (b) limited to the maximum aggregate amount of USD fifteen million (15,000,000); and
 - (c) limited to the date falling three (3) years after the Utilisation Date.

4 Representations and warranties

Each of the Sponsor represents and warrants to the Security Agent that:

4.1 Status and goodstanding

- (a) It is a duly incorporated company or a duly formed limited partnership, as applicable, and, at the date of this Deed, validly existing and in good standing under the law of its Original Jurisdiction.
- (b) It has power and authority to own its assets and to carry on its business as it is now being conducted.

4.2 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it under this Deed are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above) this Deed creates or will create the Security Interests which that Deed purports to create and those Security Interests are or will be valid and effective.

4.3 Non-conflict

The entry into and performance it of, and the transactions contemplated by this Deed does not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its Constitutional Documents; or
- (c) any agreement or other instrument binding upon it or its assets,

or constitute a default or termination event (however described) under any such agreement or instrument.

4.4 Power and authority

- (a) It has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, and compliance with, and each of the transactions contemplated by this Deed.
- (b) No limitation on its powers to create security or give guarantees will be exceeded as a result of any transaction under, or the entry into of this Deed.

4.5 Validity and admissibility in evidence

- (a) All Authorisations required:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed; and
 - (ii) to make this Deed admissible in evidence in its Relevant Jurisdictions,have been obtained or effected and are in full force and effect except any Authorisation or filing referred to in clause 4.10 (*No filing or stamp taxes*), which Authorisation or filing will be promptly obtained or effected within any applicable period.
- (b) All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations is likely to have a Material Adverse Effect.

4.6 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.
- (b) Subject to the Legal Reservations, any judgment obtained in relation to this Deed in England will be recognised and enforced in its Relevant Jurisdictions.

4.7 No misleading information

- (a) Any factual information provided by it to a Finance Party in connection with this Deed is true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.
- (b) Any financial projection or forecast provided by it to a Finance Party in connection with this Deed has been prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair (as at the date of the relevant report or document containing the projection or forecast) and arrived at after careful consideration.
- (c) The expressions of opinion or intention provided by it to a Finance Party in connection with this Deed were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds.
- (d) No event or circumstance has occurred or arisen and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections so provided being untrue or misleading in any material respect.
- (e) All other written information provided by it (including its advisers) to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

4.8 **Pari passu ranking**

Its payment obligations under this Deed rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

4.9 **Good title to assets**

It has a 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.

4.10 **No filing or stamp taxes**

Subject to any Legal Reservation, under the laws of its Relevant Jurisdictions it is not necessary that this Deed be filed, recorded 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 any such Deed or the transactions contemplated by this Deed.

4.11 **Deduction of Tax**

It is not required to make any Tax Deduction (as defined in clause 13.1 (*Definitions*) of the Facility Agreement) from any payment it may make under this Deed.

4.12 **Tax compliance**

- (a) It is not materially overdue in the filing of any Tax returns or 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 with respect to Taxes which might have a Material Adverse Effect.
- (c) It is resident for Tax purposes only in its Original Jurisdiction.

4.13 **Other Tax matters**

The execution or delivery or performance by any Party of this Deed will not result in any Finance Party:

- (a) having any liability in respect of Tax in its Relevant Jurisdiction;
- (b) having or being deemed to have a place of business in its Relevant Jurisdiction.

4.14 **No proceedings**

Other than what has been disclosed to the Lenders in the Disclosure Letter:

- (a) no litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which if adversely determined might be reasonably expected to have a Material Adverse Effect has or have, to the best of its knowledge and belief (having made due and careful enquiry) been started or threatened against it.
- (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 is reasonably likely 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.

4.15 **No breach of laws**

It has not breached any applicable law or regulation which breach might have a Material Adverse Effect.

4.16 Anti-corruption law

It has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws, including any law or regulation or judicial or official order applicable to it (including, where applicable, Directive (EU) 2015/849, implemented to combat money laundering, the Bribery Act 2010 and the United States Foreign Corrupt Practices Act of 1977).

4.17 No material adverse change

Other than as set out in the Disclosure Letter, since 31 December 2020, nothing shall have occurred in respect of a Sponsor (that the Security Agent or any of the Lenders were not previously aware of) which the Lenders, acting reasonably, shall determine has had or could reasonably be expected to have a Material Adverse Effect.

4.18 No immunity

It or any of its assets is not immune to any legal action or proceeding.

4.19 Repetition of representations and warranties

- (a) The representations and warranties set out in clauses 4.1 (*Status and goodstanding*) to 4.7 (*No misleading information*)(excluding paragraph (d)) are deemed to be made on the dates of:
 - (i) this Deed;
 - (ii) the Utilisation Request submitted by the Borrower under the Facility Agreement; and
 - (iii) the Utilisation made by the Borrower under the Facility Agreement.
- (b) For as long as this Deed remains in full force and effect, the Repeating Representations are deemed to be made on the first day of each Interest Period.
- (c) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

5 General undertakings

5.1 Undertaking to comply

Each of the Sponsors undertakes that this clause 5 will be complied for as long as this Deed remains in full force and effect:

5.2 Authorisations

It shall 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 Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under this Deed;

- (ii) ensure the legality, validity, enforceability or admissibility in evidence of this Deed; and
- (iii) carry on its business where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

5.3 Compliance with laws

It shall comply in all respects with all laws and regulations to which it may be subject, where non-compliance might have a Material Adverse Effect.

5.4 *Pari passu* ranking

It shall ensure that its payment obligations under this Deed at all times rank at least *pari passu* with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

5.5 Sanctions

- (a) It shall:
 - (i) promptly upon becoming aware of them, supply to the Security Agent the details of any inquiry, claim, action, suit, proceeding or investigation pursuant to Sanctions Laws by any Sanctions Authority against it, as well as information on what steps are being taken with regards to answer or oppose such; and
 - (ii) inform the Security Agent promptly upon becoming aware that it has become or is likely to become a Restricted Party.
- (b) It shall ensure that it is not or will not become a Restricted Party.
- (c) It shall ensure and shall procure that its subsidiaries will ensure that no proceeds from any activity or dealing with a Restricted Party are credited to any bank account held by the Borrower with any Finance Party or any Affiliate of a Finance Party, to the extent crediting such bank account would lead to non-compliance by it, any Finance Party or any Affiliate of a Finance Party with any applicable Sanctions Laws.

5.6 Anti-corruption law

- (a) It shall not directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977, the Norwegian Penal Code SS387-389 or other similar legislation in other jurisdictions.
- (b) It shall:
 - (i) conduct its businesses in compliance with applicable anti-corruption laws (including Directive (EU) 2015/849, the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 and the Norwegian Penal Code SS387-389, each as amended from time to time); and
 - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

5.7 Tax compliance

- (a) It shall 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 being maintained for those Taxes and the costs required to contest them; and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes does not have a Material Adverse Effect.
- (b) Except as approved by the Security Agent, it shall maintain its residence for Tax purposes in the jurisdiction in which it is incorporated and ensure that it is not resident for Tax purposes in any other jurisdiction.

5.8 Ownership of the Borrower

- (a) The Borrower shall remain at all times owned (directly or indirectly) by the Sponsors, in the following percentages:
- (i) Höegh LNG Partners Operating LLC: fifty per cent (50%);
 - (ii) Mitsui O.S.K. Lines Ltd.: forty-eight point five per cent (48.5%); and
 - (iii) Tokyo LNG Tanker Co., Ltd.: one point five per cent (1.5%).
- (b) Notwithstanding paragraph (a) above, change of ownership of the Borrower is permitted provided that:
- (i) the change of ownership is a result of a transfer of ownership between Höegh LNG Partners Operating LLC and Mitsui O.S.K. Lines Ltd. provided that, at all times, each of Höegh LNG Partners LP and Mitsui O.S.K. Lines Ltd. retains (directly or indirectly) at least twenty-five per cent. (25%) of the legal and beneficial ownership of the Borrower;
 - (ii) the change of ownership is a result of a transfer between a Sponsor and an Affiliate of that Sponsor, provided that the Sponsors retain the same indirect ownership of the Borrower until the end of the Facility Period; or
 - (iii) the Agent (acting on the instructions of the Majority Lenders) has consented to a change in ownership,

it being understood that immediately following any change in ownership, the new shareholder shall grant a security over the acquired shares in favour of the Security Agent.

5.9 Further assurance

- (a) It shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)) to perfect the Security Interests created or intended to be created by it under, or evidenced by, this Deed or for the exercise of any rights, powers and remedies of the Security Agent and/or any other Finance Parties provided by or pursuant to this Deed or by law.
- (b) It shall 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 Interest conferred or intended to be conferred on the Security Agent and/or any other Finance Parties by or pursuant to this Deed.

6 Set-off

- 6.1 A Finance Party may set off any matured obligation due from a Sponsor (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Sponsor, regardless of the place of payment, booking branch or currency of either obligation.
- 6.2 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 trading for the purpose of the set-off.

Miscellaneous

7 Payments

- 7.1 All payments by a Sponsor under this Deed will be made in full, without any set-off or other deduction.
- 7.2 If any tax or other sum must be deducted from any amount payable by a Sponsor under this Deed, the Sponsor concerned will pay such additional amounts as are necessary to ensure that the recipient receives a net amount equal to the full amount it would have received before such deductions.
- 7.3 All amounts payable by a Sponsor under this Deed are exclusive of VAT. Each Sponsor will, in addition, pay any applicable VAT on those amounts.
- 7.4 If a Sponsor fails to make a payment to a person under this Deed, it will pay interest to that person on the amount concerned at the Default Rate from the date it should have made the payment until the date of payment (after, as well as before, judgment).
- 7.5 Any certification or determination by the Security Agent of an amount payable by a Sponsor under this Deed is, in the absence of manifest error, conclusive evidence of that amount.

8 Remedies

- 8.1 The Rights created by this Deed are in addition to any other Rights of the Finance Parties against the Sponsors under any other documentation, the general law or otherwise. They will not merge with or limit those other Rights, and are not limited by them.
- 8.2 No failure by a Finance Party to exercise any Right under this Deed will operate as a waiver of that Right. Nor will a single or partial exercise of a Right by a Finance Party preclude its further exercise.
- 8.3 If, at any time, any provision of this Deed 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 nor the legality, validity or enforceability of that provision in any other respect or under the law of any other jurisdiction will be affected or impaired in any way.

9 The Security Agent

- 9.1 The Security Agent may be replaced by a successor in accordance with the Facility Agreement.
- 9.2 On the date of its appointment, the successor Security Agent will assume all the Rights and obligations of the retiring Security Agent. However, this does not apply to any obligations of the retiring Security Agent which arise out of its acts or omissions as Security Agent before the appointment of the successor, in respect of which the retiring Security Agent will continue to have the obligations imposed by, and the Rights contained in, this Deed and the Facility Agreement.

10 Notices

- 10.1 Any notice or other communication to a party to this Deed must be in writing. It must be addressed for the attention of such person, and sent to such address or fax number as that party may from time to time notify to the other parties.
- 10.2 It will be deemed to have been received by the relevant party on receipt at that address or fax number.
- 10.3 The initial administrative details of the parties are contained in Schedule 2 (*Initial administrative details of the parties*) but a party may amend its own details at any time by notice to the other parties.
- 10.4 Any notice to a Sponsor may alternatively be sent to its registered office or to any of its places of business or to any of its directors or its company secretary; and it will be deemed to have been received when delivered to any such places or persons.

11 Governing law

This Deed and any non-contractual obligations connected with it are governed by English law.

12 Enforcement

12.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

12.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Sponsor (unless it is incorporated in England and Wales):

- (a) irrevocably appoints the person named in Schedule 1 (*The Sponsors*) as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
- (b) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned; and
- (c) if any person appointed as process agent for it is unable for any reason to act as agent for service of process, it must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

This Deed has been executed as a deed, and it has been delivered on the date stated at the beginning of this Deed.

Schedule 1
The Sponsors

	Name	Registered number
1	Høegh LNG Partners LP	950068
2	Mitsui O.S.K. Lines Ltd.	0104-01-082896
3	Tokyo LNG Tanker Co., Ltd.	0104-01-020755

Process Agent(s)

	Name of the Sponsor	Process Agent(s)	Contact Details
1	Høegh LNG Partners LP	Leif Hoegh (U.K.) Limited	5 Young Street, London, W8 5EH, United Kingdom
2	Mitsui O.S.K. Lines Ltd.	MOL (Europe Africa) Ltd	3 Thomas More Square, London, E1W 1WY, United Kingdom
3	Tokyo LNG Tanker Co., Ltd.	London Central Services	4, Old Park Lane, London W1K 1QW, United Kingdom

Schedule 2
Initial administrative details of the parties

Party	Address	Email	Attention
Høegh LNG Partners LP	c/o Høegh LNG AS, Drammensveien 134, NO-0277 Oslo, Norway	Haavard.toendel@hoeghlng.com	Håvard Tøndel, VP Finance
Mitsui O.S.K. Lines Ltd.	1-1, Toranomon, 2-Chrome, Minato-Ku, Tokyo, Japan, 105-8688, Japan	SRV.MOLcommercial@molgroup.com	General Manager, FSRU Team(A), Offshore Gas Project Division
Tokyo LNG Tanker Co., Ltd.	1-5-20, Kaigan, Minato-ku, Tokyo, Japan 105-8527	engineering@tokyolngtanker.co.jp	Manager, Engineering
MIZUHO BANK, LTD.	Mizuho House, 30 Old Bailey, London, EC4m 7AU	loanagency@mhcb.co.uk	Loan Agency

Signatories

The Sponsors

Executed as a deed by

Höegh LNG Partners LP

/s/ Håvard Furu

acting by: Håvard Furu

.....

Authorized Signatory

in the presence of:

/s/ Veronica B. Sandnes

.....

Name of witness: Veronica B. Sandnes

Address: Corporate Legal Affairs Manager Drammensveien 134 0277 Oslo - Norway

Executed as a deed by

Mitsui O.S.K. Lines Ltd.

/s/ Koichi Kawanaka

acting by: Koichi Kawanaka

.....

in the presence of:

Makoto Oyama

.....

Name of witness: Makoto Oyama

Address: 1-1, Toranomon, 2-Chome, Minato-ku, Tokyo, Japan 105-8688

Executed as a deed by

Tokyo LNG Tanker Co., Ltd.

[signature illegible]

acting by:

.....

in the presence of:

/s/ Yohei Ishii

.....

Name of witness: Yohei Ishii

Address: 1-5-20, Kaigan, Minato-ku, Tokyo, 1058527, Japan

Dated 10 December 2021

**PT HOEGH LNG LAMPUNG
as Borrower
and other Obligors**

with

**STANDARD CHARTERED BANK
as Facility Agent and Security Agent
for and on behalf of certain Finance Parties**

**STANDARD CHARTERED BANK
as K-sure Agent**

**THE FINANCIAL INSTITUTIONS LISTED HEREIN
as Exiting Commercial Lenders**

**THE FINANCIAL INSTITUTIONS LISTED HEREIN
as New Commercial Lenders**

**Second amendment and restatement agreement
relating to a term loan facility agreement dated 12 September 2013
(as supplemented, amended and restated by a Side Letter
dated 11 March 2014, a Second Side Letter dated 18 December 2014,
a Third Side Letter dated 30 June 2015, a Fourth Side
Letter dated 22 October 2015 and a First Amendment and
Restatement Agreement dated 29 September 2021)
for a \$299,000,000 Term Loan Facility
in respect of the Floating Storage Regasification Unit
“PGN FSRU Lampung”**

Contents

Clause	Page
1 Interpretation	2
2 K-sure Lenders' and K-Sure's consent	3
3 Amendment and restatement	3
4 Representations and warranties	3
5 Fees and Expenses	4
6 Confirmations	4
7 Release of the Released Guarantees	4
8 Effective Date	4
9 Transfer of Commercial Lenders	6
10 Reservation of Rights	9
11 Miscellaneous	10
12 Governing Law and Dispute Resolution	11
Schedule 1 Form of Amended and Restated Facility Agreement	12
Schedule 2 Commercial Lenders	12

THIS AGREEMENT is dated 10 December 2021 and made between:

- 1 **PT HOEGH LNG LAMPUNG** (the **Borrower**);
- 2 **HÖEGH LNG PARTNERS LP** (the **Guarantor**);
- 3 **HOEGH LNG LAMPUNG PTE. LTD.** (the **Singapore Shareholder**);
- 4 **PT BAHTERA DAYA UTAMA** (the **Indonesian Shareholder**);
- 5 **HOEGH LNG SHIPPING SERVICES PTE. LTD., HOEGH LNG ASIA PTE. LTD., and HÖEGH LNG AS** (the **O&M Contractors** and each an **O&M Contractor**);
- 6 **STANDARD CHARTERED BANK** as KSURE agent (the **K-sure Agent**);
- 7 **STANDARD CHARTERED BANK** as facility agent for the other Finance Parties (the **Facility Agent**);
- 8 **STANDARD CHARTERED BANK** as security agent for the Finance Parties (the **Security Agent**);
- 9 **THE FINANCIAL INSTITUTIONS** listed in Schedule 2 of this Agreement as exiting commercial lenders (the **Exiting Commercial Lenders**); and
- 10 **THE FINANCIAL INSTITUTIONS** listed in Schedule 2 of this Agreement as new commercial lenders (the **New Commercial Lenders**).

WHEREAS:

- (A) Reference is made to:
 - a. the facility agreement dated 12 September 2013 (as supplemented, amended and restated by a Side Letter dated 11 March 2014, a Second Side Letter dated 18 December 2014, a Third Side Letter dated 30 June 2015, a Fourth Side Letter dated 22 October 2015 and a First Amendment and Restatement Agreement dated 29 September 2021 (the **First Amendment and Restatement Agreement**) and as further amended and supplemented from time to time (the **Original Agreement**)) for a \$299,000,000 term loan facility in respect of the floating storage regasification unit "PGN FSRU Lampung" (the **Vessel**);
 - b. the irrevocable financial guarantee and indemnity in respect of the repayment of the Balloon and any LC Loan (as each such expression is defined in the Original Agreement) dated 20 September 2013 (as amended and restated by the First Amendment and Restatement Agreement) issued by Hoegh LNG Holdings Ltd (the **Released Guarantor**) in favour of the Security Agent (the **Balloon Repayment Guarantee**); and
 - c. the irrevocable financial guarantee and indemnity in respect of the K-sure Facility dated 20 September 2013 (as reconfirmed pursuant to the First Amendment and Restatement Agreement) issued by the Released Guarantor in favour of the K-sure Agent (the **Prepayment Guarantee**).
- (B) Pursuant to clause 22.15 (*Approved Refinancing*) of the Original Agreement, the Borrower is entitled to procure that the Balloon is effectively refinanced by an extension of the FSRU Tranche Final Maturity Date (as defined in the Original Agreement) by way of an Approved Refinancing.
- (C) The Parties have agreed to enter into this Agreement for the purposes of making certain amendments to the Original Agreement to reflect the terms of the Approved Refinancing, as

set out herein, including to release the Balloon Repayment Guarantee and the Prepayment Guarantee (together, the **Released Guarantees**) and replace them with the Guarantee.

- (D) The Facility Agent has obtained the consent of the Lenders to the terms of this Agreement and is accordingly entering into this Agreement on behalf of itself, the Mandated Lead Arrangers, the Lenders, the Hedging Banks, the Offshore Account Bank and the Onshore Account Bank, with their authority, in accordance with clause 37.1 (*Appointment of the Facility Agent*) of the Original Agreement.
- (E) The K-sure Agent has obtained the consent of K-sure to the terms of this Agreement and is accordingly entering into this Agreement on behalf of itself and K-sure, with its authority, in accordance with clause 37.34 (*K-sure Agent*) of the Original Agreement.

IT IS AGREED as follows:

1 Interpretation

1.1 Definitions in Original Agreement

Unless the context otherwise requires and save as mentioned below, words and expressions defined in the Original Agreement shall have the same meanings when used in this Agreement. In addition, in this Agreement, the following expressions shall have the following meanings:

2021 Disclosure Letters means the letter dated 29 September 2021, and the updated letter dated 26 November 2021, from the Borrower to the Facility Agent and the K-Sure Agent in relation to, inter alia, the PGN Arbitration.

Amended and Restated Facility Agreement means the Original Agreement as amended and restated pursuant to this Agreement.

Cash Lock-Up Account means, from the Effective Date, the redesignated Construction Account opened by the Borrower with the Offshore Account Bank with account number 0106930885.

Effective Date shall have the meaning given to it in clause 8 (*Effective Date*).

Fee Letter(s) means the arrangement fee letter(s) dated on or about the date of this Agreement between the Facility Agent, the New Commercial Lenders and the Borrower.

Guarantee means the guarantee dated on or about the date of this Agreement between the Guarantor, the Facility Agent and the Security Agent.

PGN Arbitration means the arbitration proceedings commenced by the Charterer against the Borrower in respect of the Charter by its notice of arbitration dated 2 August 2021 seeking to declare the Charter null and void and/or to terminate the Charter.

Relevant Parties means the Borrower, the Guarantor, the Singapore Shareholder, the Indonesian Shareholder and each O&M Contractor.

1.2 Interpretation

- (a) References in the Original Agreement to "**this Agreement**" shall, with effect from the Effective Date and unless the context otherwise requires, be references to the Original Agreement as amended by this Agreement and words such as "**herein**", "**hereof**", "**hereunder**", "**hereafter**", "**hereby**" and "**hereto**", where they appear in the Original Agreement, shall be construed accordingly.
- (b) This Agreement is a Finance Document.

1.3 **Incorporation of certain references**

Clauses 1.2 (*Construction*) to 1.6 (*K-sure*) of the Original Agreement shall be deemed to be incorporated in this Agreement in full, *mutatis mutandis*.

2 **K-sure Lenders' and K-Sure's consent**

- (a) The Facility Agent, by its signature to this Agreement, confirms that the K-sure Lenders are familiar with, and have consented to, the amendments to the Original Agreement as documented by this Agreement, subject to and in the manner set out in the other provisions of this Agreement (including, without limitation, clause 10 (*Reservation of Rights*)).
- (b) The K-Sure Agent, by its signature to this Agreement, confirms that K-sure is familiar with, and has consented to, the amendments to the Original Agreement as documented by this Agreement, subject to and in the manner set out in the other provisions of this Agreement.

3 **Amendment and restatement**

3.1 **Amendment and restatement of Original Agreement**

On and from the Effective Date, the Original Agreement shall be amended and restated as set out Schedule 1 (*Form of Amended and Restated Facility Agreement*) to this Agreement.

3.2 **Continuing obligations**

Each of the Relevant Parties hereby agrees that, notwithstanding the amendments made to the Original Agreement and the Finance Documents by this Agreement, its obligations under the Finance Documents to which it is a party, shall remain and continue in full force and effect (as amended and supplemented hereunder) and the Original Agreement and this Agreement shall each be read and construed as one instrument.

4 **Representations and warranties**

The Borrower represents and warrants to the Facility Agent on the date of this Agreement and on the Effective Date that:

- (a) other than as set out in paragraphs (b) and (c) below, the representations and warranties set out in clause 19 (*Representations*) of the Original Agreement are true and correct as if made at the date of this Agreement with reference to the facts and circumstances existing at such date(s) and as if:
 - (i) references therein to "Transaction Documents" or "Finance Documents" included reference to this Agreement;
 - (ii) references therein to "Security Documents" referred to the Security Documents as amended and/or confirmed pursuant to this Agreement;
 - (iii) references therein (and in the definition of 'Legal Reservations') to "legal opinions" also included the legal opinions delivered to the Facility Agent in connection with this Agreement; and
 - (iv) references therein to "Original Financial Statements" were to the latest financial statements delivered by the Borrower in accordance with the Original Agreement; and
- (b) in respect of the representation and warranty set out in clause 19.14 (*No proceedings pending or threatened*) of the Original Agreement, other than as disclosed to the Facility

Agent and the K-sure Agent in the 2021 Disclosure Letters, no litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency have (to the best of any Obligor's knowledge and belief) been started or threatened against any Obligor which in relation to the Guarantor only, if adversely determined, would have or might reasonably be expected to have a Material Adverse Effect.

5 Fees and Expenses

- (a) The Borrower shall pay to any relevant Finance Party (each for its own account) the fees in the amounts and at the times agreed in the Fee Letter(s).
- (b) The Borrower shall pay to the Facility Agent within fifteen (15) Business Days of demand all expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of this Agreement and any other documents referred to in this Agreement.

6 Confirmations

- (a) Each of the Relevant Parties acknowledges and agrees that, notwithstanding the amendments to the Original Agreement made pursuant to this Agreement and the release of the Released Guarantees (together, the **Amendments**), each of the Finance Documents to which it is a party and its obligations and liabilities thereunder remain in full force and effect and each of the Security Documents (other than the Guarantees and the Guarantor's Letter of Undertaking (as each such expression is defined in the Original Agreement)) remain effective to secure the Secured Obligations (as defined in those Security Documents and as amended by this Agreement) in favour of the Finance Parties.
- (b) Each of the Relevant Parties acknowledges and agrees that, with effect from the Effective Date references to "the Agreement" or "the Facility Agreement" (where referring to the Original Agreement) in any of the Finance Documents to which it is a party shall henceforth be a reference to the Original Agreement as amended by this Agreement.
- (c) The Borrower and the Security Agent (as Security Agent and as Offshore Account Bank) acknowledge and agree that on and from the Effective Date, the Construction Account shall be redesignated as the Cash Lock-Up Account. The Borrower acknowledges and agrees that notwithstanding such redesignation, the Security Interest constituted by the Account Security dated 11 October 2013 remains in full force and effect and effective as to secure the Secured Obligations. The Security Agent (as Security Agent and as Offshore Account Bank) acknowledges such Security Interest and no further notice or acknowledgement of charge is required.

7 Release of the Released Guarantees

On the Effective Date, the Security Agent irrevocably and unconditionally releases the Released Guarantor from all obligations and liabilities (actual or contingent) under the Released Guarantees.

8 Effective Date

The amendments made to the Original Agreement by this Agreement, and the new Guarantee, shall take effect on and from the date (the **Effective Date**) on which the Facility Agent notifies the Borrower that the Facility Agent has received the following documents and evidence in form and substance satisfactory to it:

- (a) in respect of the Relevant Parties:

- (i) a copy certified by (A) a duly authorised officer and/or the company secretary of the Relevant Party or (B) in the case of the Borrower and the Indonesian Shareholder, an authorised director of the Borrower and the Indonesian Shareholder in accordance with its articles of association to be a true, complete and up-to-date copy, of the Constitutional Documents of that Relevant Party or equivalent documents in respect of that Relevant Party;
 - (ii) a copy, certified by (A) a duly authorised officer and/or the company secretary of the Relevant Party or (B) in the case of the Borrower and the Indonesian Shareholder, an authorised director of the Borrower and the Indonesian Shareholder in accordance with its articles of association to be a true copy, and as being in full force and effect and not amended or rescinded, of resolutions of the board of directors or governors (or of a committee of the board of directors or governors or an analogous management body) of that person:
 - a. approving the entering into by the Relevant Party of this Agreement;
 - b. authorising the execution by that Relevant Party of this Agreement; and
 - c. authorising an individual or individuals to sign and deliver on behalf of that Relevant Party this Agreement;
 - (iii) if required by that Relevant Party's Constitutional Documents or applicable law, a copy of a resolution signed by all (or requisite number of) the holders of the issued shares in that Relevant Party, approving the terms of, and the transactions contemplated by, this Agreement;
 - (iv) a copy certified by (A) a duly authorised officer and/or the company secretary of that person or (B) in the case of the Borrower and the Indonesian Shareholder, an authorised director of the Borrower and the Indonesian Shareholder in accordance with its articles of association to be a true copy, and as being in full force and effect and not revoked or withdrawn, of any power of attorney issued by that person pursuant to the said resolutions;
 - (v) a certificate of incumbency (or equivalent) with a list of those signatories of the applicable Relevant Party that have executed or will execute (and who are authorised to do the same) this Agreement together with specimen signatures or attaching copies of documents with specimen signatures;
 - (vi) in relation to the Guarantor, a Certificate of Goodstanding dated within 1 month of the date on which the opinion referred to in paragraph (g)(iv) below is issued evidencing that the Guarantor remains in good standing with the Marshall Islands Registry on such date; and
 - (vii) a copy of a resolution of the board of commissioners of the Borrower and the Indonesian Shareholder, approving the terms of, and the transaction contemplated by, this Agreement;
- (b) the duly executed Guarantee;
 - (c) the duly executed Fee Letter(s);
 - (d) evidence acceptable to the Facility Agent that all fees and expenses due to the Finance Parties from the Borrower pursuant to this Agreement and the Fee Letter(s) have been paid in full;
 - (e) no Event of Default is continuing as at the date of this Agreement or the Effective Date (and a certificate from an authorised director of the Borrower in accordance with its

articles of association confirming that no Event of Default has occurred and is continuing as at the date of this Agreement);

- (f) documentation and/or evidence satisfying the Lenders' (including the New Commercial Lenders') "know your customers" requirements which have been notified to the Borrower;
- (g) legal opinions from:
 - (i) Norton Rose Fulbright (Asia) LLP, as English legal counsel to the Lenders, in respect of the validity and enforceability of this Agreement as a matter of English law;
 - (ii) Norton Rose Fulbright (Asia) LLP, as Singaporean legal counsel to the Lenders, in respect of the Singapore Shareholder and the execution of this Agreement by the Singapore Shareholder;
 - (iii) TNB & Partners in association with Norton Rose Fulbright Australia, as Indonesian legal counsel to the Lenders, in respect of the Borrower and each Indonesian Shareholder and the execution of this Agreement by each such person; and
 - (iv) Watson Farley & William LLP, as Marshall Islands counsel to the Lenders, in respect of the Guarantor and the execution of the Guarantee by the Guarantor;
- (h) a duly executed bilingual (in English and Indonesian language) document which contains the key commercial terms of this Agreement; and
- (i) in relation to the Reinsurance Fiduciary Assignment, the notice from the Borrower to the Insurer in which the Borrower informs that it has entered into this Agreement.

9 Transfer of Commercial Lenders

- (a) This Agreement shall also take effect as a Transfer Certificate for the purposes of the Facility Agreement.
- (b) On the Effective Date, the Exiting Commercial Lenders and the New Commercial Lenders agree, in accordance with clause 34.5 (*Procedure for transfer*) of the Facility Agreement:
 - (i) to the relevant Exiting Commercial Lender specified below assigning to the relevant New Commercial Lender(s) specified below all or part of that Exiting Commercial Lender's rights (and such New Commercial Lender(s) assuming that Exiting Commercial Lender's obligations) under the Facility Agreement and the other Finance Documents as referred to below and that Exiting Commercial Lender assigns and agrees to assign such rights to such New Commercial Lender(s) with effect from the Effective Date:

DNB Bank ASA:

- (A) Bayfront Infrastructure Capital Pte Ltd assigns to DNB Bank ASA \$1,599,642.21 of its Commitment in the Commercial Facility;
- (B) Korea Development Bank assigns to DNB Bank ASA \$3,067,024.79 of its Commitment in the Commercial Facility; and

such that as at the Effective Date, DNB Bank ASA's Commitment in the Commercial Facility shall be \$4,666,667.

Nordea Bank Abp, filial i Norge:

- (A) MUFG Bank, Ltd, Singapore Branch assigns to Nordea Bank Abp, filial i Norge \$2,567,557.39 of its Commitment in the Commercial Facility; and
- (B) Oversea-Chinese Banking Corporation assigns to Nordea Bank Abp, filial i Norge \$2,099,109.61 of its Commitment in the Commercial Facility,

such that as at the Effective Date, Nordea Bank Abp, filial i Norge's Commitment in the Commercial Facility shall be \$4,666,667.

ABN AMRO Bank N.V., Oslo Branch:

- (A) Oversea-Chinese Banking Corporation assigns to ABN AMRO Bank N.V., Oslo Branch \$1,001,661.85 of its Commitment in the Commercial Facility; and
- (B) Standard Chartered Bank (Singapore) Limited assigns to ABN AMRO Bank N.V., Oslo Branch \$3,100,771.44 of its Commitment in the Commercial Facility; and
- (C) Korea Development Bank assigns to ABN AMRO Bank N.V., Oslo Branch \$33,746.67 of its Commitment in the Commercial Facility; and
- (D) DBS Bank Ltd assigns to ABN AMRO Bank N.V., Oslo Branch \$530,487.04 of its Commitment in the Commercial Facility

such that as at the Effective Date, ABN AMRO Bank N.V., Oslo Branch's Commitment in the Commercial Facility shall be \$4,666,667.

- (ii) that each of the Exiting Commercial Lenders is released from the obligations owed by it which correspond to that portion of that Exiting Commercial Lender's Commitment and participation in the Commercial Loan under the Facility Agreement specified above (but the obligations owed by the Obligor under the Finance Documents shall not be released);
- (iii) that, on the Effective Date, each New Commercial Lender shall become a Party as a Commercial Lender and shall be bound by obligations equivalent to those from which the Exiting Commercial Lenders are released under paragraph (ii) above (in the amounts specified in paragraph (i) above); and
- (iv) that the Facility Office and address, fax number and attention details for notices of each New Commercial Lender for the purposes of clause 39.2 (*Addresses*) of the Facility Agreement are:

In respect of DBS Bank Ltd:

Credit Correspondence

Address: 12 Marina Boulevard Level 45, DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982

Attn: Dax Chow

Email: daxchow@dbs.com

Tel: +65 68785531

Admin Correspondence

Address: 12 Marina Boulevard Level 45, DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982

Attn: Erin Foong / Debbie Kong

Tel : +65 6878 5184 / +65 6878 8578

Fax: + 65 6224 7044/ + 65 6224 7044

Email : erinfoong@dbs.com / debbiekong@dbs.com

In respect of DNB Bank ASA:

Loan issuer

DNB Bank ASA (Org. no 984 851 006)

Address Headquarter

Dronning Eufemias gate 30

0191 Oslo

Norway

Credit contact

Marius Eriksen

marius.eriksen@dnb.no

+47 936 88 186

Operational contact

DNB Loan admin

loanadmin.corporate@dnb.no

In respect of Nordea Bank Abp, filial i Norge:

Nordea Bank Abp, filial i Norge

Essendrops gate 7, P.O. Box 1166, Sentrum, NO-0107 Oslo, Norway

For loans operations matters:

Email:sls.shipping.norway@nordea.com

Attn :Nordea Loan Administration, Structured Loan Services

In respect of ABN AMRO Bank N.V., Oslo Branch:

Facility Office:

ABN AMRO Bank N.V., Oslo Branch

Address: Olav Vs gate 5, 0161 Oslo, Norway

Business/Credit Matters:

Attn: Hilde Egeland Olsen / Emile Karsten

Address: Olav Vs gate 5, 0161 Oslo, Norway

Email: hilde.olsen@no.abnamro.com / Emile.karsten@no.abnamro.com

Tlf: +47 48 49 78 88 / +47 47 46 45 78

Administrative/Operations Matters:

Attn: OPS Credits Lending COB

Address: Coolsingel 93, 3012 AE Rotterdam, The Netherlands

Tlf: +31 10 4018628 / +31 10 4015639

Email: loket.leningenadministratie.ccs@nl.abnamro.com

- (c) The Relevant Parties, the Exiting Commercial Lenders and the New Commercial Lenders confirm, in accordance with Article 1421 of the Indonesian Civil Code and without prejudice to clause 6 (*Confirmation*) of this Agreement, that following the assignment of the Exiting Commercial Lender's rights (and such New Commercial Lender(s) assuming that Exiting Commercial Lender's obligations), the Original Security Documents shall continue to secure the Secured Obligations in favour of the Finance Parties.
- (d) Each New Commercial Lender expressly acknowledges the limitations on the Exiting Commercial Lenders' obligations set out in clause 34.4 (*Limitation of responsibility of Existing Lenders*) of the Facility Agreement.
- (e) This Agreement acts as notice to the Facility Agent (on behalf of each Finance Party) and to the Borrower (on behalf of each Obligor) of the assignment referred to in this Agreement.
- (f) This Agreement is accepted by the Facility Agent as a Transfer Certificate for the purposes of the Facility Agreement and the Transfer Date is confirmed as being the Effective Date.

10 Reservation of Rights

- 10.1 Notwithstanding the amendments to the Original Agreement (as set out in this Agreement), the Parties acknowledge that the Finance Parties have reserved and continue to reserve all rights and remedies that the Facility Agent and any of the other Finance Parties may have now or at any time under the Finance Documents arising as a result of the PGN Arbitration or the underlying facts giving rise to the PGN Arbitration and in relation to any breach or Default or Event of Default which may have occurred or be outstanding or which may occur or may be outstanding in the future.
- 10.2 Neither the Lenders' nor K-sure's consent in clause 2 (*Lenders' and K-sure's consent*), nor the amendments to the Original Agreement in clause 3, nor any delay in enforcing any rights arising under the Finance Documents as a result of any Default or Event of Default shall in any way

constitute a waiver of any Default or Event of Default and no waiver shall be implied as a result of any acts or omissions of the Finance Parties at any time.

- 10.3 Any past, present or future conduct of the Finance Parties (or any of them) such as, for example only, any discussion with the Borrower or the Guarantor or performance of any Finance Document or not accelerating or taking any enforcement action does not constitute an election to affirm any Default or Event of Default or any breach of any Finance Document.
- 10.4 All of the Finance Parties' rights under the Amended and Restated Facility Agreement and the other Finance Documents including, but not limited to, the right to specify further breaches and/or Defaults and/or Events of Default under the Amended and Restated Facility Agreement and/or the other Finance Documents and the right to accelerate the Loans under the Amended and Restated Facility Agreement in accordance with clause 31.30 (*Acceleration*) of the Amended and Restated Facility Agreement and exercise rights under the Finance Documents, are hereby expressly reserved and nothing contained herein shall constitute a waiver of the same.
- 10.5 This Agreement is in addition to and does not amend or replace in any way the terms of any previous correspondence sent by the Facility Agent to the Borrower in relation to any Default or Event of Default which has occurred under the Original Agreement, nor any other letter sent by the Facility Agent to the Borrower in relation to the Finance Documents (except to the extent the particular subject matter directly contradicts or supersedes a term of any such previous correspondence or letter).
- 10.6 Nothing in this Agreement shall constitute a waiver, or prejudice, diminish or otherwise adversely affect, any of the present or future rights, remedies, powers or discretions of the Finance Parties arising in respect of or pursuant to the Finance Documents, nor shall any single or partial exercise of any right, remedy, power or discretion prevent any further or other exercise or the exercise of any other right, remedy, power or discretion.

11 Miscellaneous

11.1 Translations

- (a) This Agreement is executed in the English language. The Parties confirm that they fully understand and agree to be bound by the terms and conditions of this Agreement notwithstanding that it is prepared and executed in English.
- (b) In compliance with Law No. 24 of 2009 regarding National Flag, Language, Emblem and Anthem in conjunction with Presidential Regulation No. 63 of 2019 regarding the Use of Indonesian Language (the **Indonesian Language Regulation**), the Borrower agrees, at its own cost, to translate and to ensure that the relevant Obligor take such actions as are reasonably required on their part and to use reasonable endeavours on the part of the other relevant Indonesian parties to execute a Bahasa Indonesia version of this Agreement and the Amended and Restated Facility Agreement in the agreed form, with (i) a confirmation that the translation constitutes the Indonesian version of the document to satisfy the requirements of the Indonesian Language Regulation and (ii) similar language undertakings as are provided in paragraphs (a), (c) and (d) of this clause 9.1, no later than thirty (30) days after the date of this Agreement (or any other date as agreed between the Borrower and the Facility Agent) and provide an original of the same (signed by the relevant Obligor) to the Facility Agent.
- (c) The Parties agree that: (i) the Bahasa Indonesia version of this Agreement and the Amended and Restated Facility Agreement, if executed, will be deemed to be effective from the date the English language version was executed; and (ii) in the event of inconsistency between the Bahasa Indonesia version and the English version, to the extent permitted under applicable laws, the English version shall prevail.
- (d) The Borrower further agrees and undertakes not to (or allow or assist any other party to), in any manner or forum, challenge the validity of, or raise or file any objection to,

this Agreement or the Amended and Restated Facility Agreement or the transactions contemplated by this Agreement and the Amended and Restated Facility Agreement on the basis of any failure to comply with Law No. 24 of 2009 regarding National Flag, Language, Emblem and Anthem in conjunction with Presidential Regulation No. 63 of 2019 regarding the Use of Indonesian Language or its implementing regulations or other similar laws and regulations applicable in Indonesia.

11.2 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the Parties reflected hereon as the signatories.

11.3 **Severability**

If, at any time, any provision of this Agreement 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 nor the legality, validity or enforceability of such provision in any other respect or under the law of any other jurisdiction will be affected or impaired in any way.

11.4 **Notices**

The provisions of clause 42 (*Notices*) of the Original Agreement shall extend and apply to the giving or making of notices or demands hereunder as if the same were expressly stated herein.

12 **Governing Law and Dispute Resolution**

- (a) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.
- (b) Clause 49 (*Enforcement*) of the Original Agreement shall be deemed to be incorporated in this Agreement in full, *mutatis mutandis*.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed the day and year first above written.

Schedule 1
Form of Amended and Restated Facility Agreement

Dated 12 September 2013

**as supplemented, amended and restated by
a Side Letter dated 11 March 2014, a Second Side Letter dated 18 December 2014,
a Third Side Letter dated 30 June 2015, a Fourth Side Letter dated
22 October 2015, a First Amendment and Restatement Agreement dated 29 September 2021
and a Second Amendment and Restatement Agreement dated
10 December 2021 (and as may be further amended from time to time)**

PT HOEGH LNG LAMPUNG

with

**DBS BANK LTD., DNB BANK ASA, NORDEA BANK ABP, FILIAL I NORGE, ABN
AMRO BANK N.V., OSLO BRANCH, MUFG BANK, LTD., KOREA
DEVELOPMENT BANK, OVERSEA-CHINESE BANKING CORPORATION
LIMITED, AND STANDARD CHARTERED BANK (SINGAPORE) LIMITED
as Mandated Lead Arrangers**

**STANDARD CHARTERED BANK
as Facility Agent and Security Agent**

**THE FINANCIAL INSTITUTIONS LISTED HEREIN
as Lenders**

**THE FINANCIAL INSTITUTIONS LISTED HEREIN
as Hedging Banks**

**STANDARD CHARTERED BANK
as Offshore Account Bank**

**STANDARD CHARTERED BANK, JAKARTA BRANCH
as Onshore Account Bank**

**STANDARD CHARTERED BANK
as K-sure Agent**

**FACILITY AGREEMENT
for a \$237,100,000 Term Loan Facility
in respect of the construction of one (1) Floating Storage Regasification Unit
“PGN FSRU Lampung”
(ex Hull No. 2548 at Hyundai Heavy Industries Co., Ltd.)
and a tower yoke mooring system**

Contents

Clause	Page
Section 1 – Interpretation	1
1 Definitions and interpretation	1
Section 2 - The Facilities	50
2 The Facilities	50
3 Purpose	51
4 Conditions of Utilisation	51
Section 3 - Utilisation	54
5 Utilisation of Term Facility	54
6 [Intentionally blank]	55
7 [Intentionally blank]	55
Section 4 - Repayment, Prepayment and Cancellation	56
8 Repayment	56
9 Illegality, prepayment and cancellation	56
Section 5 - Costs of Utilisation	63
10 Interest	63
11 Interest Periods	64
12 Changes to the calculation of interest	65
13 Fees	66
Section 6 - Additional Payment Obligations	68
14 Tax gross-up and indemnities	68
15 Increased Costs	71
16 Other indemnities	72
17 Mitigation by the Lenders	76
18 Costs and expenses	76
Section 7 - Representations, Undertakings and Events of Default	78
19 Representations	78
20 Information undertakings	84
21 Financial covenants	87
22 General undertakings	88
23 [Intentionally blank]	92
24 Project undertakings	92
25 Dealings with the Vessel	101
26 Condition and operation of Vessel	102
27 Insurance	104
28 Minimum security value	109
29 Project Accounts, Receivables and Insurance Proceeds	111
30 Business restrictions	124
31 Hedging	128
32 Events of Default	132

Contents

Clause	Page
33 Position of Hedging Banks	141
Section 8 - Changes to Parties	144
34 Changes to the Lenders	144
35 Changes to the Obligors	148
36 Benefit and burden	148
37 Confidentiality	148
Section 9 - The Finance Parties	152
38 Roles of Facility Agent, Security Agent, Mandated Lead Arrangers and K-sure Agent	152
39 Conduct of business by the Finance Parties	168
40 Sharing among the Finance Parties	169
Section 10 - Administration	172
41 Payment mechanics	172
42 Set-off	175
43 Notices	175
44 Calculations and certificates	177
45 Partial invalidity	177
46 Remedies and waivers	177
47 Amendments and grant of waivers	177
48 Counterparts	182
49 Contractual recognition of bail-in	182
Section 11 - Governing Law and Enforcement	183
50 Governing law	183
51 Enforcement	183
Schedule 1 The original parties	184
Schedule 2 Vessel information	201
Part 1 Description of the Vessel	201
Part 2 Vessel Information	201
Part 3 Mooring Information	202
Schedule 3 Conditions precedent	203
Part 1 Initial Conditions Precedent	203
Part 2 A Conditions Precedent to the Utilisation on Delivery	208
Part 3 Conditions subsequent	212
Schedule 4 Utilisation Requests	214
Utilisation Request for a Loan	214
Schedule 5 Selection Notice	216
Schedule 6 [Intentionally blank]	217
Schedule 7 Form of Transfer Certificate	218
Schedule 8 Form of Compliance Certificate	220
Schedule 9 Form of Market Disruption Notification	221

Contents

Clause	Page
Schedule 10 Form of Project Budget Statement	222
Schedule 11 Repayment Schedules	225
Schedule 12 [Intentionally blank]	227
Schedule 13 [Intentionally blank]	228
Schedule 14 List of Translated Documents	229
Schedule 15 Form of Accession Deed	231
Schedule 16 [Intentionally blank]	232
Schedule 17 Technical Adviser's Scope of Work	233
Schedule 18 Form of instruction to Account Banks	237
Part 1 : Borrower Withdrawal Instruction	237
Part 2 : Facility Agent Withdrawal Instruction	239
Schedule 19 Account Banks provisions	241
Schedule 20 List of Approved Transferees	247

THIS AGREEMENT is dated 12 September 2013, as supplemented, amended and restated by a Side Letter dated 11 March 2014, a Second Side Letter dated 18 December 2014, a Third Side Letter dated 30 June 2015, a Fourth Side Letter dated 22 October 2015, a First Amendment and Restatement Agreement dated 29 September 2021 and a Second Amendment and Restatement Agreement dated 10 December 2021 (and as may be further amended from time to time) and **made between**:

- (1) **PT HOEGH LNG LAMPUNG** (the **Borrower**);
- (2) **DBS BANK LTD., DNB BANK ASA, NORDEA BANK ABP, FILIAL I NORGE, ABN AMRO BANK N.V., OSLO BRANCH, MUFG BANK, LTD., KOREA DEVELOPMENT BANK, OVERSEA-CHINESE BANKING CORPORATION LIMITED, and STANDARD CHARTERED BANK (SINGAPORE) LIMITED** as mandated lead arrangers (the **Mandated Lead Arrangers**);
- (3) **STANDARD CHARTERED BANK** as KSURE agent (the **K-sure Agent**);
- (4) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 as lenders (the **Original Lenders**);
- (5) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 as hedging banks (the **Original Hedging Banks**);
- (6) **STANDARD CHARTERED BANK** as facility agent for the other Finance Parties (the **Facility Agent**);
- (7) **STANDARD CHARTERED BANK** as security agent for the Finance Parties (the **Security Agent**); and
- (8) **STANDARD CHARTERED BANK** as offshore account bank (the **Offshore Account Bank**);
- (9) **STANDARD CHARTERED BANK, JAKARTA BRANCH** as onshore account bank (the **Onshore Account Bank**).

IT IS AGREED as follows:

Section 1 - Interpretation

1 Definitions and interpretation

1.1 Definitions

In this Agreement and (unless otherwise defined in the relevant Finance Document) the other Finance Documents:

2021 Disclosure Letters means the letter dated 29 September 2021, and the updated letter dated 26 November 2021, from the Borrower to the Facility Agent and the K-Sure Agent in relation to, inter alia, the PGN Arbitration.

50% Acquisition Terms is as defined in the Charter.

Accession Deed means a deed of accession entered into in the form set out in Schedule 15 (*Form of Accession Deed*) or such other form as is agreed by the Facility Agent and the Borrower.

Account means any bank account, deposit or certificate of deposit opened, made or established in accordance with clause 28 (*Project Accounts, Receivables and Insurance Proceeds*).

Account Bank means the Offshore Account Bank or the Onshore Account Bank.

Account Security means, in relation to a Project Account (other than the Distribution Account), a deed or other instrument executed by the Borrower in favour of the Security Agent in an agreed form conferring a Security Interest over that Project Account.

Actual Project Cost means all Project Costs and other costs incurred to complete the Project (including Project Costs in respect of the Finance Documents) on or before Final Acceptance.

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.

Agents means the K-sure Agent and the Facility Agent.

Agreed Scope of Work means the Technical Advisor's scope of work as set out in Schedule 17 (*Technical Adviser's Scope of Work*).

APLMA means the Asia Pacific Loan Market Association Limited.

Approved Credit Rating in respect of any relevant person, means a credit rating for the long term indebtedness of that person, or in the case of an insurer, an insurer financial strength rating, of not less than A- with Standard & Poor's Rating Agency (or an equivalent rating with another internationally recognised credit rating agency).

Approved Operator means each O&M Contractor or another appropriately qualified and experienced company or group of companies within the Høegh LNG Holdings Group or the Høegh MLP Group as may be notified to the Facility Agent or another appropriately qualified and experienced company approved by the Lenders and K-sure.

Approved Shareholder means the Singapore Shareholder, the Indonesian Shareholder or another company or group of companies which has provided, or in respect of which the Borrower has provided, to the Facility Agent all documentation and other evidence required by the Lenders in order for each Lender to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

Approved Transferee means any of the financial institutions set out in Schedule 20 (*List of Approved Transferees*).

Approved Valuer means any of Clarksons, Breamar Seascope or Fearnleys A/S or any other independent ship broker nominated by the Borrower and approved by the Facility Agent for the purposes of giving a valuation pursuant to clause 28 (*Minimum security value*).

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.

Auditors means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or another approved reputable international firm of accountants.

Authority means any national, supranational, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any person, whether or not government-owned and howsoever constituted or called, that exercises the functions of a central bank) in a Relevant Jurisdiction.

Available Cash Flow means, in respect of any period and without double counting:

- (a) the aggregate of:
 - (i) all amounts received by the Borrower under or pursuant to the Charter and/or any other Project Agreement (including the Total Charter Rate during each period) and any compensation payments and/or Insurance Proceeds paid into, or permitted to be transferred into a Revenue Account which are not required to be applied in prepayment of any Facility, in each case in such period but excluding any up front or one off reimbursement payments not forming part of the Total Charter Rate received

by the Borrower in connection with any Alteration (as defined in the Charter) and the Mooring Purchase Price;

- (ii) all interest and other income received by the Borrower during such period in respect of the Project Accounts (other than the Distribution Account); and
 - (iii) refunds, credits, rebates or similar accounts of Tax actually received by the Borrower during such period,
- (b) less the sum of:
- (i) Operating Expenses paid by or due from the Borrower during such period excluding any payments by the Borrower in respect of (A) an Alteration referred to in paragraph (a) above or under the Mooring Documents or (B) any repairs and/or replacements or liabilities to the extent paid by Insurance Proceeds received by the Borrower (in the case of liabilities to the extent such Insurance Proceeds were paid in relation to such liabilities); and
 - (ii) the Tax Element received by the Borrower under the Charter and paid into the Rupiah Account.

Available Commitment means, in relation to a Lender in respect of a Facility at any time, that Lender's Commitment under that Facility minus:

- (a) the aggregate amount of its participations in any outstanding Loans under the relevant Facility; and
- (b) in relation to any proposed Utilisation, the aggregate amount of its participations in any Loans that are due to be made under the relevant Facility on or before the proposed Utilisation Date.

Available Drawings means, at any date for determination under this Agreement, the total amount which, as at such time, any member of the Höegh MLP Group is entitled to draw under any credit facility with a major international bank or financial institution for a term of more than 12 months and not subject to any conditions with which it or any other relevant party would not be able to comply at such time.

Available Facility means, in relation to a Facility, at any relevant time the aggregate of each Lender's Available Commitment in respect of that Facility and Available Facilities means at any relevant time, the aggregate of each Lender's Available Commitment in respect of all of the Facilities.

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;
- (b) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (c) in relation to the United Kingdom, the UK Bail-In Legislation.

Basel 2 Accord means the 'International Convergence of Capital Measurement and Capital Standards, a Revised Framework' published by the Basel Committee on Banking Supervision in

June 2004 as updated prior to and in the form existing on the date of this Agreement excluding any amendment thereto arising out of the Basel 3 Accord or Reformed Basel 3.

Basel 2 Approach means, in relation to any Finance Party, either the Standardised Approach or the relevant Internal Ratings Based Approach (each as defined in the Basel 2 Accord) adopted by that Finance Party (or any of its Affiliates) for the purposes of implementing or complying with the Basel 2 Accord.

Basel 2 Regulation means:

- (a) any law or regulation in force as at the date hereof implementing the Basel 2 Accord, (including the relevant provisions of, CRD IV, CRD V, CRR and CRR II) to the extent only that such law or regulation re-enacts and/or implements the requirements of the Basel 2 Accord but excluding any provision of such law or regulation implementing the Basel 3 Accord; and
- (b) any Basel 2 Approach adopted by a Finance Party or any of its Affiliates.

Basel 3 Accord means, together:

- (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

other than, in each such case, the agreements, rules, guidance and standards set out in Reformed Basel 3 as amended, supplemented or restated after the date of this Agreement.

Basel 3 Increased Costs means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel 3 Regulation (whether such implementation, application or compliance is by a government, regulators, Finance Party or any of its Affiliates).

Basel 3 Regulation means any law or regulation implementing the Basel 3 Accord (including the relevant provisions of CRD IV, CRD V, CRR and CRR II) save to the extent that such law or regulation re-enacts a Basel 2 Regulation and excluding any such law or regulation which implements Reformed Basel 3.

Book Equity means, at any date for determination under this Agreement, the value of the capital and reserves of the Guarantor determined in accordance with the latest published audited consolidated balance sheet or the latest published interim consolidated balance sheet of the Guarantor as delivered pursuant to clause 20.1 (*Financial statements*) (but excluding any hedging reserve as shown in the relevant consolidated equity statement and the mark-to-market value of any financial derivatives).

Borrower Assigned Property means all the right, title, interest and benefit of the Borrower in and to:

- (a) the Vessel Rights;
- (b) the Guarantee Rights;

- (c) the Charter Documents;
- (d) the Building Contract Documents;
- (e) the Mooring Documents;
- (f) any Subordinated Loans;
- (g) the Promissory Notes;
- (h) the Earnings;
- (i) the Insurances;
- (j) any Requisition Compensation; and
- (k) each Hedging Contract.

Borrower Withdrawal Request means a notice substantially in the form set out in Part 1 of Schedule 18 (*Form of instruction to Account Banks*) or any other form agreed between the Borrower, the relevant Account Bank and the Facility Agent.

Borrower's Security means together:

- (a) the Borrower Assigned Property;
- (b) all of the Borrower's right, title, interest and benefit in and to the Vessel;
- (c) all of the Borrower's right, title, interest and benefit in and to the Project Accounts (other than the Distribution Account);
- (d) all the Borrower's other assets and undertakings (secured under the Fiduciary Assignment of Tangible Assets); and
- (e) all proceeds of realisation or enforcement of any Security Interest under a Security Document in or over any of the foregoing or the exercise of all and any rights, powers and remedies in relation to any such Security Interest over the foregoing.

Break Costs means the amount (if any) by which:

- (a) the interest (excluding the applicable Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or 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 Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current applicable Interest Period.

Builder means Hyundai Heavy Industries Co., Ltd. a company incorporated in South Korea with its principal office at 1, Jeonha-Dong, Dong-Gu, Ulsan, Korea.

Builder's Performance L/C means any letter of credit issued to the Borrower pursuant to Article 7.10 of the Building Contract.

Builder's Risk Insurances means:

- (a) all policies and contracts of insurance; and
- (b) all entries of the Vessel and/or the Mooring in a protection and indemnity or war risks or other mutual insurance association

in the joint names of: (i) the Builder (in the case of the Vessel) or the Mooring EPC Contractor and/or the Mooring Installation Contractor (in the case of the Mooring) and (ii) the Borrower in respect of or in connection with the Vessel and/or the Mooring taken out under the Building Contract or the relevant Mooring Document.

Building Contract means the contract specified in Schedule 2 (*Vessel information*) and made between the Builder and the Sponsor relating to, inter alia, the construction of the Vessel (the **Original Building Contract**) as amended by addenda 1 to 3 dated 10 June 2011, 26 March 2012 and 2 July 2012 as novated to the Borrower pursuant to the Building Contract Novation Agreement.

Building Contract Documents means the Building Contract, any Builder's Performance L/C, any Refund Guarantee and any other guarantee or security given to the Borrower by any persons for the Builder's obligations under the Building Contract and includes any change orders or other deed, document, agreement or instrument amending, varying or supplementing any of the foregoing documents or any of the terms and conditions thereof.

Building Contract Novation Agreement means the novation agreement dated 22 July 2013 (as further described in Part 2 of Schedule 2 (*Vessel information*)) made between the Borrower, the Sponsor and the Builder, pursuant to which the rights and obligations of the Sponsor under the Original Building Contract were novated in favour of the Borrower.

Business Day means:

- (a) if a payment in dollars is to be made or would, but for the operation of clause 41.8 (*Business Days*), fall to be made by any person on that day, a day (other than a Saturday or Sunday) on which banks are open for general business in Seoul, Singapore, London, Jakarta, New York, Oslo, Amsterdam and, if such payment relates to a payment under the Guarantee, Marshall Islands; or
- (b) for the purposes of determining LIBOR, a day (other than a Saturday or Sunday) on which banks are open for the transaction of domestic and foreign exchange business in London; or
- (c) for all other purposes, a day (other than a Saturday or Sunday) on which banks are open for general business in London, Singapore, Oslo, Seoul, Amsterdam and Jakarta.

Cancellation Date shall have the meaning ascribed thereto in the Charter.

Capital Element means the hire payable by the Charterer to the Borrower in relation to the Vessel pursuant to clause 12 of the Charter, calculated in accordance with section 2.1 of Schedule 6 to the Charter.

Cash Lock-Up Account means, from the Effective Date, the account held by the Borrower with the Offshore Account Bank, redesignated as the PT HOEGH LNG LAMPUNG – Cash Lock-Up Account and includes any redesignation and each sub-account thereof.

Change in Location means a change in location of the Vessel from the Permitted Location.

Change of Control means:

- (a) the Shareholders, together, cease to, directly or indirectly, legally and beneficially, own one hundred per cent (100%) of the shares in the Borrower; or

- (b) the Guarantor ceases to, directly or indirectly, legally and beneficially, own at least forty nine per cent (49%) of the shares in the Borrower or have management control of the Borrower; or
- (c) the Parent and/or any companies directly wholly owned and controlled by the Parent:
 - (i) cease to beneficially own either jointly or severally at least twenty five per cent (25%) of the Guarantor; or
 - (ii) cease to control (directly or indirectly) the general partner of the Guarantor; or
- (d) if a majority of the board of directors of the Guarantor ceases to consist of directors that were recommended for election by a majority of the appointed directors of the Guarantor.

Charged Property means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Security Documents.

Charter means the amended and restated contract dated 17 October 2012 (as further described in Part 2 of Schedule 2 (*Vessel information*)) in respect of the procurement of the Mooring and the installation, lease, operation and maintenance of the Vessel for an initial period of twenty (20) years (the **Original Charter**) made between (1) the Original Charterer and (2) the Sponsor, as novated by the Sponsor to the Borrower pursuant to the Charter Novation Agreement (Borrower) and as novated by the Original Charterer to the Charterer pursuant to the Charter Novation Agreement (Charterer).

Charter Documents means the Charter, the PGN L/C, the Umbrella Agreement, the Consortium Agreement, the Charter Guarantee and any guarantee or security given to the Borrower by any person for the Charterer's obligations under the Charter and includes any other deed, document, agreement or instrument amending, varying or supplementing any of the foregoing documents or any of the terms and conditions thereof.

Charter Guarantee means the guarantee dated 21 February 2014 issued by the Charter Guarantor in favour of the Borrower (as further described in Part 2 of Schedule 2 (*Vessel information*)), together with each other each guarantee issued or to be issued by the Charter Guarantor upon a novation of the Charter pursuant to and in accordance with clause 16.3 of the Charter, in form and substance satisfactory to the Lenders, acting reasonably.

Charter Guarantor means PT Perusahaan Gas Negara (Persero) Tbk, as further described in Part 2 of Schedule 2 (*Vessel information*).

Charter Liabilities means any and all obligations of the Borrower (whether present or future, actual or contingent) under or pursuant to the terms of the Charter.

Charter Novation Agreement (Borrower) means the novation agreement dated 18 September 2013 made between the Borrower, Höegh LNG Ltd and the Original Charterer, pursuant to which the rights and obligations of Höegh LNG Ltd under the Original Charter (as defined in the definition of 'Charter') were novated in favour of the Borrower.

Charter Novation Agreement (Charterer) means the novation agreement dated 21 February 2014 made between the Borrower, the Original Charterer and the Charterer, pursuant to which the rights and obligations of the Original Charterer under the Original Charter (as novated by the Charter Novation Agreement (Borrower)) were novated in favour of the Charterer.

Charter Period means the "Lease Period" as defined in the Charter and further described in clause 3 of the Charter.

Charter Rate means the charter hire payable by the Charterer to the Borrower pursuant to the Charter in relation to the Vessel and payable pursuant to clause 12 of the Charter and which does not include the Operating and Maintenance Element or the Tax Element.

Charterer means PT PGN LNG Indonesia, as further described in Part 2 of Schedule 2 (*Vessel information*) or a wholly owned Affiliate of the Charter Guarantor which is wholly Controlled (as defined in the Charter) by the Charter Guarantor to whom all rights and obligations of the Initial Company (as defined in the Charter) under the Charter have been novated pursuant to and in accordance with clause 16.3 of the Charter.

Charterer's Purchase Option means the purchase option in respect of the Vessel granted to the Charterer and exercisable in accordance with and subject to clause 36 of the Charter.

Classification means the classification specified in Schedule 2 (*Vessel information*) with the Classification Society or another classification approved by the Lenders as its classification.

Classification Society means the classification society specified in Part 2 of Schedule 2 (*Vessel information*) or another classification society requested by the Borrower or the Charterer, or as permitted under the Charter and in each case approved by the Lenders.

Co-assured means each party (other than the Borrower and any Finance Party) which is named as a co-assured on any of the Insurances in relation to the Vessel after Delivery.

Code means the US Internal Revenue Code of 1986.

Collateral means any and all assets over or in respect of which any Security Interest is created in favour of the Finance Parties or any of them pursuant to any Finance Document.

Commercial Facility means the term loan facility in an aggregate amount of up to the Commercial Facility Limit (of which \$15,503,857.28 remains outstanding as at the Effective Date) to be made available to the Borrower by the Commercial Lenders under this Agreement.

Commercial Facility Final Maturity Date means 29 June 2026 or such later date as the Facility Agent may agree (on instructions of the Lenders, in their absolute discretion).

Commercial Facility Limit means an aggregate amount of \$58,465,624.

Commercial Facility Repayment Dates means with respect to the Commercial Facility:

- (a) the First Repayment Date relating to such Facility;
- (b) each of the dates falling at three (3) monthly intervals thereafter up to but not including the Commercial Facility Final Maturity Date; and
- (c) the Commercial Facility Final Maturity Date.

Commercial Facility Repayment Instalments means each scheduled repayment instalment payable on each Commercial Facility Repayment Date in accordance with clauses 8.2(b).

Commercial Facility Repayment Schedule means the schedule set out in Part A of Schedule 11 (*Repayment Schedules*).

Commercial Lender means:

- (a) any Original Commercial Lender; and
- (b) any bank or financial institution which has become a party as a Commercial Lender in accordance with clause 34 (*Changes to the Lenders*).

Commercial Loan means the loan made or to be made to the Borrower under the Commercial Facility or (as the context may require) the outstanding principal amount of such borrowing.

Commitment means in relation to a Facility:

- (a) in relation to an Original Lender, the amount set opposite its name in Schedule 1 (*The Original Lenders*) in respect of such Facility and the amount of any other Commitment transferred to it under this Agreement in respect of such Facility ; and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement in respect of such Facility,

in each case to the extent not cancelled, reduced or transferred by it under this Agreement.

Compliance Certificate means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*) or otherwise approved.

Compulsory Acquisition means requisition for title or other compulsory acquisition, nationalisation, requisition, appropriation, expropriation, deprivation, forfeiture or confiscation for any reason of the Vessel by any government entity or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition for title.

Confidential Information means all information relating to the Borrower, any Obligor, the Høegh MLP Group, the Høegh LNG Holdings Group, the Transaction Documents or a 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 a Facility from either:

- (a) the Borrower or any member of the Høegh MLP Group or the Høegh LNG Holdings Group or any of their advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from the Borrower or any member of the Høegh MLP Group or the Høegh LNG Holdings Group or any of their 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 information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 37 (*Confidentiality*); or
- (ii) is identified in writing at the time of delivery as non-confidential by the Borrower or any member of the Høegh MLP Group or the Høegh LNG Holdings Group or any of their advisers; or
- (iii) 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 Borrower or the Høegh MLP Group or the Høegh LNG Holdings 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.

Confidentiality Undertaking means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Facility Agent and the Borrower.

Confirmation shall have, in relation to any Hedging Transaction, the meaning given to it in the relevant Hedging Master Agreement.

Consents means and includes consents, authorisations (including any Project Authorisations and Environmental Licences), licences, approvals, registrations with, declarations to or filings with, or

waivers or exemptions from governmental or public bodies or Regulatory Authority or other authorities or courts.

Consortium Agreement means the agreement between the Sponsor or the Borrower and the EPCIC Contractor relating to the allocation of responsibility for delay liquidated damages payable under the Charter and the EPCIC Agreement (the **Original Consortium Agreement**) and, if not entered into by the Borrower, as novated or to be novated to the Borrower pursuant to the Consortium Agreement Novation Agreement.

Consortium Agreement Novation Agreement means a novation agreement made between the Borrower, the Sponsor and the EPCIC Contractor pursuant to which the rights and obligations of the Sponsor under the Original Consortium Agreement are novated in favour of the Borrower.

Constitutional Documents means, in respect of an Obligor, such Obligor's memorandum and articles of association, by-laws or other constitutional documents including as referred to in any certificate relating to an Obligor delivered by that Obligor pursuant to Schedule 3 (*Conditions precedent*).

Construction Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the PT HOEGH LNG LAMPUNG - Construction Account and includes any redesignation and each sub-account thereof.

Contract Price means the price of the Vessel payable under the Building Contract and includes the instalments of such price paid or to be paid.

Cost Overruns means that part of the Actual Project Cost which exceeds the Initial Project Budget.

CRD IV means the directive 2013/36/EU of the European Union on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

CRD V means the directive (EU) 2019/878 of the European Parliament and of the Council amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

CRR means either CRR-EU or, as the context may require, CRR-UK.

CRR-EU means regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms and regulation 2019/876 of the European Union amending Regulation (EU) No 575/2013 and all delegated and implementing regulations supplementing that Regulation.

CRR-UK means CRR-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

CRR II means either CRR II-EU or, as the context may require, CRR II-UK.

CRR II-EU means regulation 2019/876 amending CRR-EU as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 and all delegated and implementing regulations supplementing that Regulation.

CRR II-UK means CRR II-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

Current Assets means the aggregate of current assets determined in accordance with the latest published audited consolidated balance sheet or the latest published interim consolidated balance sheet of the Guarantor as delivered pursuant to clause 20.1 (*Financial statements*), but excluding amounts in respect of marked-to-market value of any financial derivatives (including any hedging reserve as shown in the relevant consolidated equity statement).

Current Liabilities means the aggregate of all current liabilities determined in accordance with the latest published audited consolidated balance sheet or the latest published interim consolidated balance sheet of the Guarantor as delivered pursuant to clause 20.1 (*Financial statements*), however excluding:

- (a) marked-to-market value of any financial derivatives; and
- (b) current portion of interest bearing debt which, for the avoidance of doubt, shall include any debt owed to Affiliates (including Hoegh LNG Holdings Ltd).

Debt Service for any period means, the aggregate of:

- (a) the amount of interest on the Facilities which is payable under clause 10 (*Interest*);
- (b) each principal amount of the Loans which is scheduled to be repaid under clause 8 (*Repayment*) ; and
- (c) the Net Hedging Expenses,
in each case during that period.

Debt Service Coverage Ratio means:

- (a) for any date of testing under clause 21 (*Financial covenants*) the ratio of (i) Available Cash Flow to (ii) Debt Service for the Relevant Period ending on that date; and
- (b) for the purposes of the Distribution Restrictions, the ratio of (i) Available Cash Flow to (ii) Debt Service for the most recent 6 month period ending on the applicable Repayment Date which falls on or within 10 Business Days of the date of the applicable transfer to the Distribution Account (but excluding any Debt Service that is due on a Repayment Date falling at the start, or within one (1) month of the start, of that period),

in each case, as confirmed by the Borrower to the Facility Agent in a Compliance Certificate in accordance with clause 20.2 (*Provision and contents of Compliance Certificate*).

Debt Service Reserve means on any date a sum equal to the projected Debt Service obligations of the Borrower under this Agreement due in the six month period from that date (in respect of any period commencing on a Repayment Date, excluding the amounts payable on that Repayment Date) and provided that for such purpose (a) LIBOR shall be assumed to be unchanged from the rate currently applicable for any Loan or pursuant to any Hedging Contract and (b) any Cash Sweep (as defined in, and applied in accordance with, clause 29.8(a)(viii) (*Offshore Revenue Account, Payment Cascade*)) shall not impact the calculation of the Debt Service Reserve.

Debt Service Reserve Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the "PT HOEGH LNG LAMPUNG - Debt Service Reserve Account" and includes any redesignation and each sub-account thereof.

Deemed Acceptance means Final Acceptance occurring under the Charter other than pursuant to satisfaction of the Acceptance Conditions (as defined in the Charter).

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

Defaulting Lender means any Lender:

- (a) which has failed to make its participation in a Loan available (or has notified the Facility Agent or the Borrower (which has notified the Facility Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with either clause 5.4 (*K-sure Lenders' participation*) or clause 5.5 (*Commercial Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within five (5) Business Days of its due date;
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

Delivery means the delivery to, and acceptance of the Vessel by, the Borrower under the Building Contract.

Delivery Date means the date on which Delivery occurs.

Delivery Instalment means the instalment of the Contract Price falling due on Delivery.

Distribution Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the "PT HOEGH LNG LAMPUNG - Distribution Account" and includes any redesignation and each sub-account thereof.

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 Facilities (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).

Distribution Restriction means the occurrence of any of the following events:

- (a) the Debt Service Coverage Ratio for the most recent applicable period preceding, or ending on, the date of the proposed transfer to the Distribution Account is less than 1:20:1;
- (b) the DSRA Balance is less than the Debt Service Reserve;
- (c) any Default or Event of Default has occurred and is continuing or would occur as a result of the transfer to the Distribution Account;
- (d) the Guarantor is in breach of any of the financial covenants set out in clause 21.2 (*Guarantor Financial Covenants*);
- (e) the first Repayment Instalment for each of the Commercial Facility and the K-sure Facility has not been repaid in accordance with this Agreement; or
- (f) the PGN Arbitration remains ongoing or there is any other litigation or proceedings started or ongoing as between the Borrower and the Charterer or the Charter Guarantor.

Dollar Tax Account means the dollar account of the Borrower opened or as the context may require, to be opened by the Borrower with the Onshore Account Bank, designated by the Onshore Account Bank to be the "PT HOEGH LNG LAMPUNG – Dollar Tax Account" and includes any re-designation and each sub-account thereof.

DSRA Balance means at any time the aggregate of the amount standing to the credit of the Debt Service Reserve Account and the amounts available to be drawn under each DSRA Letter of Credit.

DSRA Letter of Credit means an irrevocable letter of credit issued by a DSRA L/C Issuer in favour of the Security Agent on terms acceptable to the Majority Lenders pursuant to clause 29.12(a) and includes any other letter of credit acceptable to the Majority Lenders that may replace it from time to time.

DSRA L/C Issuer means any Lender or other financial institution having an Approved Credit Rating.

Due Diligence Report means a report from the Technical Advisor prepared in accordance with the Agreed Scope of Work.

Earnings means all money at any time payable to the Borrower for or in relation to the use or operation of the Vessel including the Total Charter Rate, the Purchase Option Price, freight, hire and passage moneys, money payable to the Borrower for the provision of services by or from the Vessel or under any charter commitment, requisition for hire compensation, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach and payments for termination or variation of any charter commitment.

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

Effective Date has the meaning given to such expression in the Second Amendment and Restatement Agreement.

Enforcement Action means any action whatsoever to:

- (a) prematurely terminate or close out any Hedging Transaction (other than as provided by clause 33.4 (*Close out of Hedging Contracts*) or permitted under clause 31 (*Hedging*));
- (b) recover all or any part of any Hedging Debt including by set-off (whether by operation of law or otherwise) or combination of accounts;

- (c) exercise or enforce any rights under any guarantee, indemnity or other assurance in relation to (or given in support of) all or any part of any Hedging Debt (including under any Security Document);
- (d) exercise or enforce any rights under any Security Interest whatsoever (including, without limitation, the crystallisation (automatic or otherwise) of a floating charge) which secures or purports to secure any Hedging Debt (including under any Security Document);
- (e) apply, petition or vote for (or take any other steps which may lead to) any event described in clause 32.9 (*Insolvency*) or clause 32.10 (*Insolvency proceedings*) in relation to any Obligor; or
- (f) designate an Early Termination Date (as defined in any Hedging Master Agreement) or terminate and/or close out any transaction under any Hedging Contract prior to its stated maturity or demand payment of any amount which would become payable on or following an Early Termination Date or any such termination and/or close out, in each case other than in accordance with clause 33.4 (*Close out of Hedging Contracts*) or permitted under clause 31 (*Hedging*).

Environment means all or any of the following media: air (including air within buildings or other structures and whether below or above ground); land (including buildings and any other structures or erections in, on or under it and any soil and anything below the surface of the land); land covered with water; and water (including sea, ground and surface water and any living organism supported by such media).

Environmental and Social Regulations means:

- (a) any applicable law or regulation whose purpose or effect is (i) the protection of, or the prevention of damage to, the Environment, (ii) to regulate or control Environmental Contaminants, or (iii) to provide remedies in relation to harm or damage to the Environment; and
- (b) any applicable law or regulation whose purpose or effect is (i) to prevent, regulate or control a detrimental social effect, (ii) to provide remedies in relation to any detrimental social effect or (iii) to impose obligations or requirements in relation to social or cultural matters.

Environmental Claim means any claim, notice, prosecution, demand, action, abatement or other order (conditional or otherwise) relating to Environmental Matters or in response to a Spill or any notification or order requiring compliance with the terms of any Environmental Licence or Environmental Law and Environmental and Social Regulations which may reasonably be expected to result in a liability for an Obligor in respect of such matters that exceeds an amount of \$1,000,000.

Environmental Contaminants means all Pollutants and contaminants (including any chemicals, biological, industrial, radioactive, dangerous, toxic or hazardous substance, water or residue, whether in solid or liquid form or a gas or vapour) and any genetically modified organisms.

Environmental Incident means any Spill from any vessel in circumstances where:

- (a) the Vessel or the Borrower or any O&M Contractor are or may reasonably be expected to be liable for Environmental Claims arising from the Spill (other than Environmental Claims arising and fully satisfied before the date of this Agreement) (in the case of an O&M Contractor only if such Environmental Claims have arisen due to it being an O&M Contractor of the Vessel or otherwise in respect of or in connection with the Vessel); and/or
- (b) the Vessel is or may reasonably be expected to be arrested or attached in connection with any such Environmental Claim.

Environmental Law means all or any law, statute, rule, regulation, treaty, by-law, code of practice, order, notice, demand, decision of the courts or of any applicable governmental authority

or agency or any other regulatory or other body in any applicable jurisdiction relating to Environmental Matters.

Environmental Licence means any permit, licence, authorisation, consent or other approval required at any time by any Environmental Law and Environmental and Social Regulations for the operation of the Borrower's business or in order for the Borrower and each O&M Contractor to comply with its respective obligations under the Transaction Documents.

Environmental Management Plan means (i) the ship oil pollution emergency plan (SOPEP) in relation to the Vessel prepared in accordance with MARPOL 73/78 and (ii) the Environmental Management Plan prepared by the Charterer dated 12 September 2012, in the form provided by the Borrower to the Mandated Lead Arrangers prior to the date of this Agreement (unless otherwise agreed by the Lenders and the Borrower).

Environmental Matters means the pollution, conservation or protection of the Environment (both natural and built) or of man or any living organisms supported by the Environment.

EPCIC Agreement means the amended and restated contract between the Charterer and the EPCIC Contractor dated 17 October 2012 for the engineering, procurement, construction, installation and commissioning of the Project pipeline system on a turn-key, lump sum basis.

EPCIC Contractor means PT Rekayasa Industri, a company incorporated in Indonesia with its principal office at Jalan Kalibata Timur I No. 36, Jakarta 12740.

Equator Principles means the principles set out in a paper entitled "A financial industry benchmark for determining assessing and managing social and environmental risk in project financing" dated July 2006 and developed and adopted by the International Finance Corporation and various other financial institutions, as amended, revived or reissued from time to time.

Equity Loan means any loan or loan stock made or, as the context may require, to be made available by the Singapore Shareholder or an Affiliate of the Singapore Shareholder to the Indonesian Shareholder pursuant to an Equity Loan Agreement.

Equity Loan Agreement means any loan agreement made or to be made between the Singapore Shareholder or an Affiliate of the Singapore Shareholder and an Indonesian Shareholder pursuant to the Shareholders Agreement.

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 32 (*Events of Default*).

Excess Sponsor Funding means the amount by which the Sponsor Funding exceeds \$104,000,000, as set out in the Financial Model and as such excess may be revised by the Borrower, with the consent of the Majority Lenders (acting reasonably and on the advice of the Technical Advisor) to reflect any additional Sponsor Funding not reflected in the Financial Model.

Facilities means:

- (a) the K-sure Facility; and
- (b) the Commercial Facility,

and **Facility** means any of them.

Facility Agent means Standard Chartered Bank or any person as may be appointed as facility agent under this Agreement.

Facility Agent Withdrawal Request means a notice substantially in the form set out in Part 2 of Schedule 18 (*Form of instruction to Account Banks*) or any other form agreed between the Borrower, the relevant Account Bank and the Facility Agent.

Facility Limit means the aggregate of the Commercial Facility Limit and the K-sure Facility Limit being an aggregate amount of not more than \$237,100,000.

Facility Obligor means the Borrower and the Guarantor.

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 five (5) Business Days' written notice) as the office through which it will perform its obligations under this Agreement.

Facility Period means the period from and including the date of this Agreement to and including the date on which the Total Commitments of all Facilities have reduced to zero and all indebtedness of the Obligors under the Finance Documents has been fully paid and discharged.

FATCA means:

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

FATCA Application Date means:

- (a) in relation to a withholdable payment described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 January 2014;
- (b) in relation to a withholdable payment described in section 1473(1)(A)(ii) of the Code (which relates to gross proceeds from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a passthru payment described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

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

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

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

Fee Letters means the letter(s) dated on or about the date of this Agreement between the relevant Finance Parties and the Borrower, each in the agreed form setting out any of the fees referred to in clause 13 (*Fees*) and **Fee Letter** means any of them.

Fiduciary Assignment of Receivables means an Indonesian law deed of fiduciary security (*jaminan fidusia*) over the Borrower's rights under the Charter Documents, the Building Contract Documents, the Mooring Documents, the Vessel Rights and the Guarantee Rights executed by the Borrower in favour of the Security Agent in the agreed form.

Fiduciary Assignment of Tangible Assets means an Indonesian law deed of fiduciary security (*jaminan fidusia*) over all of the tangible assets of the Borrower executed by the Borrower in favour of the Security Agent in the agreed form.

Fiduciary Assignments means the Fiduciary Assignment of Receivables, the Insurance Fiduciary Assignment, the Reinsurance Fiduciary Assignment, the Fiduciary Assignment of Tangible Assets and the Shares Security in respect of each Indonesian Shareholder and **Fiduciary Assignment** means any of them.

Final Acceptance means (a) the issue of the Final Acceptance Certificate by the Charterer pursuant to and in accordance with the terms of the Charter following satisfaction of the NoR Conditions and the Final Acceptance Test to the satisfaction of the Charterer or (b) Deemed Acceptance.

Final Acceptance Certificate means the Certificate of Acceptance (as defined in the Charter) issued or to be issued by the Charterer upon Final Acceptance in accordance with the terms of the Charter.

Final Acceptance Date means the date on which Final Acceptance occurs.

Final Acceptance Test means the Acceptance Conditions as defined in clause 6.2 of the Charter.

Final Maturity Date means the K-Sure Facility Maturity Date or the Commercial Facility Final Maturity Date.

Finance Documents means this Agreement, the First Amendment and Restatement Agreement, the Second Amendment and Restatement Agreement, the Hedging Contracts, any Accession Deed, any Fee Letter, the Security Documents, any Subordination Deed, any Intercreditor Deed, each Utilisation Request and any other document designated as such by the Facility Agent and the Borrower.

Finance Party means the Facility Agent, the Security Agent, the K-sure Agent, any Account Bank, any Mandated Lead Arranger, any Hedging Bank and any Lender (including K-sure if it has become a Lender) and **Finance Parties** means all of them.

Financial Indebtedness means any indebtedness for or in respect of:

- (a) monies borrowed (including any overdraft facility);
- (b) debit balances at banks or other financial institutions;
- (c) any amount raised by acceptance under any acceptance credit facility or equivalent;
- (d) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with applicable GAAP, be treated as a finance or capital lease;
- (f) unsubordinated redeemable preference shares (howsoever described);
- (g) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

- (h) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, the marked to market value shall be taken into account);
- (i) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of any underlying liability;
- (j) any amount of any liability under an advance or deferred purchase agreement if (a) one of the primary reasons behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale-back or sale and leaseback agreement) under which interest charges are customarily paid or having the commercial effect of a borrowing or otherwise classified as borrowings under applicable GAAP; and
- (l) any guarantee for any of the items referred to in paragraphs (a) to (k) above.

Financial Model means the financial model setting out the base case financial projections and ratios related to the Project prepared by the Sponsor and approved by the Mandated Lead Arrangers prior to the date of this Agreement (as updated from time to time by the Borrower with the approval of the Majority Lenders).

First Amendment and Restatement Agreement means the agreement supplemental to this Agreement dated 29 September 2021 made between, inter alios, the Borrower, the Guarantor, the Singapore Shareholder, the Indonesian Shareholder, Hoegh LNG Shipping Services Pte. Ltd., Hoegh LNG Asia Pte. Ltd. and Hoegh LNG AS as O&M Contractors, the K-sure Agent, the Facility Agent (on behalf of itself, the Mandated Lead Arrangers, the Lenders, the Hedging Banks, the Offshore Account Bank, the Onshore Account Bank and Standard Chartered Bank as issuing bank) and the Security Agent.

First Repayment Date means, in respect of each of the Facilities, subject to clause 41.8 (*Business Days*), 29 December 2014.

Flag State means the country specified in Schedule 2 (*Vessel information*) or such other state or territory as may be approved by the Lenders and K-sure (such approval not to be unreasonably withheld or delayed), at the request of the Borrower, as being the **Flag State** for the purposes of the Finance Documents.

Force Majeure Event means an event beyond the control of the Borrower and/or the Charterer as described in clause 25 of the Charter.

Free Liquid Assets means, at any date of determination under this Agreement, the aggregate consolidated value of the Höegh MLP Group's:

- (a) cash in hand;
- (b) deposits in banks (including any amounts credited to the Project Accounts) and financial institutions;
- (c) debt securities which are publicly traded on a major stock exchange or investment market (valued as at any applicable date of determination) and rated at least A with Standard and Poor's; and
- (d) Available Drawings,

but excluding any of those assets subject to a Security Interest at any time.

FSRU means a floating LNG storage and regasification unit.

Funding Rate means any individual rate notified by a Lender to the Facility Agent pursuant to paragraph (a)(ii) of clause 12.3 (*Cost of funds*).

Gap Analysis Report means a report from the Technical Advisor prepared in accordance with the Agreed Scope of Work.

GAAP means:

- (a) in relation to the Borrower, generally accepted accounting principles in Indonesia or, if so notified by the Borrower, generally accepted accounting principles in Indonesia or IFRS as may be notified to the Facility Agent by the Borrower prior to any such change applying for the purposes of this Agreement; and
- (b) in relation to the Guarantor, IFRS or, if so notified by the Borrower, generally accepted accounting principles in the United States of America or IFRS as may be notified to the Facility Agent by the Borrower prior to any such change applying for the purposes of this Agreement.

Grosse Akte Pendaftaran Kapal means the authenticated copy of the Vessel's registration deed.

Guarantee means the irrevocable financial guarantee and indemnity to be issued by the Guarantor in favour of the Security Agent in the agreed form.

Guarantee Rights means the rights of the Borrower under any guarantees or warranties issued by the Builder, the Mooring EPC Contractor, the Mooring Installation Contractor or any manufacturer, supplier or repairer in respect of the manufacture, design, conversion, construction, supply, installation, operation and maintenance of the Vessel and/or the Mooring or any equipment of the Vessel and/or the Mooring or part thereof (including, without limitation, under or pursuant to the Building Contract or the Mooring EPC Contract).

Guarantor means Hoegh LNG Partners LP, a non-resident limited partnership with registration number 950068 formed in the Republic of the Marshall Islands with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 and its principle office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

Hedging Bank means:

- (a) any Original Hedging Bank;
- (b) any bank, financial institution, any trust, fund or other entity which has become a Party in accordance with clause 31.7 (*Assignment of Hedging Contracts by Hedging Banks*),

which in each case has entered into a Hedging Master Agreement with the Borrower and has not ceased to be a Party in accordance with the terms of this Agreement.

Hedging Contract means a Hedging Transaction together with the relevant Hedging Master Agreement and **Hedging Contracts** means all of them.

Hedging Debt means all present and future moneys, debts and liabilities due, owing and/or incurred by the Borrower to any Hedging Bank in connection with any Hedging Contract (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) determined pursuant to the respective Hedging Contract.

Hedging Exposure means, as at any relevant date, the aggregate of the amount certified by each of the Hedging Banks to the Security Agent to be the net amount in dollars (a) in relation to all Hedging Contracts that have been closed out on or prior to the relevant date, that is due and owing by the Borrower to the Hedging Banks (or, to the extent that such amount is due and owing by the Hedging Banks to the Borrower, which amount shall be expressed as a negative amount)

in respect of such Hedging Contracts on the relevant date and (b) in relation to all Hedging Contracts that are continuing on the relevant date, that would be payable by the Borrower to the Hedging Banks (or, to the extent that such amount would be payable by the Hedging Banks to the Borrower, which amount shall be expressed as a negative amount) under (and calculated in accordance with) the early termination provisions of the Hedging Contracts as if an Early Termination Date (as defined in the Hedging Master Agreements) had occurred on the relevant date in relation to all such continuing Hedging Contracts.

Hedging Master Agreement means a 2002 form of ISDA Master Agreement and the Schedule thereto between the Borrower and a Hedging Bank in a form agreed between the Facility Agent, such Hedging Bank and the Borrower and **Hedging Master Agreements** means all of them.

Hedging Security means a first assignment of the Borrower's rights and interests in and to the Hedging Contracts in favour of the Security Agent in the agreed form.

Hedging Transaction means an interest rate swap transaction as evidenced by a Confirmation (as defined in the relevant Hedging Master Agreement) between the Borrower and a Hedging Bank under a Hedging Master Agreement and subject to the terms of this Agreement.

Höegh LNG Ltd means Höegh LNG Ltd., a company incorporated in Bermuda with its registered office at Canon's court, 22 Victoria Street, Hamilton HM 12, Bermuda.

Höegh LNG Holdings Group means the Parent and its Subsidiaries for the time being.

Höegh MLP Group means the Guarantor and its Subsidiaries for the time being.

Holding Company means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

IFC Performance Standards means the performance standards set out in the paper entitled "Performance Standards and Guidance Notes - 2012 Edition" and developed by the International Finance Corporation.

IFRS means international accounting standards within the meaning of IAS regulation 1606/2002.

IMF means the International Monetary Fund.

Impaired Agent means an Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) that Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if that Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of Defaulting Lender; or
- (d) an Insolvency Event has occurred and is continuing with respect to that Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Payment Disruption Event; and
- payment is made within five (5) Business Days of its due date; or

- (ii) that Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

Increased Costs shall have the meaning given to it in clause 15.1(b) (*Increased Costs*).

Indemnified Person means:

- (a) K-sure, each Finance Party and each Receiver and any attorney, agent or other person appointed by them under and in accordance with the Finance Documents;
- (b) each Affiliate of those persons; and
- (c) any officers, employees or agents of any of the above persons.

Indirect Tax means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

Indonesian Shareholders means the Original Indonesian Shareholder and each New Shareholder which is not an Affiliate of the Guarantor.

Initial Equity Account means a dollar account of the Borrower with a bank in Indonesia.

Initial Project Budget means \$403,000,000.

Insolvency Event in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;

- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Insurance Advisor means Bankserve Insurance Services Ltd or any other reputable insurance consultant familiar with the market with experience of assets of the same type as the Vessel, appointed by the Facility Agent on behalf of the Lenders, with the approval of the Borrower (such approval not to be unreasonably withheld or delayed and, to the extent that the Borrower has not responded to the Facility Agent within 5 Business Days of its request, such approval shall be deemed to have been given) to review the Insurances, the Finance Documents and, if necessary, the Reinsurances and to report to the Finance Parties whether such Insurances and/or Reinsurances are in full force and effect and in accordance with the requirements under the Finance Documents and the Charter (as applicable).

Insurance Assignment means, in relation to a Co-assured (other than the Charterer) a first assignment of that Co-assured's rights and interests in and to the Insurances (other than protection and indemnity policies) and all benefits thereof (including the right to receive claims and to return of premiums) in relation to the Vessel after Delivery in favour of the Security Agent in the agreed form.

Insurance Fiduciary Assignment means an Indonesian law deed of fiduciary security (*jaminan fidusia*) of the Borrower's rights in the Insurances and all benefits thereof (including the right to receive claims and to return of premiums) and the Builder's Risk Insurances executed by the Borrower in favour of the Security Agent in the agreed form.

Insurance Notice means, in relation to the Insurances of the Vessel and the Mooring, a notice of assignment of such Insurances in the form scheduled to the Security Assignment (in the case of the Borrower), the Insurance Assignment (in the case of any other Co-assured (other than the Charterer) or any Reinsurance Fiduciary Assignment (in the case of an Insurer).

Insurance Proceeds means all proceeds of the Insurances and/or Reinsurances and/or Builder's Risks Insurances (or any part thereof) from time to time received by any Obligor or any Finance Party (other than Total Loss Proceeds or Liability Insurance Proceeds).

Insurance Proceeds Account means the dollar account of the Borrower opened or as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the PT HOEGH LNG LAMPUNG - Insurance Proceeds Account and includes any re-designation and each sub-account thereof.

Insurances means:

- (a) all policies and contracts of insurance (which expression includes, without limitation, any confiscation, expropriation, nationalisation and deprivation insurance, together with any kidnap and ransom insurance); and
- (b) all entries in a protection and indemnity or war risks or other mutual insurance association,

in the name of the Borrower or the joint names of the Borrower and any other person in respect of or in connection with the Vessel and/or the Mooring (up to and including the Final Acceptance Date) and/or the Earnings and/or the Project generally other than Builder's Risk Insurances.

Insurer means any insurer which is from time to time party to any Reinsurance Fiduciary Assignment in favour of the Security Agent.

Interbank Market means the London interbank market.

Intercreditor Deed means the intercreditor deed dated on or around the date of this Agreement and entered into between each of the Finance Parties, the Borrower and the Singapore Shareholder.

Interest During Construction in relation to a Facility, means interest which accrues under that Facility from the date of this Agreement until the earlier of (a) Last Availability Date for that Facility and (b) Final Acceptance.

Interest Payment Date shall have the meaning ascribed thereto in clause 10.2 (*Payment of interest*).

Interest Period means, in relation to a Loan, each period determined in accordance with clause 11 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 10.3 (*Default interest*).

Interpolated Screen Rate means, in relation to LIBOR for any Loan or Unpaid Sum, 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 that Loan or Unpaid Sum; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan or Unpaid Sum,

each as of 11:00 a.m. on the Quotation Day for the offering of deposits in dollars.

K-sure means Korea Trade Insurance Corporation.

K-sure Agent means Standard Chartered Bank.

K-sure Facility means the term loan facility in an aggregate amount not exceeding the K-sure Facility Limit (of which \$68,158,899.72] remains outstanding as at the Effective Date) to be made available to the Borrower by the K-sure Lenders on the terms, and subject to the conditions, of this Agreement.

K-sure Facility Final Maturity Date means, subject to clause 41.8 (*Business Days*), 29 June 2026, or such later date as the Facility Agent may agree (on instructions of the Lenders and K-sure, in their absolute discretion).

K-sure Facility Limit means an amount of \$178,634,376.

K-sure Facility Repayment Dates means with respect to the K-sure Facility:

- (a) the First Repayment Date relating to such Facility;
- (b) each of the dates falling at three (3) monthly intervals thereafter up to but not including the K-sure Facility Final Maturity Date; and
- (c) the K-sure Facility Final Maturity Date.

K-sure Facility Repayment Instalments means each scheduled repayment instalment payable on each K-sure Facility Repayment Date in accordance with clause 8.2(a).

K-sure Facility Repayment Schedule means the schedule set out in Part B of Schedule 11 (*Repayment Schedules*).

K-sure Insurance Proceeds means any and all insurance moneys, recoveries and/or any other amounts payable by K-sure under the K-sure Policy.

K-sure Lenders means:

- (a) any Original K-sure Lender; and
- (b) any bank or financial institutions which has become a party as a K-sure Lender in accordance with clause 34 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

K-sure Loan means a loan made or to be made to the Borrower under the K-sure Facility or (as the context may require) the outstanding principal amount of such borrowing and **K-sure Loans** means all of them.

K-sure Policy means the insurance policy given or to be given by K-sure in relation to this Agreement.

K-sure Premium means the full sum payable to K-sure as stipulated in the K-sure Policy, which sum may be adjusted by K-sure on the last Utilisation of the K-sure Facility in accordance with the terms of such policy and K-sure's internal regulations.

Korea means the Republic of Korea.

Last Availability Date means the earliest to occur of:

- (a) 31 October 2014;
- (b) the Termination Date; and
- (c) the date falling ninety (90) days after the Final Acceptance Date;

or in each case such later date as may be agreed in writing by the Borrower and the Facility Agent (acting on the instructions of the Lenders).

Latest Balance Sheet means the consolidated balance sheet of the Guarantor most recently delivered to the Facility Agent pursuant to clause 20.1 (*Financial statements*) and/or most recently made publicly available.

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) notwithstanding the terms of any English Law Security Document or the assets or rights over which any English Law Security Document is expressed to create security, an English Law Security Document may not create effective security over an asset or right which is situated in or governed by the governing law of Indonesia (or in the case of Vessel Rights or Guarantee Rights any country other than England) and for the purpose of this paragraph (c) English Law Security Document means a Security Document governed by English law;
- (d) in relation to an assignment or charging of Vessel Rights and/or Guarantee Rights only, an assignment or other charge in breach of a prohibition on assignment or charging or without a consent required for such assignment or charge may not be effective;
- (e) as of the date of this Agreement, valid first-rank security interests under Indonesian laws are limited only to fiduciary security (*fiducia*), pledge (*gadai*) and mortgage (*hak tanggungan*), mortgage/hypothec over vessel and warehouse receipt (*resi gudang*). There is no assurance that Indonesian courts will recognize or enforce (i) the creation under any non-Indonesian law document of a security interest in assets of the Borrower located or sited in the Republic of Indonesia and (ii) the Powers of Attorney;
- (f) foreclosure on and sale of the capital goods covered by the Fiduciary Assignment of Tangible Assets (if any) may require the prior approvals of the Coordinating Board of Investment (BKPM) or the Minister of Finance, which approval may be conditioned upon payment of import duties and import value added taxes and import luxury goods sales taxes which may have been exempted, suspended or deferred upon importation of such goods.
- (g) foreclosure on and the sale of the Shares in the Borrower covered by the Share Security would be subject to the approvals from BKPM;
- (h) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to any of the Finance Parties pursuant to clause 4.1 (*Initial conditions precedent*) or in connection with any Finance Document entered into after the first Utilisation; and
- (i) similar principles, rights and defences under the laws of any Relevant Jurisdiction.

Lender means:

- (a) any Original Lender; and
- (b) any bank, financial institution, or any trust, fund or other entity which has become a Party in accordance with clause 34 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

Letter of Quiet Enjoyment means the letter of quiet enjoyment entered into or to be entered into between the Charterer, the Borrower and the Security Agent in the agreed form.

Liability Insurance Proceeds means the proceeds of the Insurances received in respect of protection and indemnity risks.

LIBOR means, in relation to the Loan or any part of it or any Unpaid Sum:

- (a) the applicable Screen Rate as of 11:00 a.m. (London time) on the Quotation Day for the offering of deposits in dollars for a period equal in length to the Interest Period for the Loan or relevant part of it or Unpaid Sum; or
- (b) as otherwise determined pursuant to clause 12 (*Unavailability of Screen Rate*),

and, if in either such case, that rate is below zero, LIBOR will be deemed to be zero.

Limitation Acts means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

LNG means liquefied natural gas.

Loans means, together, the K-sure Loans and the Commercial Loans and **Loan** means any of them.

London Business Day means a day (other than a Saturday or a Sunday) on which banks are open for business in London.

Loss of Hire Insurance Proceeds means the proceeds of the Insurances received in respect of loss of hire (if such Insurances are entered into in respect of the Vessel).

Loss Payable Clauses means, in relation to the Insurances of the Vessel and/or the Mooring, the provisions concerning payment of claims under such Insurances or, as the case may be, Reinsurances in the form scheduled to the Security Assignment, the Insurance Assignment, any Reinsurance Fiduciary Assignment (as the case may be) or in another approved form.

Losses means any losses, liabilities, costs, charges, expenses, claims, damages, penalties, fines or other sanctions of whatsoever nature (including without limitation, Taxes).

Maintenance Provider means Hoegh LNG Shipping Services Pte. Ltd. or such other Approved Operator which has been appointed by the Borrower as maintenance provider in accordance with clause 24.4 (*Operation and Maintenance*) of this Agreement.

Major Casualty means any casualty to the Vessel for which the total insurance claim, inclusive of any deductible, exceeds or is reasonably likely to exceed the Major Casualty Amount.

Major Casualty Amount means in respect of the Vessel, \$30,000,000 (or the equivalent in any other currency).

Majority Lenders means at any time:

- (a) if there is any Loan then outstanding, a Lender or Lenders whose participations in the Loan(s) then outstanding aggregate more than $66\frac{2}{3}$ per cent of all such Loan(s); or
- (b) if there is no Loan then outstanding and the Available Facilities are then greater than zero, a Lender or Lenders whose Available Commitments aggregate more than $66\frac{2}{3}$ per cent of the Available Facilities; or
- (c) if there is no Loan then outstanding and the Available Facilities are then zero:
 - (i) if the Available Facilities became zero after a Loan ceased to be outstanding, a Lender or Lenders whose Available Commitments aggregated more than $66\frac{2}{3}$ per cent of the Available Facilities immediately before the Available Facilities became zero; or
 - (ii) if a Loan ceased to be outstanding after the Available Facilities became zero, a Lender or Lenders whose participations in the Loan(s) outstanding immediately before any Loan ceased to be outstanding aggregated more than $66\frac{2}{3}$ per cent of all such Loan(s).

Manuals and Technical Records means, in relation to the Vessel, all such books, records, logs, manuals, handbooks, technical data, plans, drawings and other materials and documents (whether or not kept or required to be kept in compliance with any applicable laws or the requirements of the Classification Society) relating to the Vessel.

Margin means:

- (a) in relation to the K-sure Loan, 2.30 per cent per annum; and
- (b) in relation to the Commercial Loan, 3.75 per cent per annum.

Master Maintenance Agreement means an agreement for the provision or procurement of maintenance between the Borrower and a Maintenance Provider in relation to the FSRU substantially following the terms set out in the applicable outline terms provided to the Mandated Lead Arrangers prior to the date of this Agreement or as otherwise approved.

Master Parts Agreement means an agreement for the provision or procurement of spare or replacement parts between the Borrower and a Parts Provider in relation to the FSRU substantially following the terms set out in the applicable outline terms provided to the Mandated Lead Arrangers prior to the date of this Agreement or as otherwise approved.

Material Adverse Effect means a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or assets of the Høegh MLP Group taken as a whole;
- (b) the ability of the Borrower or the Guarantor to perform their respective obligations under any of the Finance Documents or the Material Project Agreements to which they are a party; or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of any Security Interest granted pursuant to, any of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

Material Project Agreement means the Charter, any Charter Guarantee, the PGN L/C, the Umbrella Agreement, the Consortium Agreement, the Building Contract, the Refund Guarantee, any Builder's Performance L/C, the Mooring EPC Contract, the Mooring Installation Contract, the Modec Guarantee, the Supervision Agreement and any O&M Contract.

Minimum Value means, at any time, the amount in dollars which is at that time one hundred and twenty per cent (120%) of the Loans.

Modec means Modec International, Inc. whose corporate office is located at 14741 Yorktown Plaza Drive, Houston, TX 77040.

Modec Guarantee means the parent company guarantee to be issued by Modec in favour of the Borrower in respect of the Mooring EPC Contract following execution of the Mooring EPC Contract Novation Agreement.

Mooring means the Mooring as defined in the Charter.

Mooring Contract Price means the aggregate amount, payable by the Borrower (or prior to the relevant novation the Sponsor and/or its Affiliates) in respect of the Mooring under the Mooring EPC Contract and the Mooring Installation Contract, as notified by the Borrower to the Facility Agent.

Mooring Documents means the Mooring EPC Contract, the Modec Guarantee, the Mooring Installation Contract and any guarantee or security given to the Borrower by any person for the Mooring EPC Contractor's obligations under the Mooring EPC Contract and/or the Mooring Installation Contractor's obligations under the Mooring Installation Contract and includes any

change orders or other deed, document, agreement or instrument amending, varying or supplementing any of the foregoing documents or any of the terms and conditions thereof.

Mooring EPC Contract means the contract specified in Schedule 2 (*Vessel Information*) and made between the Mooring EPC Contractor and the Sponsor relating to, inter alia, the construction of the Mooring (the **Original Mooring EPC Contract**) as novated or to be novated to the Borrower pursuant to the Mooring EPC Contract Novation Agreement.

Mooring EPC Contractor means SOFEC, Inc., a company incorporated in Texas, United States of America with its registered office at 14741 Yorktown Plaza Drive, Houston, Texas, 77040.

Mooring EPC Contract Novation Agreement means the novation agreement between the Borrower, the Mooring EPC Contractor and HLNG Asia Pte Ltd, pursuant to which the rights and obligations of HLNG Asia Pte Ltd under the Original Mooring EPC Contract are novated in favour of the Borrower.

Mooring Installation Contract means a contract relating to the installation of the Mooring at the Site to be made between the Borrower and the Mooring Installation Contractor substantially following the terms set out in the applicable letter of intent provided by the Borrower prior to the entry into such contract and approved by the Lenders (acting reasonably) or as otherwise approved.

Mooring Installation Contractor means a company approved by the Lenders (acting reasonably).

Mooring Payment Accounts means the Offshore Mooring Account and the Onshore Mooring Account and **Mooring Payment Account** means either of them.

Mooring Purchase Price means the amount in respect of the purchase price of the Mooring calculated in accordance with the Charter and payable by the Charterer to the Borrower.

Mortgage means a first ranking Indonesian ship hypothec (*hipotek kapal*) over the Vessel in the agreed form executed by the Borrower in favour of the Security Agent.

Mortgage Period means the period commencing on the date on which the Mortgage over the Vessel is executed and submitted for registration until the earlier of the date on which the Mortgage is released and discharged and the Total Loss Date in respect of the Vessel.

Net Hedging Expenses for any period means the amounts payable (or, in respect of a future period, projected to be payable) during that period under any Hedging Contract by the Borrower less the amounts payable (or, in respect of a future period, projected to be payable) during that period under any Hedging Contract to the Borrower in each case excluding any payment in respect of a party's costs of entering into or terminating a Hedging Contract (and, for the avoidance of doubt, any Net Hedging Expenses may be a negative amount as well as a positive amount).

New Lender has the meaning given to such term in clause 34.1 (*Assignments and transfers by the Lenders*).

New Shareholder means any person or corporate entity which has become a shareholder of the Borrower pursuant to and in accordance with clause 30.16 (*Replacement and/or additional shareholder*).

NoR Conditions means the "NoR Conditions" as defined in clause 6.1 of the Charter.

O&M Contract means a Technical Services Agreement, a Master Maintenance Agreement or a Master Parts Agreement.

O&M Contractor means a Maintenance Provider or a Parts Provider or a Technical Services Provider.

O&M Contractor Undertaking means, in relation to each O&M Contractor which is an Affiliate of the Borrower or Guarantor, an undertaking by that O&M Contractor to the Security Agent in the agreed form.

Obligors means a Facility Obligor, the Singapore Shareholder, each O&M Contractor which is part of the Høegh LNG Holdings Group (so long as it is a party to a Security Document) and any other Affiliate of the Borrower (other than an Indonesian Shareholder) or the Guarantor which is from time to time a party to a Finance Document and **Obligor** means any of them.

OECD Common Approaches means Recommendation of the Council in Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (the Common Approaches) (TAD/ECG (2012) 5) dated 28 June 2012.

Offshore Account Bank means the Offshore Account Bank specified above and includes any person who may be appointed by the Borrower with the approval of the Majority Lenders (not to be unreasonably withheld or delayed) as an 'Offshore Account Bank' in addition to or, as the case may be, in substitution for the Offshore Account Bank as at the date of this Agreement and which has entered into an Accession Deed.

Offshore Mooring Payment Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the "PT HOEGH LNG LAMPUNG – Offshore Mooring Payment Account" and includes any redesignation and each sub-account thereof.

Offshore Operating Account means the dollar account of the Borrower opened or as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the "PT HOEGH LNG LAMPUNG – Offshore Operating Account" and includes any re-designation and each sub-account thereof.

Offshore Revenue Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the "PT HOEGH LNG LAMPUNG - Offshore Revenue Account" and includes any redesignation and each sub-account thereof.

Onshore Account Bank means the Onshore Account Bank specified above and includes any person who may be appointed by the Borrower with the approval of the Majority Lenders (not to be unreasonably withheld or delayed) as an 'Onshore Account Bank' in addition to or, as the case may be, in substitution for the Onshore Account Bank as at the date of this Agreement and which has entered into an Accession Deed.

Onshore Delivery Account means the dollar account of the Borrower opened or as the context may require, to be opened by the Borrower with the Onshore Account Bank, designated by the Onshore Account Bank to be the "PT HOEGH LNG LAMPUNG – Onshore Delivery Account" and includes any re-designation and each sub-account thereof.

Onshore Operating Account means the rupiah account of the Borrower opened or as the context may require, to be opened by the Borrower with the Onshore Account Bank, designated by the Onshore Account Bank to be the "PT HOEGH LNG LAMPUNG – Onshore Operating Account" and includes any re-designation and each sub-account thereof.

Onshore Mooring Payment Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Onshore Account Bank, designated by the Onshore Account Bank to be the "PT HOEGH LNG LAMPUNG - Onshore Mooring Payment Account" and includes any redesignation and each sub-account thereof.

Onshore Proceeds Account means the dollar account of the Borrower opened or as the context may require, to be opened by the Borrower with the Onshore Account Bank, designated by the Onshore Account Bank to be the "PT HOEGH LNG LAMPUNG – Onshore Proceeds Account" and includes any re-designation and each sub-account thereof.

Onshore Revenue Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Onshore Account Bank, designated by the Onshore Account Bank to be the “PT HOEGH LNG LAMPUNG - Onshore Revenue Account” and includes any redesignation and each sub-account thereof.

Operating Accounts means the Offshore Operating Account and the Onshore Operating Account and **Operating Account** means either of them.

Operating and Maintenance Element means the fee payable by the Charterer to the Borrower pursuant to clause 12 of the Charter, calculated in accordance with sections 3.2 to 3.7 of Schedule 6 to the Charter.

Operating Expenses means all operating expenses, taxes, capital expenditure, payments under Project Documents (other than Subordinated Loan Agreements and Promissory Notes), employee costs, insurance premiums and similar amounts payable by the Borrower.

Original Charterer means PT Perusahaan Gas Negara (Persero) Tbk, a state-owned limited liability company established under Indonesian Government Regulations and having its principal office at Jl. K.H. Zainul Arifin No. 20, Jakarta 1140, Indonesia.

Original Commercial Lenders means those banks and financial institutions listed in Schedule 1 (*The Original Lenders*) as Commercial Lenders.

Original Financial Statements means the audited consolidated financial statements of the Guarantor for its financial year ended 31 December 2020.

Original Hedging Banks means the banks and financial institutions listed in Schedule 1 as Hedging Banks.

Original Indonesian Shareholder means PT Bahtera Daya Utama, a company incorporated in Indonesia with its registered office at Jalan Ampera Raya No. 9-10, Jakarta Selatan 12550, Indonesia.

Original K-sure Lenders means those banks and financial institutions listed in Schedule 1 (*The Original Lenders*) as K-sure Lenders.

Original Lenders means the Original K-sure Lenders and the Original Commercial Lenders and **Original Lender** means any of them.

Original Security Documents means:

- (a) the Mortgage;
- (b) the Security Assignment;
- (c) the Project Agreements Assignment;
- (d) the Insurance Assignment;
- (e) the Shares Security
- (f) the Sponsor's Assignment;
- (g) the Account Security;
- (h) each O&M Contractor Undertaking;
- (i) the Supervisor Undertaking;

- (j) the Letter of Quiet Enjoyment;
- (k) the Guarantee;
- (l) the Fiduciary Assignments;
- (m) the Hedging Security;
- (n) any DSRA Letter of Credit; and
- (o) the Powers of Attorney,

as the same may be supplemented, amended or reconfirmed from time to time.

Original Shareholders means the Singapore Shareholder and the Original Indonesian Shareholder.

Parent means Høegh LNG Holdings Ltd, a company incorporated in Bermuda with its registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

Participating Member State means any member state of the European Community that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

Parts Provider means Hoegh LNG Asia Pte. Ltd. or such other Approved Operator which has been appointed by the Borrower as parts provider in accordance with clause 24.4 (*Operation and Maintenance*) of this Agreement.

Party means a party to this Agreement.

Perfection Requirements means the paying, making or the procuring of the appropriate registrations, taxes, fees, filings, endorsements, notarisation, stampings, translations and/or notifications in respect of the Security Documents as specifically referred to in any Finance Document or in any legal opinion delivered to the Facility Agent pursuant to clause 4 (*Conditions of Utilisation*) or in connection with the entry into any Finance Document.

Permitted Amendment means:

- (a) any amendment of, or waiver or release of a party's obligations under, any Subordinated Loan Agreement and/or any Promissory Note and/or any Equity Loan Agreement provided that if it is a material amendment, waiver or release it is notified in advance to the Facility Agent;
- (b) any amendment of, or waiver or release of a party's obligations under, the Shareholders Agreement other than an amendment, waiver or release of any Restricted Provision which is notified in advance to the Facility Agent;
- (c) [intentionally blank];
- (d) any amendment to an O&M Contract which does not result in the Operating Expenses of the Borrower for the applicable period exceeding the then applicable Projected Operating Expenses or increasing any other liability of the Borrower under the Project Agreements or in a change to the tenor of such Project Agreements and which is notified in advance to the Facility Agent; and
- (e) any amendment to the Supervision Agreement or any other Project Agreement which is not a Material Project Agreement or expressly referred to elsewhere in this definition which does not result in an increase in any amount payable by the Borrower or the liability of the Borrower under the Project Agreements or in a change to the tenor of such Project Agreements and which is notified in advance to the Facility Agent;

- (f) any amendment to the Charter by way of a change order or written amendment which relates to matters of a purely technical and/or operational nature and which would not, or would not reasonably be expected to:
 - (i) require the Borrower to effect or otherwise result in a material structural alteration to the Vessel or the Mooring or affect the safety or structural integrity thereof; or
 - (ii) result in any change in the amount (by way of reduction), calculation, method or timing of payment of the Total Charter Rate; or
 - (iii) result in any reduction to the Charter Period or termination of the Charter; or
 - (iv) result in any change to the termination and/or force majeure provisions (if applicable) of a Project Agreement; or
 - (v) result in any change to any counterparty to a Project Agreement; or
 - (vi) result in any forecast shortfall in funding to achieve Final Acceptance in excess of \$5,000,000 in aggregate during the construction period; or
 - (vii) result in an increase in Operating Expenses that are not being compensated in full by the Charterer;
- (g) any amendment permitted under clause 24.1(d) or 24.1(e) (*Project Agreements*) or required pursuant to and in accordance with this Agreement and any consequential amendments required to be made to the Charter pursuant to an expert's determination; and
- (h) any novation of a Project Agreement (other than the Charter) to the Borrower as contemplated by this Agreement, the Building Contract Novation Agreement, the Mooring EPC Contract Novation Agreement, the Umbrella Novation Agreement or the Consortium Agreement Novation Agreement;
- (i) any novation of the Charter to the Borrower pursuant to the Charter Novation Agreement or by the Charterer pursuant to clause 16.3 of the Charter and in accordance with clause 24.1(d)(vi) of this Agreement;
- (j) any extension of the term of the Charter.

Permitted Financial Indebtedness means any:

- (a) Financial Indebtedness incurred under, or as expressly permitted by, the Finance Documents; and
- (b) Financial Indebtedness in the form of Subordinated Loans or Promissory Notes;
- (c) Financial Indebtedness incurred in respect of any trade and/or sundry creditors which is not exceeding ninety (90) days; and
- (d) Financial Indebtedness under finance or capital leases of vehicles, plant, machinery, equipment or computers provided that the aggregate capital value of all such items so leased by the Borrower under outstanding leases does not exceed \$250,000 at any time.

Permitted Location means the Site or any other location required under the Charter Documents as the Lenders may approve in accordance with clause 24.12 (*Negative covenants*).

Permitted Maritime Liens means:

- (a) unless an Event of Default is continuing, any ship repairer's or outfitter's possessory lien in respect of the Vessel for an amount not exceeding the Major Casualty Amount;

- (b) any lien on the Vessel for master's, officer's or crew's wages outstanding in the ordinary course of its trading which are not overdue;
- (c) any lien on the Vessel for salvage; and
- (d) any lien arising in the ordinary course of business or operation of the Vessel created by statute or by operation of law in Indonesia (and constituting a bona fide, non-discriminatory measure of general application) and in respect of obligations which are not overdue or which are being contested in good faith by appropriate proceedings (and for the payment of which adequate reserves have been provided) so long as any such proceedings or the continued existence of such lien do not, in the reasonable opinion of the Facility Agent, involve any likelihood of the sale, forfeiture or loss or, or of any interest in, or loss of use (for a period of seven (7) days or more) of, the Vessel.

Permitted Repayment means any repayment or payment in respect of Promissory Notes made by the Borrower prior to the first Utilisation Date provided that such repayment or payment is made solely from amounts paid by the Shareholders pursuant to the subscription of shares in or other capitalisation of share or equity of the Borrower.

Permitted Security Interest means:

- (a) any Security Interest which is created by or expressed to be created by any Finance Document;
- (b) a Permitted Maritime Lien;
- (b) until the date that the Shares Security is entered into by the Indonesian Shareholder, any Security Interest over the shares in the Borrower owned by the Indonesian Shareholder;
- (c) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Borrower in the ordinary course of trading and on the supplier's standard or usual terms and not as a result of any default or omission by the Borrower;
- (d) any Security Interest arising as a consequence of any finance or capital lease which is permitted pursuant to paragraph (e) of the definition of Permitted Financial Indebtedness;
- (e) any Security Interest existing in favour of an Account Bank pursuant to paragraph 3.1 of Schedule 19 (*Account Banks provisions*);
- (f) any other Security Interest approved by the Lenders; or
- (g) any Security Interest arising under general banking conditions of a financial institution with whom a member of the Höegh MLP Group or the Höegh LNG Holdings Group holds a bank account.

PGN Arbitration means the arbitration proceedings commenced by the Charterer against the Borrower in respect of the Charter by its notice of arbitration dated 2 August 2021 seeking to declare the Charter null and void and/or to terminate the Charter.

PGN L/C means an irrevocable standby letter of credit substantially in the form of Part B of Schedule 4 of the Charter or such other form as may be approved by the Lenders which is issued by an Approved Bank (as defined in the Charter) in favour of the Borrower in accordance with the Charter.

Pollutant means and includes LNG, crude oil and its products, any other polluting, toxic or hazardous substance and any other substance whose release into the environment is regulated or penalised by Environmental Laws.

Powers of Attorney means the security powers of attorney in the agreed form granted or, as the context may require, to be granted by the Borrower to the Security Agent on behalf of the Finance Parties, pursuant to which the Borrower appoints or, as the context may require, will appoint the Security Agent as its attorney for the purposes of, inter alia, effecting the termination of the Charter, the repossession of the Vessel, the decommissioning of the Vessel, sale of the Vessel, the towage of the Vessel to a location outside the Permitted Location, the deregistration of the Vessel and/or creating second and subsequent hypothec over the Vessel.

Priority Operating Expenses means in any period the amount transferred from the Offshore Revenue Account to the Offshore Operating Account in respect of Operating Expenses pursuant to and in accordance with clause 29.8(a)(i).

Proceeds Application Event means the Borrower becoming obliged to prepay the Loans (or any part thereof) pursuant to the provisions of this Agreement (other than in accordance with clauses 9.1 (*Illegality*), 9.2 (*Voluntary prepayment and cancellation*) or 9.3 (*Right of cancellation and prepayment in relation to a single Lender*) unless applicable to all Loans and Lenders, clause 9.5 (*Right of cancellation in relation to a Defaulting Lender*), clause 9.10 (*K-sure Policy*) (in the event that only the K-sure Loans are required to be pre-paid in accordance with that clause) or clause 29.8(a)(viii) (*Offshore Revenue Account, Payment cascade*)).

Prohibited Payment means:

- (a) any offer, gift, payment, promise to pay, commission, fee, loan or other consideration which would constitute bribery or a breach of the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other applicable law of any Relevant Jurisdiction or England and Wales; or
- (b) any offer, gift, payment, promise to pay, commission, fee, loan or other consideration which would or might constitute bribery within the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 17 December 1997.

Project means the Works and procurement and installation of the Mooring and the construction, installation, commissioning, operation and chartering to the Charterer of the Vessel pursuant to the Charter.

Project Accounts means, together, the following:

- (a) the Construction Account (which is, on and from the Effective Date, redesignated as the Cash Lock-Up Account);
- (b) the Revenue Accounts;
- (c) the Operating Accounts;
- (d) the Onshore Proceeds Account;
- (e) the Onshore Delivery Account;
- (f) the Debt Service Reserve Account;
- (g) the Rupiah Account;
- (h) the Distribution Account;
- (i) the Retention Account;
- (j) the Insurance Proceeds Account; and
- (k) the Dollar Tax Account.

Project Agreements means the Charter Documents, the Building Contract Documents, the Mooring Documents, the O&M Contracts, the Supervision Agreement, the Subordinated Loan Agreements (if any) and each other document the Facility Agent and the Borrower designate as a Project Agreement.

Project Agreements Assignment means a first assignment of the Borrower's rights and interest in and to the Material Project Agreements to which it is a party (including, without limitation, the Vessel Rights and the Guarantee Rights), the Subordinated Loan Agreement and the Promissory Notes by the Borrower in favour of the Security Agent in the agreed form.

Project Authorisations means all licences, permits, wayleaves, approvals, filings, registrations, exemptions, authorisations and consents (other than Environmental Licences) necessary to be obtained by the Borrower and/or any O&M Contractor in connection with the Transaction Documents, the Project and all activities related to the Project to be carried out by the Borrower and/or the O&M Contractor.

Project Budget Statement means each statement to be prepared and required to be submitted by the Borrower to the Facility Agent pursuant to and in accordance with clause 24.5 (*Agreement of Projected Operating Expenses and Delivery of Project Budget Statement*) substantially in the form attached as Schedule 10 (*Form of Project Budget Statement*) or as otherwise agreed by the Facility Agent and the Borrower and setting out the projected Projected Operating Expenses and the latest cashflow and tax projections for the relevant period, as such statement may be updated in accordance with clause 24.5 (*Agreement of Projected Operating Expenses and Delivery of Project Budget Statement*).

Project Cost means the costs and expenses incurred by the Borrower and, prior to first Utilisation, the Sponsor and/or its Affiliates in relation to, and costs and expenses to complete, the Project, including, without limitation, the construction and installation costs in respect of the Vessel and the Mooring, Interest During Construction, the K-sure Premium, Net Hedging Expenses payable up to the Final Acceptance Date, direct fees, costs and expenses incurred by the Borrower and/or the Sponsor and its Affiliates in relation to the Project and the Finance Documents and including in each case such amounts paid or funded by the Guarantor, the Sponsor, the Shareholders and any of their Affiliates, whether before or after the establishment of the Borrower and provided that in determining the amount of the Project Costs, amounts payable by the Borrower to the Sponsor and/or its Affiliates pursuant to the novation of any Material Project Agreement to the Borrower shall not be included in addition to the amounts paid by the Sponsor and/or its Affiliates in respect of those Material Project Agreements prior to novation and any margin payable to the Sponsor and/or its Affiliates by the Borrower pursuant to such novations over such amounts paid by the Sponsor and/or its Affiliates shall not be a Project Cost.

Projected Operating Expenses means the anticipated operating expenses of the Borrower for the applicable year as shown in the relevant Project Budget Statement.

Promissory Note means any promissory note or convertible promissory note issued by the Borrower in favour of the Guarantor, the Sponsor, a Shareholder or any of their Affiliates, and which, from the first Utilisation Date (or in the case of the Sponsor by no later than the date falling three (3) Business Days after the first Utilisation Date), is subordinated to the Facilities by way of a Subordination Deed.

Quotation Day means, in relation to any period for which an interest rate is to be determined, two (2) London Business Days before the first day of that period unless market practice differs in the Interbank Market for the relevant currency, in which case the Quotation Day for that currency shall be determined by the Facility Agent in accordance with market practice in the Interbank Market (and if quotations would normally be given by leading banks in the Interbank Market on more than one day, the Quotation Day will be the last of those days).

Receivables means:

- (a) all Sales Proceeds in respect of the Vessel;

- (b) proceeds in respect of any disposal of part of the Vessel;
- (c) Total Loss Proceeds in respect of the Vessel;
- (d) any Termination Fee;
- (e) the Vessel Purchase Option Price;
- (f) the Mooring Purchase Price;
- (g) Tax refunds and other taxes applicable to the Project;
- (h) all amounts which are received or receivable by the Borrower (or the Security Trustee as assignee) under the Building Contract Documents, the Mooring Contract Documents or the Charter Guarantee;
- (i) the proceeds of any sale of the shares in respect of the Borrower pursuant to the Shares Security;
- (j) all amounts which are, at any time received or receivable from the Guarantor under, and pursuant to the terms of, the Guarantee ; and
- (k) all other amounts which are from time to time required, pursuant to the terms of the Finance Documents, to be deposited in a Revenue Account.

Receiver means a receiver or a receiver and manager or an administrative receiver appointed in relation to the whole or any part of any Charged Property under any relevant Security Document.

Reformed Basel 3 means the agreements contained in Basel III: Finalising post-crisis reforms published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

Reformed Basel 3 Increased Cost means an Increased Cost which is attributable to the implementation or application of or compliance with any other law or regulation which implements Reformed Basel 3 (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

Refund Guarantee means the guarantee details of which are specified in Schedule 2 (*Vessel information*) issued by the Refund Guarantor in respect of the Builder's obligations under the Building Contract and any further guarantee to be issued by the Refund Guarantor to the Borrower in respect of such obligations in accordance with the Building Contract.

Refund Guarantor means the refund guarantor specified as such in Schedule 2 (*Vessel information*) or any approved replacement Refund Guarantor in accordance with this Agreement.

Registry means such registrar, commissioner or representative of the Flag State who is duly authorised and empowered to register the Vessel, the Borrower's title to the Vessel and the Mortgage under the laws of its Flag State.

Regulatory Authority means the Classification Society, the Registry, and each other regulatory authority in Indonesia or elsewhere or, as the case may be, such other body carrying out the functions which are carried out by the Classification Society or the Registry or such other body in Indonesia or in any other location in which the Vessel is, or is proposed to be operated, in each case to the extent applicable to the Borrower, any O&M Contractor and/or the Vessel.

Reinsurance Fiduciary Assignment means the Indonesian law deed of fiduciary security (*jaminan fidusia*) over Insurance Proceeds (in respect of the Reinsurances and all benefits thereof including claims of whatsoever nature and return of premiums) executed by the Insurer(s) in favour of the Security Agent in the agreed form or such other form as may be approved.

Reinsurances means any and all policies and contracts of reinsurance which are from time to time in place or taken out or entered into by or / for the benefit of the insurers in relation to any of the Insurances or any renewals or substitutions therefore.

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 Jurisdiction means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any Charged Property owned by it is situated; and
- (c) any jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

Relevant Period means in the case of the first Relevant Period, a period of nine (9) months ending on the first date of testing under clause 21.3 (*Financial testing*) and in the case of each subsequent Relevant Period, each period of nine (9) months ending on any Commercial Facility Repayment Date or K-sure Facility Repayment Date.

Repayment Dates means, together, the Commercial Facility Repayment Dates and the K-sure Facility Repayment Dates and **Repayment Date** shall mean any such date.

Repayment Instalments means the Commercial Facility Repayment Instalments and the K-sure Facility Repayment Instalments and **Repayment Instalment** shall mean any such instalment.

Repayment Schedule means, as the case may be, the K-sure Facility Repayment Schedule or the Commercial Facility Repayment Schedule.

Repeating Representations means each of the representations and warranties set out in clauses 19.1 (*Status*) to 19.10 (*Ranking and effectiveness of security*) (other than clause 19.8(c)).

Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

Requisition Compensation means, in respect of the Vessel, any compensation paid or payable by a government entity to the Borrower for the requisition for title, confiscation or compulsory acquisition of the Vessel.

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

Restricted Party means a person that is: (i) listed on, or (directly or indirectly) owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List; (ii) not a natural person and is located in, incorporated under the laws of, or (directly or indirectly) owned or controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or (iii) otherwise a target of Sanctions (target of Sanctions signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by Sanctions from engaging in trade, business or other activities).

Restricted Provisions means clauses 4(a), 5, 8.1(a), (b)(i) and (ii), 8.1(c)(i), 8.2(d), (e) and (g), 8.3(a), (b)(i) and (b)(ii), (c)(i) and (f), 8.4(d), (e) and (g), 9(b), 9(e), 10(a), 15, 16(g), 17 and 19 of the Shareholders Agreement and the Super Majority Matters (as defined in the Shareholders Agreement) and **Restricted Provision** means any of them.

Retention Account means the dollar account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Offshore Account Bank, designated by the Offshore Account Bank to be the "PT HOEGH LNG LAMPUNG - Retention Account" and includes any redesignation and each sub-account thereof.

Revenue Accounts means the Onshore Revenue Account and the Offshore Revenue Account and **Revenue Account** means either of them.

Rupiah Account means the rupiah account of the Borrower opened or, as the context may require, to be opened by the Borrower with the Onshore Account Bank, designated by the Onshore Account Bank to be the "PT HOEGH LNG LAMPUNG - Rupiah Account" and includes any redesignation and each sub-account thereof.

Sales Proceeds means, in respect of the Vessel, the total proceeds of any sale of the Vessel by the Borrower after the date hereof including the Vessel Purchase Option Price received by the Borrower (or the Security Agent or Account Bank) on its behalf and, if the Vessel is sold in a currency other than dollars, the Sales Proceeds shall be the amount of dollars which the Borrower is able to purchase with the other currency at a market rate of exchange on the day of receipt of such other currency.

Sanctions means any embargoes, and any laws, regulations or restrictive measures concerning any economic sanctions administered, enacted or enforced by: (i) the United States government; (ii) the United Nations; (iii) the European Union; (iv) the United Kingdom; (v) the Norwegian State; (vi) any EEA member country or (vii) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (**OFAC**), the United States Department of State and Her Majesty's Treasury (**HMT**) (together, the **Sanctions Authorities**).

Sanctions List means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

Screen Rate means the London interbank rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars and the relevant period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of 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 Borrower and the Lenders

Second Amendment and Restatement Agreement means the agreement supplemental to this Agreement dated 2021 made between, inter alios, the Borrower, the Guarantor, the Singapore Shareholder, the Indonesian Shareholder, Hoegh LNG Shipping Services Pte. Ltd., Hoegh LNG Asia Pte. Ltd. and Hoegh LNG AS as O&M Contractors, the K-sure Agent, the Facility Agent (on behalf of itself, the Mandated Lead Arrangers, the Hedging Banks, the Offshore Account Bank and the Onshore Account Bank), the Security Agent, the banks and financial institutions defined therein as Exiting Commercial Lenders and the banks and financial institutions defined therein as New Commercial Lenders.

Secured Obligations means the obligations of the Borrower and each other Facility Obligor to the Finance Parties or any of them under the Finance Documents and includes such obligations in respect of all sums of money (including, without limitation, the aggregate of the Loan and interest accrued and accruing thereon) and the Hedging Debt from time to time owing to the Finance Parties or any of them, whether actually or contingently and whether or not due and payable, under the Finance Documents or any of them.

Security Agent means Standard Chartered Bank or any other person as may be appointed Security Agent under this Agreement.

Security Assignment means a first assignment of the Borrower's rights in respect of Insurances and all benefits thereof (including the right to receive claims and to return of premiums), Builder's Risks Insurances and all benefits thereof (including the right to receive claims and to return of premiums), Earnings and Requisition Compensation by the Borrower in favour of the Security Agent in the agreed form.

Security Documents means

- (a) the Original Security Documents;
- (b) any Subordination Deed executed after the date of this Agreement;
- (c) any other document as may after the date of this Agreement be executed by any Obligor, or by any other person if the Borrower has consented to such document being a Security Document to guarantee and/or secure any amounts owing to the Finance Parties under this Agreement or any other Security Document.

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

Security Value means, at any time until the Vessel has become a Total Loss, the amount in dollars which, at that time, is the aggregate of (a) the value of the Vessel (or, if less, the maximum amount capable of being secured by the Mortgage) and (b) the value of any additional security then held by the Security Agent provided under clause 28 (*Minimum security value*), in each case as most recently determined in accordance with this Agreement.

Selection Notice means a notice substantially in the form set out in Schedule 5 (*Selection Notice*) given in accordance with clause 11 (*Interest Periods*).

Shareholder Agreement means the shareholders agreement dated 13 March 2013 made between the Singapore Shareholder and the Original Indonesian Shareholder in relation to the establishment and operation of the Borrower as may be amended, supplemented and/or replaced from time to time.

Shareholders means the Original Shareholders and any New Shareholder.

Shares Security means:

- (a) the Indonesian law pledge of shares (*gadai saham*) by each Shareholder (other than an Indonesian Shareholder) in favour of the Security Agent; and
- (b) the Indonesian law deed of fiduciary security (*jaminan fidusia*) by each Indonesian Shareholder,

each in the agreed form in respect of all of the shares in the Borrower owned by the relevant Shareholder.

Singapore Shareholder means Hoegh LNG Lampung Pte Ltd, a company incorporated in Singapore with its registered office at 4 Robinson Road, House of Eden #05-01, Singapore 048543 and any of its Affiliates which becomes a shareholder in the Borrower in accordance with the Finance Documents, in each case until it ceases to be a shareholder of the Borrower in accordance with the Finance Documents.

Site means the mooring site located approximately 16 kilometres offshore Lampung, South Sumatra, Indonesia, where the Vessel and the Mooring is stationed at the time of Final Acceptance as such site may be changed at the request of the Charterer in accordance with the Charter and with the prior approval of the Lenders (such approval not to be unreasonably withheld or delayed).

Specifications means the specifications of the Vessel, as defined in the Building Contract.

Spill means any actual spill, release or discharge of a Pollutant into the Environment.

Sponsor means Høegh LNG Ltd., a company incorporated in Bermuda with its registered office at Canon's court, 22 Victoria Street, Hamilton HM 12, Bermuda.

Sponsor Funding means:

- (a) the amount of Project Costs paid by the Sponsor, the Guarantor, a Shareholder or any of their Affiliates (other than the Borrower), whether before or after incorporation of the Borrower;
- (b) the amount of Project Costs paid by the Borrower which are funded by the Sponsor, the Borrower, the Guarantor, a Shareholder or any of their Affiliates other than from the proceeds of the Loans but in the case of receipts under the Charter only including any such Project Costs funded by the Mooring Purchase Price (which has not been included as Sponsor Funding under paragraph (a)) or part thereof or by payments made by the Charterer and which the Borrower is entitled to retain for its own account in relation to Alterations (as defined in the Charter) or variations or other changes under the Building Contract or Mooring Documents, having paid all costs required to implement such Alterations or such variations.

Sponsor's Assignment means a first assignment of the Sponsor's rights and interest in and to the Umbrella Agreement and the Consortium Agreement by the Sponsor in favour of the Security Agent in the agreed form and which shall automatically be released upon the effective date of the novation of such Material Project Agreements to the Borrower pursuant to and in accordance with the Umbrella Novation Agreement and the Consortium Agreement Novation Agreement.

Subordinated Loan means any loan or loan stock made or, as the context may require to be made available by the Sponsor or a Shareholder or any of their Affiliates to the Borrower pursuant to a Subordinated Loan Agreement (and which is to be subordinated to the facility by way of a Subordination Deed from the first Utilisation Date or by no later than the third (3rd) Business Day after the first Utilisation Date in the case of the Sponsor).

Subordinated Loan Agreement means any loan agreement made or to be made between the Sponsor or a Shareholder or any of their respective Affiliates and the Borrower in relation to the provision of a Subordinated Loan to the Borrower.

Subordination Deed means any deed of subordination in the agreed form executed or, as the context may require, to be executed by either the Sponsor or a Shareholder or any of their respective Affiliates in favour of the Security Agent on behalf of the Finance Parties together with all deeds of accession entered into or to be entered into pursuant thereto.

Subsidiary means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

Supervision Agreement means the construction management agreement entered into between the Borrower and the Supervisor pursuant to which the Supervisor will on behalf of the Borrower

supervise the performance of the Builder, Mooring EPC Contractor and Mooring Installation Contractor under the Building Contract, Mooring EPC Contract and Mooring Installation Contract.

Supervisor means a company or group of companies within the Høegh MLP Group as may be notified to the Facility Agent by the Borrower prior to the first Utilisation and as may be replaced by the Borrower with another company or group of companies within the Høegh MLP Group following notice to the Facility Agent.

Supervisor Undertaking means an undertaking by the Supervisor to the Security Agent 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) however so arising, including in Indonesia whether or not in connection with the Borrower and **Taxation** shall be construed accordingly.

Tax Element means the fee payable by the Charterer to the Borrower pursuant to clause 12 of the Charter, calculated in accordance with sections 4.2 and 4.3 of Schedule 6 to the Charter.

Technical Adviser means Crondall Energy or any other technical consultant with experience of assets of the same type as the Vessel and the Mooring appointed by the Facility Agent on behalf of the Lenders, with the approval of the Borrower (such approval not to be unreasonably withheld or delayed and, to the extent that the Borrower has not responded to the Facility Agent within 5 Business Days of delivery of its request, such approval shall be deemed to have been given) to carry out the Agreed Scope of Work.

Technical Services Agreement means an agreement between the Borrower and a Technical Services Provider pursuant to which the Borrower is provided with certain services and licensed intellectual property substantially following the terms set out in the applicable outline terms provided to the Mandated Lead Arrangers prior to the date of this Agreement or as otherwise approved.

Technical Services Provider means Høegh LNG AS or such other Approved Operator which has been appointed by the Borrower as the technical services provider in accordance with clause 24.4 (*Operation and Maintenance*) of this Agreement.

Term Facilities means the K-sure Facility and the Commercial Facility and **Term Facility** means either of them.

Termination Acquisition Notice is as defined in the Charter.

Termination Date means the earliest to occur of:

- (a) the Total Loss Date;
- (b) the date that the Total Commitments are cancelled pursuant to clause 31.30 (*Acceleration*);
- (c) the date on which the Total Commitments are reduced to zero pursuant to clause 9.3 (*Right of cancellation and prepayment in relation to a single Lender*) applying to all Lenders;
- (d) the date on which the Total Commitments are reduced to zero and/or cancelled pursuant to clause 9.6 (*Change of Control*), 9.7 (*Sale of Vessel*), 9.8 (*Charter and Charter Guarantee*), 9.9 (*PGN L/C*) and 9.10 (*K-sure Policy*).

Termination Fee means any amount payable to the Borrower by the Charterer under the charter upon termination of the Charter including the Vessel FM Termination Amount, the Non-Vessel FM Termination Amount, the Owner Breach Termination Amount, the Charterer Breach Termination Amount and the Acquisition Price as each such term is defined in Schedule 15 of the Charter.

Total Assets means the total book value of all the assets of the Guarantor determined in accordance with the latest published audited consolidated balance sheet or the latest published interim consolidated balance sheet of the Guarantor as delivered pursuant to clause 20.1 (*Financial statements*) (excluding the marked to market value of any derivative transactions).

Total Charter Rate means the aggregate of the Capital Element, the Operating and Maintenance Element and Tax Element.

Total Commitments means, in relation to a Facility, at any time the aggregate of the Commitments under that Facility.

Total Loss means, in relation to the Vessel, its:

- (a) actual, constructive, compromised or arranged total loss; or
- (b) requisition for title, confiscation, expropriation, nationalisation, seizure or other compulsory acquisition by a government entity; or
- (c) hijacking, theft, condemnation, capture, seizure, arrest or detention for more than 30 days.

Total Loss Date means:

- (a) in the case of an actual total loss, the date it happened or, if such date is not known, the date on which the Vessel was last reported;
- (b) in the case of a constructive, compromised, agreed or arranged total loss, the earliest of:
 - (i) the date notice of abandonment of the Vessel is given to its insurers by the Borrower; or
 - (ii) if the insurers do not admit such a claim, the date later determined by a competent court of law to have been the date on which the total loss happened; or
 - (iii) the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the relevant insurers;
- (c) in the case of a requisition for title, confiscation or compulsory acquisition, the date it happened; and
- (d) in the case of hijacking, theft, condemnation, capture, seizure, arrest or detention, the date 30 days after the date upon which it happened.

Total Loss Proceeds means the proceeds of any policy or contract of insurance or reinsurance arising in respect of any Total Loss or any Requisition Compensation received in respect of a Compulsory Acquisition.

Total Loss Repayment Date means where the Vessel has become a Total Loss the earlier of:

- (a) the date 180 days after its Total Loss Date; and
- (b) the date upon which the Total Loss Proceeds are paid by insurers or the relevant government entity.

Transaction means any transaction entered into pursuant to the Hedging Contracts.

Transaction Documents means the Finance Documents and the Material Project Agreements, as may be amended or supplemented from time to time in accordance with this Agreement.

Transfer Certificate means a certificate substantially in the form set out in Schedule 7 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Borrower.

Transfer Date means, in relation to a transfer, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate; and
- (b) the date on which the Facility Agent executes the Transfer Certificate.

Treasury Transaction means any derivative or hedging transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including, without limitation, any Transaction).

Trust Property means, collectively:

- (a) all moneys duly received by the Security Agent under or in respect of the Finance Documents;
- (b) any portion of the balance on any Project Account (other than the Distribution Account) held by or charged to the Security Agent at any time;
- (c) the Security Interests, guarantees, security, powers and rights given to the Security Agent under and pursuant to the Finance Documents including, without limitation, the covenants given to the Security Agent in respect of all obligations of any Obligor;
- (d) all assets paid or transferred to or vested in the Security Agent or its agent or received or recovered by the Security Agent or its agent in connection with any of the Finance Documents whether from any Obligor or any other person; and
- (e) all or any part of any rights, benefits, interests and other assets at any time representing or deriving from any of the above, including all income and other sums at any time received or receivable by the Security Agent or its agent in respect of the same (or any part thereof).

UK Bail-In Legislation means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

Umbrella Agreement means the amended and restated contract dated 17 October 2012 setting out, *inter alia*, the joint and several liability of the Sponsor and the EPCIC Contractor for delay liquidated damages under the Charter and the EPCIC Agreement (the **Original Umbrella Agreement**) made between the Sponsor, the EPCIC Contractor and the Charterer as novated or to be novated to the Borrower pursuant to the Umbrella Novation Agreement.

Umbrella Novation Agreement means a novation agreement to be made between the Borrower, the Sponsor, the EPCIC Contractor and the Charterer, pursuant to which the rights and obligations of the Sponsor under the Original Umbrella Agreement are novated in favour of the Borrower.

Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents.

US Tax Obligor means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) a Facility Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

Utilisation means the making of a Loan.

Utilisation Date means the date on which a Utilisation is made, being a Business Day falling not later than the applicable Last Availability Date.

Utilisation Request means a notice substantially in the form set out in the form set out in Schedule 4 (*Utilisation Requests*) or any other form agreed between the Borrower and the Facility Agent (acting on the instructions of the Lenders).

Vessel means the FSRU referred to as the "FSRU" in the Charter, as further described in Schedule 2 (*Vessel information*), named "PGN FSRU Lampung" and registered with the Flag State in the name of the Borrower and where the context so permits includes any share or interest of the Borrower in it and its engines, machinery, boats, tackle, outfit, equipment, derricks, tools, cranes, rigging, pumps and pumping equipment, tubing, casing, spare gear, fuel, consumable or other stores, belongings, appurtenances and all fittings and equipment of the Vessel whether on board or ashore and whether now owned or later acquired by the Borrower (including, without limitation, all radio equipment and also any and all additions, improvements and replacements made in or to such vessel or any part of it or in or to its equipment and appurtenances but excluding, the Mooring and where applicable, all LNG stored in the Vessel, rented equipment and any other equipment installed on or used on the Vessel which is owned by the Charterer) in each case which are the property of the Borrower pursuant to the Charter or any other Project Agreement or become installed on the Vessel thereafter and which are the property of the Borrower or which, having been removed therefrom, remain the property of the Borrower, together with any and all replacements and renewals thereof and substitutions therefor from time to time made in accordance with the Project Agreements and which are the property of the Borrower and, where the context permits, **Vessel** shall include the Manuals and Technical Records in respect of the Vessel.

Vessel and Mooring Specifications means the specifications and performance criteria of the Vessel and the Mooring required by the Charter, as set out in schedules 1 and 2 to the Charter.

Vessel FM is as defined in the Charter.

Vessel FM Termination Amount means the fee payable by the Charterer to the Borrower pursuant to clause 26.4(a)(i) of the Charter, calculated in accordance with section 2 of Part A of Schedule 15 to the Charter.

Vessel Purchase Option Price means the amount in respect of the purchase price of the Vessel calculated in accordance with the Charter and payable by the Charterer upon the exercise of the Charterer's Purchase Option.

Vessel Representations means each of the representations and warranties set out in clauses 19.22 (*Vessel status*) and 19.23 (*Earnings*).

Vessel Rights means all rights, including without prejudice to the foregoing, the benefit of all warranties and indemnities to which the Borrower is from time to time entitled from any builder (including the Builder and the Mooring EPC Contractor), manufacturer, sub-contractor, supplier or repairer in respect of the manufacture, supply, condition, design, conversion, construction, installation or operation of the Vessel and/or the Mooring or any part thereof and any liquidated damages payable to the Borrower from time to time under any of the Building Contract Documents and/or the Mooring Documents.

Working Capital means, on any date, Current Assets less Current Liabilities.

Works means the design, development and construction of the Project and any other works contemplated by the Building Contract Documents and/or the Mooring Documents and/or the Charter Documents.

Write-down and Conversion Power 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)
 - (i) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation: 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, 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.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in any of the Finance Documents to:
 - (i) Sections, clauses and Schedules are to be construed as references to the Sections and clauses of, and the Schedules to, the relevant Finance Document and references to a Finance Document include its Schedules;
 - (ii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as it may from time to time be amended, restated, novated or replaced, however fundamentally;
 - (iii) words importing the plural shall include the singular and vice versa;
 - (iv) a time of day are to London time unless otherwise specified;
 - (v) any person includes its successors in title, permitted assignees or transferees;
 - (vi) the knowledge, awareness and/or beliefs (and similar expressions) of any Obligor shall be construed so as to mean the knowledge, awareness and beliefs of the director and officers of such Obligor, having made due and careful enquiry;
 - (vii) **agreed form** means:
 - (A) where a Finance Document has already been executed by the Facility Agent or the Security Agent, such Finance Document in its executed form;

- (B) prior to the execution of a Finance Document, the form of such Finance Document separately agreed in writing between the Facility Agent (acting on the instructions of the Lenders) and the Borrower as the form in which that Finance Document is to be executed or another form approved at the request of the Borrower;
- (viii) **approved by the Majority Lenders** or **approved by the Lenders** means approved in writing by the Facility Agent acting on the instructions of the Majority Lenders or, as the case may be, the Lenders (on such conditions as they may respectively require and which are agreed by the Borrower) and otherwise **approved** means approved in writing by the Facility Agent (on such conditions as the Facility Agent may require and which are agreed by the Borrower) and **approval** and **approve** shall be construed accordingly;
- (ix) **assets** includes present and future properties, revenues and rights of every description;
- (x) an **authorisation** means any authorisation, consent, concession, approval, resolution, licence, exemption, filing, notarisation or registration;
- (xi) **charter commitment** means, in relation to a vessel, any charter or contract for the use, employment or operation of that vessel or the carriage of people and/or cargo or the provision of services by or from it and includes any agreement for pooling or sharing income derived from any such charter or contract;
- (xii) having **management control** of the Borrower means in the case of the Borrower, the direct or indirect power to appoint or remove the president director or the president commissioner or the majority of the directors or the majority of the commissioners of the Borrower and, for the purposes of this provision, **power** means the power (whether by way of ownership of shares, units or partnership interests, proxy, contract, agency or otherwise and/or through arrangements set out in the Shareholders Agreement and the Borrower's articles of association or, as the case may be, the relevant limited partnership agreement);
- (xiii) the term **disposal** or **dispose** means a sale, transfer or other disposal (including by way of lease or loan but not including by way of loan of money) by a person of all or part of its assets, whether by one transaction or a series of transactions and whether at the same time or over a period of time, but not the creation of a Security Interest;
- (xiv) **dollar/\$** means the lawful currency of the United States of America;
- (xv) the **equivalent** of an amount specified in a particular currency (the **specified currency amount**) shall, unless otherwise expressly stated, be construed as a reference to the amount of the other relevant currency which can be purchased with the specified currency amount in the London foreign exchange market at or about 11 a.m. on the date the calculation falls to be made (or if not a Business Day the immediately preceding Business Day) for spot delivery at the Facility Agent's (including for the purposes of 1.2(b)) or, as the context may require, the Account Bank's spot rate of exchange and the Facility Agent's or, as the case may be, the Account Bank's determination of any such equivalent shall be conclusive absent manifest error;
- (xvi) a **government entity** means any government, state or agency of a state;
- (xvii) a **guarantee** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

- (xviii) **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;
- (xix) **month** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (A) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that month (if there is one) or on the immediately preceding Business Day (if there is not); and
- (B) if there is no numerically corresponding day in that month, that period shall end on the last Business Day in that month
- and the above rules in paragraphs (A) to (B) will only apply to the last month of any period;
- (xx) an **obligation** means any duty, obligation or liability of any kind;
- (xxi) something being in the **ordinary course of business** of a person means something that is in the ordinary course of that person's then applicable business and operations which, in the case of the Borrower, is the Project (and not merely anything which that person is entitled to do under its Constitutional Documents);
- (xxii) pay, prepay or repay in clause 30 (*Business restrictions*) includes by way of set-off, combination of accounts or otherwise;
- (xxiii) a **person** includes any individual, firm, company, corporation, government entity or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (xxiv) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law, but if not having the force of law, which is generally complied with in the ordinary course of business of the party concerned or by those to which it is addressed) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and includes (without limitation) any Basel 2 Regulation or Basel 3 Regulation or any law or regulation which implements Reformed Basel 3, in each case which is applicable to that Lender;
- (xxv) **right** means any right, privilege, power or remedy, any proprietary interest in any asset and any other interest or remedy of any kind, whether actual or contingent, present or future, arising under contract or law, or in equity;
- (xxvi) **rupiah** means the lawful currency of Indonesia;
- (xxvii) **agent, trustee, fiduciary** and **fiduciary duty** has in each case the meaning given to such term under applicable law;
- (xxviii) (i) the **winding up, dissolution, or administration** of person or (ii) a **receiver or administrative receiver or administrator** in the context of insolvency proceedings or security enforcement actions in respect of a person shall be construed so as to include any equivalent or analogous proceedings or any equivalent and analogous person or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business including (in respect of proceedings) the seeking or occurrences of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors;

(xxix) **refinancing** and **reimbursing** any payment or funding made by the Sponsor and/or a Shareholder and/or any of their Affiliates includes the Borrower making a payment or repayment pursuant to a Subordinated Loan Agreement or Promissory Note in an amount not exceeding such payment or funding; and

(xxx) a provision of law is a reference to that provision as amended or re-enacted.

- (b) Where in this Agreement a provision includes a monetary reference level in one currency, unless a contrary indication appears, such reference level is intended to apply equally to its equivalent in other currencies as of the relevant time for the purposes of applying such reference level to any other currencies.
- (c) Section, clause and Schedule headings are for ease of reference only.
- (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 Default or an Event of Default is **continuing** if it has not been remedied or waived.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document for the benefit of a Finance Party or another Indemnified Person, a person (other than K-sure to the extent provided for under clause 1.6 (*K-sure*)) who is not a party to a Finance Document 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 the relevant Finance Document.
- (b) Any Finance Document may be rescinded or varied by the parties to it without the consent of any person who is not a party to it (unless otherwise provided by this Agreement).
- (c) An Indemnified Person who is not a party to a Finance Document may only enforce its rights under that Finance Document through the Finance Party in relation to which it is an Indemnified Person and if and to the extent and in such manner as the Finance Party may determine.

1.4 Finance Documents

Where any other Finance Document provides that this clause 1.4 shall apply to that Finance Document, any other provision of this Agreement which, by its terms, purports to apply to all or any of the Finance Documents and/or any Obligor shall apply to that Finance Document as if set out in it but with all necessary changes.

1.5 Conflict of documents

The terms of the Finance Documents (other than as relates to the creation and/or perfection of security) are subject to the terms of this Agreement and, in the event of any conflict between any provision of this Agreement and any provision of any Finance Document (other than in relation to the creation and/or perfection of security) the provisions of this Agreement shall prevail.

1.6 K-sure

Each Party agrees that:

- (a) K-sure shall not have any obligations or liabilities under this Agreement unless it has become a Lender;
- (b) K-sure shall be a third party beneficiary of the rights expressed to be for its benefit or exercisable by it under this Agreement; and

(c) This Agreement may not be amended to limit, modify or eliminate any rights of K-sure without its prior written consent.

Section 2 - The Facilities

2 The Facilities

2.1 The Facilities

- (a) Subject to the terms of this Agreement, the Lenders make available to the Borrower:
 - (i) the Commercial Facility in an aggregate amount up to the Commercial Facility Limit (as adjusted in accordance with the terms of this Agreement); and
 - (ii) the K-sure Facility in an aggregate amount up to the K-sure Facility Limit (as adjusted pursuant to the terms of this Agreement).
- (b) The obligation of each Commercial Lender under this Agreement shall be to contribute that proportion of each Commercial Loan of each Commercial Facility Loan which, as at the Utilisation Date for that Commercial Loan, its Commitment in respect of the Commercial Facility bears to the Total Commitments in respect of the Commercial Facility.
- (c) The obligation of each K-sure Lender under this Agreement shall be to contribute that proportion of each K-sure Loan which, as at the Utilisation Date for each K-sure Loan, its Commitment in respect of the K-sure Facility bears to the Total Commitments in respect of the K-sure Facility.

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 shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents (including clauses 38.26 (*All enforcement action through the Security Agent*)) and 39.2 (*Finance Parties acting together*), separately enforce its rights under the Finance Documents.

2.3 K-sure override

Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall oblige any Finance Party to act (or omit to act) in a manner that is inconsistent with the terms of the K-sure Policy, in particular:

- (a) the Security Agent and each Agent shall be authorised to take all such actions as may be necessary to ensure that the terms of the K-sure Policy are complied with; and
- (b) no Finance Party shall be obliged to do anything if to do so results or is reasonably likely to result in a breach of any term or affect the validity of the K-sure Policy.

- 2.4 Each Lender agrees that the Facility Agent, to the extent that such Lender's participation in a Loan is guaranteed or insured by K-sure under the K-sure Policy, will accept (for the purposes of Majority Lender or all Lender decisions or instructions) the decision or instruction of K-sure as advised to the Facility Agent by the K-sure Agent or K-sure and the decision or instruction of that Lender will be accepted only to the extent that such Lender's participation in a Loan is not guaranteed or insured by K-sure under the K-sure Policy.

- 2.5 Each Finance Party will cooperate with the Agents and each other Finance Party, and take such actions and/or refrain from taking such actions as may be reasonably necessary, to ensure that the K-sure Policy continues in full force and effect.
- 2.6 The K-sure Agent shall provide the Borrower with a copy of the K-sure Policy promptly following its issue and the K-sure Agent and the K-sure Lenders shall not make or consent to any material amendment to the K-sure Policy without the prior written consent of the Borrower (not to be unreasonably withheld or delayed).
- 2.7 In the event of conflict between the terms of this Agreement and the K-sure Policy as between the K-sure Lenders and K-sure the terms of the K-sure Policy shall prevail.

3 Purpose

3.1 Purpose

The Borrower shall apply all amounts borrowed under the Facilities in accordance with this clause 3.

3.2 Use

- (a) The Commercial Facility shall be made available to the Borrower solely to finance (or to refinance or reimburse any payments or funding made by the Sponsor and/or the Shareholders and/or any of their Affiliates in respect of) Project Costs (including the Contract Price) and the K-sure Premium.
- (b) Subject to the terms of the K-sure Policy, the K-sure Facility shall be made available to the Borrower solely for the purpose of financing (or refinancing or reimbursing any funding made by the Sponsors and/or the Shareholders and/or any of their Affiliates in respect of) the Contract Price. For the avoidance of doubt, the K-sure Facility shall not be used to fund the payment of the K-sure Premium or any Interest During Construction.

3.3 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 Borrower may not deliver a Utilisation Request unless the Facility Agent, or its duly authorised representative, has received, or is satisfied that it will receive on the relevant Utilisation Date, all of the documents and other evidence listed in Part 1 of Schedule 3 (*Initial conditions precedent*) in form and substance satisfactory to the Facility Agent.

4.2 Conditions precedent to Utilisation on Delivery

- (a) The Borrower may not deliver a Utilisation Request in respect of the Delivery Instalment unless the Facility Agent, or its duly authorised representative, has received all of the documents and evidence listed in Part 2A of Schedule 3 (*Conditions precedent to Utilisation on Delivery*) in form and substance satisfactory to the Facility Agent.
- (b) The Utilisation in respect of the Delivery Instalment shall be paid in accordance with the provisions of clause 29.6 (*Onshore Delivery Account*) and the Building Contract and released to the Builder when the Facility Agent, or its duly authorised representative, receives the evidence listed in Part 2B of Schedule 3 (*Conditions precedent to Release of Delivery Instalment*) in form and substance satisfactory to the Facility Agent.

4.3 Conditions subsequent

The Borrower shall provide to the Facility Agent or its duly authorised representative the documents and evidence listed in Part 3 of Schedule 3 (*Conditions subsequent*) in form and substance satisfactory to the Lenders (acting reasonably) prior to the applicable date specified that Schedule.

4.4 Notice to Lenders

The Facility Agent shall notify the Borrower and the Lenders promptly upon receiving and being satisfied with all of the documents and evidence delivered to it under this clause 4.

4.5 Further conditions precedent

- (a) The Lenders will only be obliged to comply with clause 5.4 (*K-sure Lenders' participation*) and/or 5.5 (*Commercial Lenders' participation*) if on the date of a Utilisation Request and on the proposed Utilisation Date:
- (i) no Default is continuing or would result from the proposed Utilisation;
 - (ii) no breach or default has occurred and is continuing under any of the Project Agreements or the Shareholders Agreement or the EPCIC Contract which has or might reasonably be expected to have a Material Adverse Effect, save for any breach or default previously notified to and accepted by the Facility Agent in writing;
 - (iii) the Repeating Representations and, in relation to the first Utilisation, all of the other representations set out in clause 19 (*Representations*) (other than the Vessel Representations), are true in all material respects; and
 - (iv) in relation to each Utilisation during the Mortgage Period, the Vessel Representations are true in all material respects; and
 - (v) the Borrower has certified in the relevant Utilisation Request:
 - (A) that there is no forecast shortfall in funding in excess of \$5,000,000 to achieve Delivery by the Last Availability Date and Final Acceptance by the earlier of (i) the Cancellation Date and (ii) 18 March 2015; and
 - (B) that there is no forecast delay in achieving Delivery and/or Final Acceptance on or prior to such dates, respectively; and
 - (C) the extent of any forecast Cost Overrun.
 - (vi) at the time the Technical Adviser delivered its latest report to the Facility Agent, the Technical Adviser did not confirm in writing to the Facility Agent that there is a funding shortfall or forecast delay referred to in paragraph (v) above or, if the Technical Adviser did confirm in writing to the Facility Agent that there is such a funding shortfall or forecast delay (and provided that the Facility Agent shall promptly notify the Borrower of the existence of any such notice), the Technical Adviser has since confirmed in writing to the Facility Agent that any such funding shortfall or forecast delay has been determined pursuant to clause 24.10(f) to not apply or the Borrower has provided evidence satisfactory to the Facility Agent and the Technical Adviser that such funding shortfall or forecast delay no longer applies;
 - (vii) the Borrower provides together with each Utilisation Request, invoices or other reasonable supporting documents (in form satisfactory to Facility Agent) relating to the Project Costs in respect of which payment and/or reimbursement is sought through the relevant Utilisation provided that the Borrower shall not be required to provide for any Utilisation copies of any invoices (or other supporting documentation other than a summary of such Project Costs so that for each Utilisation the amounts

set out in the summary and the relevant invoices shall equal the amount of the proposed Utilisation) in respect of any payment or reimbursement of an amount in respect of Project Costs (or an item or part thereof), other than amounts payable under the Building Contract, the Mooring EPC Contract and/or the Mooring Installation Contract, which is less than \$325,000; and

- (viii) the Sponsor Funding is not less than \$104,000,000 and the ratio of the aggregate Loans outstanding as at the proposed Utilisation Date (following the proposed Utilisation) and any Available Commitments as at the proposed Utilisation Date (following the proposed Utilisation) to Sponsor Funding would not exceed 3:1.
- (b) The K-sure Lenders shall not be obliged to comply with their obligations under clause 5.4 (*K-sure Lenders' participation*) if (i) K-sure has declared in writing that further disbursements under this Agreement will not be covered by the K-sure Policy, (ii) K-sure has not requested the K-sure Lenders to suspend the making of the Loan in accordance with the K-sure Policy and/or the Lenders are required by any term of the K-sure Policy to suspend the making of the Loan and (iii) an occurrence, event or circumstance exists which prohibits any of the K-sure Lenders from participating in the Loan pursuant to the terms of the K-sure Policy. The K-sure Agent shall promptly notify the Borrower of any such declaration.

4.6 Waiver of conditions precedent and conditions subsequent

The conditions in this clause 4 are inserted solely for the benefit of the Finance Parties and may be waived on their behalf in whole or in part and with (provided agreed by the Borrower) or without conditions by the Facility Agent acting on the instructions of the Lenders.

Section 3 - Utilisation

5 Utilisation of Term Facility

5.1 Delivery of a Utilisation Request for a Term Facility

The Borrower may utilise a Term Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than 11:00 a.m. five (5) Business Days before the proposed Utilisation Date for a Loan or such shorter period as the Facility Agent (in consultation with the relevant Lenders) may agree.

5.2 Completion of a Utilisation Request for a Term Facility

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) it identifies the Facility to be utilised;
 - (ii) the proposed Utilisation Date is a Business Day falling not later than the Last Availability Date applicable to that Facility;
 - (iii) the currency and amount of the Utilisation comply with clause 5.3 (*Currency and amount*);
 - (iv) the proposed first Interest Period complies with clause 11 (*Interest Periods*); and
 - (v) it identifies (i) the purpose for the Utilisation and that purpose complies with clause 3 (*Purpose*) and (ii) the account into which the Utilisation is to be paid.
- (b) No Utilisation Request shall request Utilisation of more than one Facility.
- (c) The frequency of Utilisation Requests shall be limited across all Facilities to two (2) Business Days in any one (1) month.

5.3 Currency and amount

The currency specified in a Utilisation Request must be dollars and the aggregate amount of the proposed Utilisations on any day must be a minimum of \$2,500,000 (or if less, the applicable Available Facilities).

5.4 K-sure Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each K-sure Lender shall make its participation in each K-sure Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each K-sure Lender's participation in a K-sure Loan will be equal to the proportion borne by its K-sure Facility Commitment to the Total Commitments for the K-sure Facility immediately prior to making a K-sure Loan.
- (c) The Facility Agent shall promptly notify each K-sure Lender and the K-sure Agent of the amount of a K-sure Loan and the amount of its participation in a K-sure Loan.
- (d) The Facility Agent shall pay all amounts received by it in respect of each K-sure Loan (and its own participation in it, if any) to the Borrower or for its account in accordance with the instructions contained in the Utilisation Request.

5.5 Commercial Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Commercial Lender shall make its participation in each Commercial Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Commercial Lender's participation in a Commercial Loan will be equal to the proportion borne by its Commercial Facility Commitment to the Total Commitments for the Commercial Facility immediately prior to making a Commercial Loan.
- (c) The Facility Agent shall promptly notify each Commercial Lender of the amount of a Commercial Loan and the amount of its participation in a Commercial Loan.
- (d) The Facility Agent shall pay all amounts received by it in respect of each Commercial Loan (and its own participation in it, if any) to the Borrower or for its account in accordance with the instructions contained in the Utilisation Request.

5.6 Loans

- (a) The aggregate of all Commercial Facility Loans shall not exceed the Commercial Facility Limit.
- (b) The aggregate of all K-sure Loans shall not exceed the K-sure Facility Limit.
- (c) In relation to each Loan, the amount of such Loan shall not, when aggregated with all Loans drawn down or to be drawdown as at the date of such Utilisation Request, exceed seventy five per cent (75%) of the aggregate Project Costs paid or incurred as at the Utilisation Date relating to that Loan.

6 [Intentionally blank]

7 [Intentionally blank]

Section 4- Repayment, Prepayment and Cancellation

8 Repayment

8.1 Repayment

The Borrower shall on each Repayment Date repay such part of the Loans as is required to be repaid by clause 8.2 (*Scheduled repayment of Facilities*).

8.2 Scheduled repayment of Facilities

(a) Repayment of K-sure Loans

- (i) The K-sure Loans shall be repaid by instalments on each K-sure Facility Repayment Date by the amounts specified in the K-sure Facility Repayment Schedule (as revised by clause 8.3).
- (ii) On the K-sure Facility Final Maturity Date (without prejudice to any other provision of this Agreement), the K-sure Loans shall be repaid in full.

(b) Repayment of the Commercial Loans

- (i) The Commercial Facility Loans shall be repaid by instalments on each Commercial Facility Repayment Date by the amounts specified in the Commercial Facility Repayment Schedule (as revised by clause 8.3).
- (ii) On the Commercial Facility Final Maturity Date (without prejudice to any other provision of this Agreement), the Commercial Facility Loans shall be repaid in full.

8.3 Adjustment of scheduled repayments

Subject to clause 9.13 (*Restrictions*), if:

- (a) the Total Commitments in respect of a Facility have been partially reduced under this Agreement; and/or
- (b) any part of a Loan is prepaid before any Repayment Date,

such reduction and/or prepayment shall be treated as reducing the repayment instalments for that Facility in inverse order of maturity. As soon as practicable after effecting any such recalculation, the Facility Agent shall, if applicable, provide the Borrower with a revised schedule of Repayment Instalments and such revised schedule shall, unless incorrect, with effect from the date on which such revised schedule is produced (and signed by the Facility Agent and dated), be substituted for the relevant existing schedule set out in Schedule 11 (*Repayment Schedules*).

8.4 The Borrower shall not reborrow any part of any Facility which is repaid.

9 Illegality, prepayment and cancellation

9.1 Illegality

If it becomes unlawful at any time 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 any Utilisation or part thereof then:

- (a) the affected Lender shall promptly notify the Facility Agent upon becoming aware of that event; and

- (b) that Lender shall be given the opportunity (at its option) to transfer its rights and obligations to an Affiliate or a New Lender (as defined in clause 34 (*Changes to the Lenders*)) pursuant to and in accordance with clause 34 (*Changes to the Lenders*). If that Lender has not been able to effectively transfer its rights and obligations in such manner, then in the case of an affected Lender:
 - (i) upon the Facility Agent acting on the instruction of the affected Lender notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and
 - (ii) the Borrower shall repay that Lender's participation in each Loan on the last day of the Interest Period for the relevant Loan occurring after the Facility Agent has notified the Borrower 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).

9.2 Voluntary prepayment and cancellation

Subject to the proviso below, the Borrower may, if it gives the Facility Agent not less than ten (10) Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, prepay and/or cancel the whole or any part of the Term Facilities, the Loans under the Term Facilities or the Available Commitments for the Term Facilities (but if in part, being an amount that reduces the amount of the Term Facilities in aggregate by a minimum amount of five million dollars (\$5,000,000) or in full).

9.3 Right of cancellation and prepayment in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under clause 14.2 (*Tax gross-up*) other than in respect of any withholding Tax payable in respect of payments under any Finance Document to Lenders in Korea or Singapore; or
 - (ii) any Lender claims indemnification from the Borrower under clause 14.3 (*Tax indemnity*) or clause 15.1 (*Increased Costs*); orthe Borrower may, whilst (in the case of (i) and (ii) above) the circumstance giving rise to the requirement or indemnification or FATCA Deduction 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 referred to in clause 9.3(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 Borrower has given notice under clause 9.3(a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall prepay that Lender's participation in each Loan.
- (d) The Borrower may, in the circumstances set out in paragraph (a) above (when sub paragraph (i) of that paragraph applies), on 10 Business Days' prior notice to the Facility Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to clause 34 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with clause 34 (*Changes to the Lenders*) for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

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- (e) The replacement of a Lender pursuant to paragraph 9.3(d) above shall be subject to the following conditions:
 - (i) the Borrower shall have no right to replace the Facility Agent;
 - (ii) neither the Facility Agent nor any Lender shall have any obligation to find a replacement Lender;
 - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.
 - (f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Facility Agent and the Borrower when it is satisfied that it has complied with those checks.

9.4 Total Loss

On the Total Loss Repayment Date in relation to the Vessel:

- (a) the Total Commitments of all Facilities will be reduced to zero;
- (b) the Borrower shall prepay the Loans and any Hedging Debt then due (in accordance with the terms of the Hedging Contracts) in full.

9.5 Right of cancellation in relation to a Defaulting Lender

- (a) If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender, give the Facility Agent fifteen (15) Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in clause 9.5(a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Facility Agent shall as soon as practicable after receipt of a notice referred to in clause 9.5(a) above, notify all the Lenders and K-sure.

9.6 Change of Control

If a Change of Control occurs the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower with effect from the date falling fifteen (15) Business Days after the giving of such notice (or such later date as may be approved in advance by the Majority Lenders) cancel the Total Commitments of all Facilities. The Borrower shall on the date such cancellation takes effect prepay the Loans in full, whereupon the Total Commitments of all Facilities shall be reduced to zero, and pay any Hedging Debt then due in full in accordance with the terms of the Hedging Contract.

9.7 Sale of Vessel

If at any time the Vessel is sold by or on behalf of the Borrower (including to the Charterer following exercise of the Charterer's Purchase Option), the Borrower shall forthwith upon the date on which any Sales Proceeds are received by it (or by the Security Agent on its behalf in which case it shall apply them to) prepay the Loans in full, whereupon the Total Commitments of all Facilities shall be reduced to zero, and pay any Hedging Debt then due in full in accordance with the terms of

the Hedging Contracts. If the Sales Proceeds received are sufficient to pay, repay, satisfy and discharge the Secured Obligations in full and the other obligations to be paid in priority pursuant to the Intercreditor Deed, the Facility Agent shall as soon as reasonably practicable pay any Sales Proceeds remaining after such payment, repayment, satisfaction and discharge to the Borrower or to its order. The Finance Parties shall take such action as is reasonably requested by the Borrower in respect of any sale of the Vessel to release the Vessel from the relevant Security Interests created by the Security Documents upon discharge of the Secured Obligations in full. For the avoidance of doubt, the Finance Parties shall not be required to release such Security Interests unless the Lenders are satisfied that the Secured Obligations have been, or will be immediately upon the release of such Security Interests, paid in full.

9.8 Charter and Charter Guarantee

If:

- (a) the Charter or the Charter Guarantee is for any reason (other than for an Event of Owner's Default as defined in the Charter) and by any method terminated, repudiated or rescinded; or
- (b) the Charter ceases to be in full force and effect (other than through expiry by lapse of time or fulfilment of all obligations thereunder);
- (c) the Charter Guarantee ceases to be in full force and effect (other than through expiry by lapse of time or fulfilment of all obligations thereunder) unless the PGN L/C remains in full force and effect and such Charter Guarantee is replaced with a valid, binding and enforceable replacement Charter Guarantee within twenty (20) Business Days of it ceasing to be in full force and effect; or
- (d) a payment of the Termination Fee is made or is payable,

the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower with effect from the date falling five (5) Business Days after the giving of such notice (or thirty (30) Business Days of the occurrence of any event described in paragraphs (a) to (d) above if such event results in, or will following the issue of a termination notice result in, a Termination Fee being payable in accordance with the Charter and such Termination Fee is, or will be, sufficient to repay all Secured Obligations in full, or such later date as may be approved in advance by the Majority Lenders) cancel the Total Commitments of all Facilities. The Borrower shall on the date such cancellation takes effect (or if earlier the date the Termination Fee is paid) prepay the Loans in full, whereupon the Total Commitments of all Facilities shall be reduced to zero, and pay any Hedging Debt then due in full in accordance with the terms of the Hedging Contracts and the Finance Parties agree that following a notice under this clause the Borrower may take such actions as are necessary to terminate the Charter and shall promptly provide their confirmation of any consent or approval of such termination required pursuant to any Finance Document and reasonably requested by the Borrower.

9.9 PGN L/C

- (a) The Borrower shall promptly notify the Facility Agent if an Event of Company's Default occurs under clause 26.2(b) of the Charter.
- (b) If such Event of Company's Default is not remedied to the satisfaction of the Lenders within thirty (30) Business Days of such event occurring and the Borrower has not drawn down under the PGN L/C and has not received and is not holding cash collateral in an amount equal to the face value of the PGN L/C that should have been in place, the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower with effect from the date falling thirty (30) Business Days after the giving of such notice (or such later date as may be approved in advance by the Majority Lenders) cancel the Total Commitments of all Facilities, provided that the Lenders shall not cancel the Total Commitments pursuant to this clause 9.9 (*PGN L/C*) if such Event of Company's Default

under clause 26.2(b) of the Charter is the subject of a dispute with the Charterer and the Borrower is in good faith in the process of resolving such dispute and the Borrower is not in default under any payment obligation under a Finance Document and the credit balance of the Debt Service Reserve Account is not less than a sum equal to three (3) months' Debt Service obligations of the Borrower under this Agreement at that time.

- (c) Where the Total Commitments have been cancelled under this clause, the Borrower shall on the date such cancellation takes effect (or if earlier the date the Termination Fee is paid) prepay the Loans in full, whereupon the Total Commitments of all Facilities shall be reduced to zero, and pay any Hedging Debt then due in full in accordance with the terms of the Hedging Contracts and the Finance Parties agree that following a notice under this clause the Borrower may take such actions as are necessary to terminate the Charter and shall promptly provide their confirmation of any consent or approval of such termination required pursuant to any Finance Document and reasonably requested by the Borrower.

9.10 K-sure Policy

If, at any time:

- (a) the K-sure Policy ceases to remain in full force and effect or ceases to be legal, valid, binding and (subject to general principles of law limiting enforceability) enforceable; or
- (b) the K-sure Policy is repudiated, revoked, rescinded or suspended by K-sure,

then the Facility Agent shall, by notice to the Borrower with effect from the date falling five (5) Business Days (or thirty (30) Business Days if for a reason not due to an action or inaction of an Obligor) after the giving of such notice (or such later date as may be approved in advance by the Majority Lenders), cancel the Total Commitments in respect of the K-sure Facility only. The Borrower shall, on the date such cancellation takes effect, prepay the K-sure Loans in full, whereupon the Total Commitments in respect of the K-Facility shall be reduced to zero, and pay any Hedging Debt then due in full in accordance with the terms of the Hedging Contracts.

9.11 Insurance

If:

- (a) the credit rating of any insurer (unless such Insurances are reinsured and the Reinsurance Fiduciary Assignment has been duly executed, in which case the credit rating of any reinsurer) in respect of the Insurances or, if applicable, the Reinsurances falls below the Approved Credit Rating such that the requirements of clause 27.3(d) are not met and such insurer or and the insurances or, as applicable, Reinsurances are not replaced with a replacement insurer or reinsurer such that the requirements of clause 27.3(d) are met and otherwise in compliance with clause 27 (*Insurance*) within forty five (45) days of the Facility Agent giving notice to the Borrower.
- (b) any insurer being a provider of Insurances and/or Insurer is or becomes insolvent, unless (a) the Insurances and/or Reinsurances placed with such Insurer are re-placed with a replacement, solvent insurer within seven (7) days of the Facility Agent giving notice to the Borrower and, in the case of an Insurer, (b) the Reinsurance Fiduciary Assignment granted by such Insurer is within thirty (30) days of the Facility Agent giving notice to the Borrower replaced by a substitute Reinsurance Fiduciary Assignment issued by the replacement insurer on substantially the same terms.
- (c) any Insurer fails to perform or observe any material covenant or obligation to be performed or observed by it under the Reinsurance Fiduciary Assignment (which the Facility Agent has notified the Borrower and Insurer of) unless either:
 - (i) the Facility Agent considers that the failure to perform or observe any such material covenant or obligation is capable of remedy and the failure is remedied within forty five (45) days of the Facility Agent giving notice to the Borrower and the Insurer; or

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- (ii) within such forty five (45) day period, the Insurances placed with such Insurer are re-placed with a replacement insurer and the Reinsurance Fiduciary Assignment granted by such Insurer is replaced by a substitute Reinsurance Fiduciary Assignment issued by the replacement insurer on substantially the same terms.
 - (d) any representation made by an Insurer in any Reinsurance Fiduciary Assignment is or proves to have been incorrect or misleading in any material respect when made (which the Facility Agent has notified the Borrower and Insurer of) unless either:
 - (i) the incorrectness or misleading nature of the relevant representation and/or the underlying event or circumstance giving rise to it is capable of remedy and is remedied within forty five (45) days of the Facility Agent giving notice to the Borrower and/or the Insurer; or
 - (ii) within such forty five (45) day period, the Insurances placed with such Insurer are re-placed with a replacement insurer and the Reinsurance Fiduciary Assignment granted by such Insurer is replaced by a substitute Reinsurance Fiduciary Assignment issued by the replacement insurer on substantially the same terms.
 - (e) either:
 - (i) it is or becomes unlawful for an Insurer to perform any of its obligations under any Reinsurance Fiduciary Assignment entered into by it and/or any Security Interest created or expressed to be created or evidenced by any such Reinsurance Fiduciary Assignment ceases (subject to the Legal Reservations) to be effective; or
 - (ii) any obligation of an Insurer under any Reinsurance Fiduciary Assignment entered into by it is not (subject to the Legal Reservations) or ceases to be legal, valid, binding or enforceable,

unless, within forty (45) days of the Facility Agent giving notice to the Borrower and/or the Insurer of such event, the Insurances placed with such Insurer are re-placed with a replacement insurer (whereby such unlawfulness, non-effectiveness, illegality, invalidity, non-binding nature or unenforceability is thereby remedied) and the Reinsurance Fiduciary Assignment granted by such Insurer is replaced by a substitute Reinsurance Fiduciary Assignment issued by the replacement insurer on substantially the same terms, then the Facility Agent may, by notice to the Borrower with effect from the date falling five (5) Business Days after the giving of such notice (or such later date as may be approved in advance by the Majority Lenders) cancel the Total Commitments. The Borrower shall on the date such cancellation takes effect prepay the Loans in full whereupon the Total Commitments of all Facilities shall be reduced to zero, and pay any Hedging Debt then due in full in accordance with the terms of the Hedging Contracts.

9.12 Automatic cancellation

The Available Commitments of a Facility which have not been utilised by the Last Availability Date applicable to such Facility shall be automatically cancelled at 17:00 on such Last Availability Date.

9.13 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this clause 9 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 and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, if prepayment is made otherwise than on an Interest Payment Date, subject to any Break Costs (and any swap break costs in relation to the Loans (or any part thereof) which are payable in accordance with the terms of the Hedging Contracts), without premium or penalty.

- (c) The Borrower may not reborrow any part of either Facility which is prepaid.
- (d) The Borrower shall not repay or prepay all or any part of either Facility or reduce 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 of any Facility reduced under this Agreement may be subsequently reinstated.
- (f) If the Facility Agent receives a notice under this clause 9 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate and provide a copy of such notice to K-sure.
- (g) If the Total Commitments of any Facility are partially reduced under this Agreement (other than under clause 9.1 (*Illegality*) and clause 9.3 (*Right of cancellation and prepayment in relation to a single Lender*) and clause 9.5 (*Right of cancellation in relation to a Defaulting Lender*)), the Commitments of the Lenders in respect of that Facility shall be reduced rateably.
- (h) Any prepayment under this Agreement (other than under clause 9.1 (*Illegality*), clause 9.2 (*Voluntary prepayment and cancellation*), clause 9.3 (*Right of cancellation and prepayment in relation to a single Lender*) and clause 9.5 (*Right of cancellation in relation to a Defaulting Lender*)) shall be applied pro rata against each Facility and pro rata among the Lenders in proportion to their participation in the Loans.
- (i) Any prepayment and/or cancellation under clause 9.2 (*Voluntary prepayment and cancellation*) shall be applied pro rata against the Term Facilities Loans and pro rata among the Lenders in proportion to their participation in such Loans.
- (j) Any prepayment under this Agreement shall be made together with payment to a Hedging Banks (pro rata) of any amount falling due to the Hedging Banks under the Hedging Contracts on the date of that prepayment as a result of the termination or close out of the Hedging Contracts or any Hedging Transactions under them in accordance with clause 31.6 (*Unwinding of Hedging Contracts*) in relation to that prepayment.
- (k) Any prepayment under this Agreement shall be applied against the outstanding repayment instalments of the Loans under the relevant Facility in inverse order of maturity.

Section 5 - Costs of Utilisation

10 Interest

10.1 Calculation of interest

The rate of interest on each Loan, for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR.

10.2 Payment of interest

The Borrower shall pay accrued interest on that Loan on the last day of each Interest Period relating to such Loan (an **Interest Payment Date**) and, if the relevant Interest Period is longer than three (3) months, on the dates falling at three monthly intervals after the first day of the relevant Interest Period.

10.3 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 clause 10.3(b) below, is two per cent (2%) higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan for successive Interest Periods, each of a duration selected by the Facility Agent (acting reasonably). Any interest accruing in accordance with this clause 10.3 shall be immediately payable by the Obligor on demand by the Facility Agent.
- (b) If any Unpaid Sum consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan or the relevant part of it:
 - (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 that Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two per cent (2%) higher than the rate which would have applied if the 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.
- (d) For the avoidance of doubt, this clause 10.3 does not apply to any amount payable under a Hedging Contract in respect of any continuing Transaction as to which section 2(e) (*Default Interest; Other Amounts*) of the ISDA Master Agreement of that Hedging Contract shall apply or in respect of any other Finance Document which also provides for interest to be paid on overdue amounts (other than pursuant to this provision).

10.4 Notification of rates of interest

The Facility Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

11 Interest Periods

11.1 Selection of Interest Periods

- (a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice is irrevocable and must be delivered to the Facility Agent by the Borrower not later than 11:00 a.m. four (4) Business Days before the last day of the then current Interest Period.
- (c) If the Borrower fails to deliver a Selection Notice to the Facility Agent (in accordance with clause 11.1(b) or otherwise) the relevant Interest Period will, subject to clause 11.1(h) below, be three (3) months.
- (d) Subject to this clause 11, the Borrower may select an Interest Period of one or three months or such other period as the Borrower may agree with the Facility Agent from time to time.
- (e) No Interest Period for a Loan shall extend beyond that Loan's Final Maturity Date.
- (f) Each Interest Period for a Loan shall commence on the actual Utilisation Date or (if already made) on the last day of its preceding Interest Period.
- (g) If a Loan is already outstanding under a Facility, then the first Interest Period for each subsequent Loan under that Facility must end on the last day of the current Interest Period for such outstanding Loan (the **Current Interest Period**) and on the last day of the Current Interest Period, the new Loan will be consolidated with all other borrowings outstanding in respect of that Facility so that together they form the Loan on the last day of the Interest Period. The next following Interest Period will then be applicable to the Loan in accordance with the terms of clause 11.3 (*Consolidation of Loans*) as a whole.
- (h) No Interest Period for any Loan under a Facility shall overrun a Repayment Date relating to such Facility.

11.2 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).

11.3 Consolidation of Loans

If two (2) or more Interest Periods:

- (a) relate to Loans under the same Facility; and
- (b) end on the same date,

the amounts to which those Interest Periods relate shall be consolidated into, and treated as, a single Loan under that Facility on the last day of the Interest Period.

12 Changes to the calculation of interest

12.1 Unavailability of Screen Rates

- (a) If no Screen Rate is available for LIBOR for an Interest Period, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to that Interest Period.
- (b) If no Screen Rate is available for LIBOR for:
 - (i) dollars; or
 - (ii) an Interest Period and it is not possible to calculate the Interpolated Screen Rate,there shall be no LIBOR for that Interest Period and clause 12.3 (*Cost of funds*) shall apply for that Interest Period.

12.2 Market disruption

If, before close of business one Business Day after the Quotation Date for an Interest Period, the Facility Agent receives notifications from a Lender or Lenders (whose participations in the Loan exceed fifty per cent. (50%) of the Loan) that the cost to it of funding its participation in the Loan or relevant part of it from whatever source it may reasonably select would be in excess of LIBOR then clause 12.3 (*Cost of funds*) shall apply to the Loan or relevant part of it for the relevant Interest Period.

12.3 Cost of funds

- (a) If this clause 12.3 applies, the rate of interest on each Lender's share in that Loan for the 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 within ten (10) Business Days of the first day 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 relevant part of it from whatever source it may reasonably select.
- (b) If this clause 12.3 applies and the Facility Agent or the Borrower so require, the Facility Agent and the Borrower shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.
- (d) If paragraph (e) below does not apply and any rate notified to the Facility Agent under sub-paragraph (ii) of paragraph (a) above is less than zero, the relevant rate shall be deemed to be zero.
- (e) If this clause 12.3 applies pursuant to clause 12.2 (*Market disruption*) and:
 - (i) a Lender's Funding Rate is less than LIBOR; or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,

the cost to that Lender of funding its participation in the Loan or relevant part of it for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR.

12.4 Notification to Borrower

If clause 12.3 (*Cost of funds*) applies, the Facility Agent shall, as soon as is practicable, notify the Borrower.

12.5 Break Costs

- (a) The Borrower shall, promptly on demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum or relevant part of it.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide to the Facility Agent a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

13 Fees

13.1 Commitment fee

- (a) The Borrower shall pay to the Facility Agent (for the account of each Lender) a fee in dollars computed at the rate of forty per cent (40%) of the Margin per annum calculated daily on the Available Facility of each Facility calculated from the date of this Agreement (the **Start Date**) to the date of payment of the accrued commitment commission pursuant to clause 13.1(b) below.
- (b) The Borrower shall pay the accrued commitment fee on the last day of the period of three months commencing on the Start Date, on the last day of each successive period of three months, on the Last Availability Date of each Facility and, if a Lender's Commitment is cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.
- (c) No commitment fee or commission is payable to the Facility Agent for any Lender in respect of its Available Commitment for any day when it is a Defaulting Lender.

13.2 Agency fee

The Borrower shall pay to each Agent and Security Agent (each for its own account), whether or not any part of a Loan is ever drawn down, an agency fee in the amount and at the times agreed in a Fee Letter.

13.3 Arrangement fee

The Borrower shall pay to the Facility Agent (for the account of the Mandated Lead Arrangers), whether or not any part of a Loan is ever drawn down, a documentation fee in the amounts and at the times agreed in a Fee Letter.

13.4 Account Bank fee

The Borrower shall pay to each Account Banks (for its own account) a fee in the amount and at the times agreed in a Fee Letter to which that Account Bank is a party.

13.5 K-sure Premium

- (a) The Borrower shall pay the K-sure Premium to the K-sure Agent (for the account of K-sure).

- (b) The Borrower acknowledges that none of the Finance Parties nor the Builder are in any way involved in the final determination of the K-sure Premium or any additional K-sure Premium and that the Borrower will not raise against any of the Finance Parties any claim or defence of any kind whatsoever in relation to the calculation or payment of any K-sure Premium. Without prejudice to clause 13.5(c) below, the Borrower's obligation to pay the K-sure Premium shall be an absolute and unconditional obligation and, without limitation, shall not be affected by any failure by the Borrower to drawdown funds under this agreement or the prepayment or acceleration of the whole or any part of the Loans.
- (c) The parties acknowledge that the K-sure Premium is refundable in accordance with the terms of the K-sure Policy and K-sure internal policy and any such refund shall be payable to the K-sure Agent and shall be transferred or paid by the K-sure Agent into the Offshore Revenue Account. No K-sure Premium shall be refundable following service of a notice by the Facility Agent pursuant to and in accordance with clause 32.30 (*Acceleration*). The K-sure Agent shall use reasonable endeavours to obtain a refund at the request of the Borrower.

Section 6 - Additional Payment Obligations

14 Tax gross-up and indemnities

14.1 Definitions

- (a) In this Agreement:

Protected Party means a Finance Party or, in relation to clause 16.5 (*Indemnity concerning security*) and 16.11 (*Interest*) insofar as it relates to interest on any amount demanded by that Indemnified Person under clause 16 (*Other indemnities*), any Indemnified Person, 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 Hedging Contract or a FATCA Deduction).

Tax Payment means either the increase in a payment made by an Obligor to a Finance Party under clause 14.2 (*Tax gross-up*) or a payment under clause 14.3 (*Tax indemnity*).

- (b) Unless a contrary indication appears, in this clause 14 a reference to determines or determined means a determination made in the absolute discretion of the person making the determination, acting reasonably.

14.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it under any Finance Document without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower 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 Borrower and that Obligor.
- (c) Subject to clause 34.2 (*Conditions of assignment or transfer*), if a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor under the relevant Finance Document 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 to be made.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and, subject to the proviso in clause 34.2 (*Conditions of assignment or transfer*), any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty (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.

14.3 Tax indemnity

- (a) The Borrower shall within three (3) 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) Clause 14.3(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 is compensated for by an increased payment under clause 14.2 (*Tax gross-up*) or clause 14.9 (*FATCA Deduction and gross-up by Obligor*) or would have been compensated by an increased payment under clause 14.2 (*Tax gross-up*) but was not compensated solely because one of the exclusions in paragraph (d) of clause 14.2 (*Tax gross-up*) applied or the application of clause 34.2 (*Conditions of assignment or transfer*); or
 - (iii) to the extent a loss, liability or cost relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make a claim under clause 14.3(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 Borrower.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this clause 14.3, notify the Facility Agent.

14.4 Tax credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to that Tax Payment; and
- (a) that a Finance Party has obtained, utilised and retained that Tax Credit,

the relevant Finance Party shall pay an amount to the relevant 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.

14.5 Stamp taxes

The Borrower shall pay and, within on demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document except for any stamp taxes relating to the transfer by a Finance Party of any participation in a Finance Document.

14.6 Indirect Tax

- (a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document and the Finance Party is required to account for that Indirect Tax, that

Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.

- (b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.
- (c) A Finance Party making, or intending to make a claim under this clause 14.6 shall provide the Facility Agent with reasonable evidence of the Indirect Tax referred to in this clause 14.6 (if available), following which the Facility Agent shall pass on such evidence to the Borrower.

14.7 Conflict with Hedging Contracts

In respect of any of the indemnities entered into in favour of the Hedging Banks in this clause 14 (and in clauses 15 (*Increased Costs*) and 16 (*Other indemnities*)), and in respect of the mitigation obligations of the Hedging Banks set out in clause 17 (*Mitigation by the Lenders*) to the extent of any inconsistency between such provisions and the equivalent indemnity and mitigation provisions set out in the Hedging Contracts, the provisions of the Hedging Contracts shall prevail.

14.8 FATCA Information

- (a) Subject to clause 14.8(c), each Party shall, within ten (10) 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 (including its applicable passthru payment percentage or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA.
- (b) If a Party confirms to another Party pursuant to clause 14.8(a) 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) Clause 14.8(a) shall not oblige any Finance 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 its status or to supply forms, documentation or other information requested in accordance with clause 14.8(a) (including, for the avoidance of doubt, where clause 14.8(c) applies), then:
 - (i) if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and

- (ii) if that Party failed to confirm its applicable passthru payment percentage then such Party shall be treated for the purposes of the Finance Documents (and payments made thereunder) as if its applicable passthru payment percentage is 100 per cent,

until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.

14.9 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 the Borrower and the Facility Agent and the Facility Agent shall notify the other Finance Parties.

15 Increased Costs

15.1 Increased Costs

- (a) Subject to clause 15.3 (*Exceptions*), the Borrower shall, promptly on 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 which:
 - (i) arises 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 in either case made after the date of this Agreement;
 - (ii) is a Basel 3 Increased Cost; and/or
 - (iii) is a Reformed Basel 3 Increased Cost.

The terms **law** and **regulation** in this clause 15.1(a) shall include, without limitation, any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

- (b) In this Agreement **Increased Costs** means:
 - (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) 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.

15.2 Increased Cost claims

- (a) A Finance Party intending to make a claim pursuant to clause 15.1 (*Increased Costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Borrower.

- (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 to the Facility Agent.

15.3 Exceptions

- (a) Clause 15.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) compensated for by clause 14.3 (*Tax indemnity*) (or would have been compensated for under clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in clause 14.3(b) applied) or the application of clause 34.2 (*Conditions of assignment or transfer*);
 - (iii) attributable to a FATCA Deduction required to be made by a Party; or
 - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In this clause 15.3, a reference to a **Tax Deduction** has the same meaning given to the term in clause 14.1 (*Definitions*).

16 Other indemnities

16.1 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; and/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, promptly on demand by a Finance Party, indemnify each Finance Party to whom that Sum is due against any Losses arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (ii) 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.

16.2 Other indemnities

The Borrower shall promptly on demand by a Finance Party or K-sure, indemnify each Finance Party and/or K-sure against all Losses incurred by that Finance Party or K-sure as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, all Losses arising as a result of clause 40 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower 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 Finance Party alone); or

- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

16.3 Indemnity to the Agents and the Security Agent

The Borrower shall promptly indemnify the Agents and the Security Agent against:

- (a) all Losses incurred by the Agents and/or the Security Agent (each acting reasonably) as a result of:
 - (i) investigating any event which it reasonably believes is a Default;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (iii) taking, or failing to take, any action in connection with clause 2.3 (*K-sure override*) (provided that the relevant Agent or Security Agent (as relevant) acted in good faith in taking, or failing to take, such action).

16.4 Indemnity to K-sure

The Borrower shall promptly indemnify K-sure in relation to any costs or expenses (including legal fees) reasonably suffered or incurred by K-sure in connection with any assignment or transfer to K-sure undertaken pursuant to clauses 32.32 to 32.36 (*K-sure subrogation*) (including legal fees) or in connection with any review by K-sure of or in relation to any Event of Default and/or amendment or supplement to any of the Finance Documents, dispute between the Borrower or any Obligor on the one hand and the Finance Parties on the other prior to the assignment referred to in clauses 32.32 to 32.36 (*K-sure subrogation*) and/or a request for a consent or approval from K-sure.

The provisions of clause 38.10 (*Exclusion of Liability*) and clause 38.11 (*Lenders' indemnity to the Facility Agent*) shall be deemed repeated and shall apply with respect to K-sure in this Agreement as if (each reference to the Facility Agent were a reference to K-sure and (ii) with respect to clause 38.11 (*Lenders' indemnity to the Facility Agent*), each reference to a Lender in such clause were a reference to a K-sure Lender.

16.5 Indemnity concerning security

- (a) The Borrower shall promptly indemnify the Security Agent and any Receiver against all Losses incurred by it as a result of:
 - (i) any failure by the Borrower to comply with its obligations under clause 18 (*Costs and expenses*);
 - (ii) the taking, holding, protection or enforcement of the Security Documents;
 - (iii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver by the Finance Documents or by law unless and to the extent that it was caused by its gross negligence or wilful misconduct;
 - (iv) any default by any Obligor in the performance of any of its obligations expressed to be assumed by it in the Finance Documents; or
 - (v) or which otherwise relates to any of the Charged Property or the performance of the terms of the Finance Documents (otherwise than as a result of its gross negligence or wilful misconduct).

- (b) The Security Agent may, in priority to any payment to the other Finance Parties, indemnify itself out of the Trust Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 16.5 and shall have a lien on the Security Documents and the proceeds of the enforcement of those Security Documents for all monies payable to it.

16.6 General operating indemnity

The Borrower hereby agrees at all times to pay promptly or, as the case may be, indemnify each Indemnified Person against all Losses incurred by it:

- (a) as a result of the relevant Finance Party and/or K-sure exercising its rights under and in accordance with the Finance Documents to operate, possess or dispose of the Vessel or the Mooring or to perform the obligations of the Borrower under a Material Project Agreement and which arise directly or indirectly out of the refurbishment, conversion, manufacture, construction, installation, transportation, ownership, possession, performance, management, import to or export from any jurisdiction, control, use or operation, registration, navigation, certification, classification, management, manning, provisioning, the provision of bunkers and lubricating oils, testing, design, condition, acceptance, chartering, sub-leasing, insurance, maintenance, repair, service, modification, refurbishment, dry-docking, survey, overhaul, replacement, removal, repossession, return, redelivery of the Vessel (or any part thereof) or the Mooring (or any part thereof), whether or not such Losses may be attributable to any defect in the Vessel (or any part thereof) or the Mooring (or any part thereof) or to the design, construction or use thereof or from any maintenance, service, repair, overhaul, inspection or to any other reason whatsoever (whether similar to any of the foregoing or not), and regardless of when the same shall arise (whether prior to, during or after termination of this Agreement) and whether or not the Vessel or the Mooring (or any part thereof) is in the possession or control of the Borrower, any O&M Contractor or the Charterer or any other person; and/or
- (b) which arise as a result of the relevant Finance Party and/or K-sure being party to a Finance Document or exercising its rights under and in accordance with the Finance Documents to operate, possess or dispose of the Vessel or the Mooring or perform the obligations of the Borrower under a Material Project Agreement as a consequence of any claim that any design, article or material in the Vessel (or any part thereof) or the Mooring (or any part thereof) or any part thereof or relating thereto or the operation or use thereof constitutes an infringement of patent, copyright, design or other proprietary right; and/or
- (c) in preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, requisition, impounding, forfeiture or detention of the Vessel (or any part thereof) or the Mooring (or any part thereof) or in securing or attempting to secure the release of the Vessel (or any part thereof) or the Mooring (or any part thereof) in each case in accordance with the Finance Documents.

16.7 Environmental indemnity

Without prejudice to the provisions of clause 16.6 (*General operating indemnity*), the Borrower shall indemnify the Indemnified Persons and each of them on demand and hold the Indemnified Persons and each of them harmless from and against all costs, expenses, payments, charges, Losses, demands, liabilities, actions, proceedings (whether civil or criminal), penalties, fines, damages, judgments, orders, sanctions or other outgoings of whatever nature which may be suffered, incurred or paid by, or made or asserted against the Indemnified Persons or any of them at any time, whether before or after the repayment in full of principal and interest under this Agreement, relating to, or arising directly or indirectly in any manner or for any cause or reason whatsoever out of an Environmental Claim in respect of any Obligor or the Vessel (whilst owned and operated by the Borrower or any other Obligor) or the Mooring (whilst owned and operated by the Borrower or any other Obligor) made or asserted against the Indemnified Persons or any of them if such Environmental Claim would not have been, or been capable of being, made or asserted against the Indemnified Persons if the Finance Parties and/or K-sure or the relevant Finance Party or K-sure had not entered into this Agreement or any of the Finance Documents

(or in the case of K-sure issued the K-sure Policy) and/or exercised any of their rights, powers and discretions thereby conferred in accordance with their terms and/or performed any of their obligations thereunder in accordance with their terms.

16.8 The indemnities contained in clause 16.6 (*General operating indemnity*) and clause 16.7 (*Environmental indemnity*) shall not extend to any claim or liability of an Indemnified Person to the extent that such claim or liability:

- (a) arises as a direct consequence of the gross negligence or wilful misconduct of that Indemnified Person or in the case of K-sure or a Finance Party and their related Indemnified Persons, K-sure or that Finance Party, as the case may be, or their related Indemnified Persons;
- (b) is caused by any breach or failure on the part of that Indemnified Person or in the case of K-sure or a Finance Party and their related Indemnified Persons, K-sure or that Finance Party, as the case may be, or their related Indemnified Persons to comply with any of its obligations under any of the Finance Documents (but excluding any such breach or failure that arises as a result of the failure of a party to such Finance Document (other than that Indemnified Person or, in the case of a Finance Party or K-sure and their related Indemnified Persons, that Finance Party or K-sure or their related Indemnified Persons) to duly and punctually to perform its obligations);
- (c) would have been, or capable of being, made or asserted against the Indemnified Person if the Finance Parties or relevant Finance Party or K-sure had not entered into one or more of the Finance Documents (or in the case of K-sure the K-sure Policy) and/or exercised any of their rights, powers and discretions thereby conferred in accordance with their terms and/or performed any of their obligations thereunder in accordance with their terms;
- (d) represents any loss of future income or profits (other than to the extent the same comprises, consists or is derived from interest or the margin thereon or any Increased Costs);
- (e) in respect of which that Indemnified Person or, in the case of K-sure or a Finance Party and their related Indemnified Persons, K-sure or that Finance Party or its related Indemnified Persons is expressly and specifically indemnified under any other provision of the Finance Documents.

16.9 Continuation of indemnities

The indemnities of the Borrower in favour of an Indemnified Person contained in this Agreement shall continue in full force and effect notwithstanding any breach by any Finance Party which is not that Indemnified Person or the Finance Party to which that Indemnified Person relates, or the Borrower of the terms of this Agreement, the repayment or prepayment of a Loan, the cancellation of the Total Commitments or the repudiation by the Facility Agent (in the case of an Indemnified Person other than the Facility Agent and its related Indemnified Persons) or the Borrower of this Agreement and shall survive the termination or expiry of this Agreement.

16.10 Third Parties Act

Each Indemnified Person may rely on the terms of clause 16.5 (*Indemnity concerning security*) and clause 14 (*Tax gross-up and indemnities*) and 16.11 (*Interest*) insofar as it relates to interest on any amount demanded by that Indemnified Person under clause 16.5 (*Indemnity concerning security*), subject to clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

16.11 Interest

Moneys becoming due by the Borrower to any Indemnified Person under the indemnities contained in this clause 16 or elsewhere in this Agreement shall be paid within five (5) Business Days of demand made by the relevant Finance Party and shall be paid together with interest on the sum demanded from the due date therefore to the date of reimbursement by the Borrower to

such Finance Party (both before and after judgment) at the rate referred to in clause 10.3 (*Default interest*) without double counting.

17 Mitigation by the Lenders

17.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, 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 9.1 (*Illegality*), clause 14 (*Tax gross-up and indemnities*), clause 15 (*Increased costs*), or clause 16 (*Other indemnities*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Clause 17.1(a) does not in any way limit the obligations of any Obligor under the Finance Documents.

17.2 Limitation of liability

- (a) The Borrower shall within five (5) Business Days of demand indemnify each Finance Party for all costs and expenses incurred by that Finance Party as a result of steps taken by it under clause 17.1 (*Mitigation*).
- (b) No Finance Party is obliged to take any steps under clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18 Costs and expenses

18.1 Transaction expenses

The Borrower shall within fifteen (15) Business Days of demand pay the Finance Parties and K-sure the amount of all costs and expenses (not exceeding the amounts which have been pre-approved by the Borrower and to the extent so approved, including fees, costs and expenses of legal advisers and insurance, technical and other consultants and advisers) reasonably incurred by any of them (and by any Receiver) in connection with the negotiation, preparation, printing, execution, syndication, registration and perfection and any release, discharge or reassignment of:

- (a) this Agreement and any other documents referred to in this Agreement and the Original Security Documents;
- (b) any other Finance Documents executed or proposed to be executed after the date of this Agreement; and/or
- (c) any Security Interest expressed or intended to be granted by a Finance Document.

18.2 Amendment costs

If: (i) an Obligor requests an amendment, waiver or consent, or (ii) an amendment is required pursuant to clause 47.3 (*Replacement of Screen Rate*), the Borrower shall, within fifteen (15) Business Days of demand by the Facility Agent, reimburse the Finance Parties and K-sure for the amount of all costs and expenses (not exceeding the amounts which have been pre-approved by the Borrower and to the extent so approved including fees, costs and expenses of legal advisers and insurance and other consultants and advisers) reasonably incurred by the Finance Parties and K-sure (and by any Receiver) in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 Enforcement, preservation and other costs

The Borrower shall within five (5) Business Days of demand by a Finance Party or K-sure, pay to each Finance Party and/or K-sure, as the case may be, the amount of all costs and expenses (including fees, costs and expenses of legal advisers and insurance and other consultants and advisers) incurred by that Finance Party and/or K-sure in connection with the enforcement of, or the preservation of any rights under, any Finance Document and any proceedings initiated by or against any Finance Party or K-sure as a consequence of holding, or being a beneficiary of, the Charged Property or enforcing those rights, in each case in accordance with the Finance Documents.

18.4 Appointment of advisers

The Facility Agent may at any time:

- (a) appoint such advisers as it considers necessary (acting reasonably and with the prior consent of the Borrower (not to be unreasonably withheld)) to act on behalf of the Finance Parties in relation to the Project; and
- (b) if any adviser resigns or its appointment ceases or is terminated, appoint a replacement to such advisers with the prior written consent of the Borrower (not to be unreasonably withheld).

18.5 Costs and expenses

The Borrower shall pay to the Facility Agent any reasonable costs and expenses incurred by the Facility Agent in connection with the appointment of any adviser under this clause 18 not exceeding the amount which has been pre agreed by the Borrower.

Section 7 - Representations, Undertakings and Events of Default

19 Representations

The Borrower makes and repeats the representations and warranties set out in this clause 19 to each Finance Party at the times specified in clause 19.31 (*Times when representations are made*) and provided that the Borrower only makes the representations in this clause 19 in respect of the Sponsor so long as it is a party to a Finance Document.

19.1 Status

- (a) Each Obligor and the Sponsor is duly incorporated and validly existing under the laws of the jurisdiction of its incorporation as a limited liability company or corporation.
- (b) Each Obligor and the Sponsor has power and authority to carry on its business as it is now being conducted and to own its property and other assets.

19.2 Binding obligations

Subject to any applicable Legal Reservation, the obligations expressed to be assumed by each Obligor and the Sponsor in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations.

19.3 Power and authority

- (a) Each Obligor and the Sponsor has power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, each Transaction Document to which it is a party and the transactions contemplated by the Transaction Documents to which it is a party.
- (b) No limitation on any Obligor's or the Sponsor's powers to borrow, create security or give guarantees will be exceeded as a result of any transaction under, or the entry into, any Finance Document to which such Obligor is, or is required to be, a party.

19.4 Non-conflict

The entry into and performance by each Obligor and the Sponsor of, and the transactions contemplated by the Transaction Documents and the granting of the Security Interests purported to be created by the Security Documents do not and will not conflict with:

- (a) subject to any applicable Legal Reservation, any law or regulation applicable to any Obligor or the Sponsor;
- (b) the constitutional documents of that Obligor or, as the case may be, the Sponsor; or
- (c) in relation to the Borrower, any agreement or other instrument binding upon it or its assets or constitute a default or termination event (however described) under any such agreement or instrument;
- (d) in relation to an Obligor (other than the Borrower) and/or the Sponsor in any material respect any agreement or other instrument binding upon that Obligor or its assets or constitute a default or termination event (however described) under any such agreement or instrument, or

result in the creation of any Security Interest (save for a Permitted Maritime Lien or under a Security Document) on any of its assets, rights or revenues.

19.5 Validity and admissibility in evidence

- (a) All Consents required (in connection with the Project and/or the Vessel and/or the Mooring or otherwise at the times this representation is made):
 - (i) to enable each Obligor and the Sponsor lawfully to enter into, exercise its rights and comply with its obligations (in the case of a Project Agreement the rights and obligations it is then entitled or required to exercise or perform, as the case may be) under each Transaction Document to which it is a party; and
 - (ii) subject to the Legal Reservations and Perfection Requirements, to make each Transaction Document to which it is a party admissible in evidence in its Relevant Jurisdiction,have been obtained or effected and are in full force and effect except any authorisation or filing referred to in clause 19.12 (*No filing, stamp taxes or announcements*), which authorisation or filing will be promptly obtained or effected within any applicable period.
- (b) All Consents necessary for the conduct of the business, trade and ordinary activities of each Obligor and the Sponsor have been obtained or effected and are in full force and effect if failure to obtain or effect those Consents has or is reasonably likely to have a Material Adverse Effect.

19.6 Governing law and enforcement

Subject to the Legal Reservations,

- (a) the choice of governing law of any Transaction Document will be recognised and enforced in each Obligor's and the Sponsor's Relevant Jurisdiction; and
- (b) any arbitration award obtained in relation to an Obligor under a Finance Document will be recognised and enforced in the relevant Obligor's and the Sponsor's Relevant Jurisdictions.

19.7 Information

- (a) Any Information is true and accurate in all material respects at the time it was given or made.
- (b) There were at the time any Information was given or provided no facts or circumstances or any other information which have not been disclosed to a Finance Party in writing and could make the Information incomplete, untrue, inaccurate or misleading in any material respect.
- (c) The Information did not at the time it was provided omit anything which could make that Information incomplete, untrue, inaccurate or misleading in any material respect.
- (d) All opinions, projections, forecasts, estimates or expressions of intention contained in the Information and prepared by the Borrower, the Sponsor or their Affiliates and the assumptions on which they are based have been arrived at after due and careful enquiry and consideration and were believed to be reasonable by the person who provided that Information as at the date it was given or made.
- (e) For the purposes of this clause 19.7, **Information** means: any written information provided by any Obligor to any of the Finance Parties in connection with the Transaction Documents or the transactions referred to in them, excluding any Information concerning any third party (which is not an Obligor or a member of the Höegh MLP Group) which was received and provided by the Borrower, the Sponsor or any of their Affiliates in good faith and to the best of its knowledge and belief at the time it was given or provided.

19.8 Original Financial Statements

- (a) The Original Financial Statements were prepared in accordance with applicable GAAP consistently applied.
- (b) The audited Original Financial Statements give a true and fair view of the consolidated financial condition and results of operations of the Guarantor during the relevant financial year.
- (c) There has been no material adverse change in the assets, business or financial condition of the Guarantor since the date of the Original Financial Statements to a level that adversely affects the ability of any Obligor to perform its obligations under the Finance Documents.

19.9 Pari passu ranking

Each Facility Obligor's payment obligations under the Finance Documents rank at least pari passu with all its other present and future unsecured and unsubordinated payment obligations, except for the order or priority for payments under the Finance Documents set out in any Finance Document and any obligations mandatorily preferred by law applying to companies generally.

19.10 Ranking and effectiveness of security

Subject to any applicable Legal Reservation and the Perfection Requirements, the security created by the Security Documents has (or will have when the Security Documents have been executed and the applicable Perfection Requirements completed) the priority which it is expressed to have in the Security Documents, the Charged Property is not subject to any Security Interest other than Permitted Security Interests and such security will following completion of the Perfection Requirements constitute perfected security on the assets described in the Security Documents to the extent provided for under the Security Documents.

19.11 No insolvency

No corporate action, legal proceeding or other procedure or step described in clause 32.10 (*Insolvency proceedings*) or creditors' process described in clause 32.12 (*Creditors' process*) has been taken or, to the knowledge of any Facility Obligor, threatened in relation to any Facility Obligor and none of the circumstances described in clause 32.9 (*Insolvency*) applies to any Facility Obligor.

19.12 No filing, stamp taxes or announcements

Under the laws of its Relevant Jurisdictions it is not necessary that any Transaction Document to which it is party be filed, recorded 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 any such Transaction Document or the transactions contemplated by such Transaction Documents except for such filings, recordings, enrolments and payments that have been made, any applicable Perfection Requirements and any filing, recording or enrolling or any tax or fee payable in relation to any Transaction Document which is referred to in any legal opinion delivered to the Facility Agent under clause 4.1 (*Initial conditions precedent*) or in connection with any Finance Document entered into after first Utilisation and which will be made or paid promptly within any applicable period.

19.13 No Default

- (a) No Default is continuing or is reasonably likely 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 (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described)

under any other agreement or instrument which is binding on any Obligor or to which any Obligor's assets are subject which has or is reasonably likely to have a Material Adverse Effect.

19.14 No proceedings pending or threatened

Other than as disclosed to the Facility Agent and the K-sure Agent in the 2021 Disclosure Letters, no litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency have (to the best of any Obligor's knowledge and belief) been started or threatened against any Obligor which in relation to the Guarantor only, if adversely determined, would have or might reasonably be expected to have a Material Adverse Effect.

19.15 No breach of laws

- (a) Each Obligor is in compliance with all applicable laws and regulations, in the case of the Borrower, in all material respects and in the case of an Obligor other than the Borrower to the extent that failure to do so has or might reasonably be expected to have a Material Adverse Effect.
- (b) No labour dispute is current or, to the best of any Obligor's knowledge and belief, threatened against any Obligor which might reasonably be expected to have a Material Adverse Effect.

19.16 Taxation

- (a) The:
 - (i) Borrower is not overdue in the filing of any Tax returns or overdue in the payment of any amount in respect of Tax; and
 - (ii) Guarantor is not materially overdue in the filing of any Tax returns or materially overdue in the payment of any amount in respect of Tax,save in each case to the extent that (i) payment is being contested in good faith; (ii) adequate reserves are being maintained for those Taxes; and (iii) payment can be lawfully withheld and failure to pay these Taxes will not or could not reasonably be expected to result in the imposition of any penalty.
- (b) No claims or investigations are being, or is reasonably likely to be, made or conducted against any Obligor with respect to Taxes such that a liability of, or claim against, any Obligor is reasonably likely to arise for an amount for which adequate reserves are not being maintained and which has or is reasonably likely to have a Material Adverse Effect.
- (c) The Borrower is resident for Tax purposes only in the jurisdiction of its incorporation.

19.17 Security and Financial Indebtedness

- (a) No Security Interest other than any Permitted Security Interest exists over all or any of the present or future assets of the Borrower or the Consortium Agreement or the Umbrella Agreement.
- (b) The Borrower does not have any Financial Indebtedness outstanding in breach of this Agreement.

19.18 Legal and beneficial ownership

Each Obligor which is a party to a Security Document is, subject to the Security Interests under the Security Documents, the sole legal and beneficial owner of the respective assets over which it purports to grant a Security Interest under the Security Documents.

19.19 Shares

- (a) The shares of the Borrower will, at all times from the date of the Shares Security in respect of those shares, be fully paid and not subject to any Security Interest (other than pursuant to the Security Documents), any option to purchase or similar rights other than under the Shareholders Agreement and Equity Loan Agreements. The Constitutional Documents of the Borrower do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Security Documents. Other than the Shareholders Agreement and Equity Loan Agreements, there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share capital of the Borrower (including any option or right of pre-emption or conversion).
- (b) The Guarantor indirectly, legally and beneficially, owns at least forty nine per cent (49%) of the shares in the Borrower and has management control over the Borrower.
- (c) On the first Utilisation Date, the Indonesian Shareholders, together, directly, legally and beneficially, own fifty one per cent (51%) of the shares in the Borrower and the Singapore Shareholder directly, legally and beneficially, owns forty nine per cent (49%) of the shares in the Borrower.

19.20 Copies of documents

The copies of the Project Agreements to which an Obligor or the Sponsor is a party and the Constitutional Documents of the Obligors delivered to the Facility Agent under clause 4 (*Conditions of Utilisation*) will be true, complete and accurate copies of such documents and all amendments and supplements to them as at the time of such delivery have been delivered to the Facility Agent and no other agreements or arrangements exist between any of the parties to any such Project Agreement which would materially affect the transactions or arrangements contemplated by any such Project Agreement or modify or release the obligations of any party under that Project Agreement which have not been delivered to the Facility Agent as required hereunder.

19.21 No immunity

No Obligor or any of its assets is immune to any legal action or proceeding that may be taken under the Finance Documents.

19.22 Vessel status

The Vessel shall:

- (a) on the first day of the Mortgage Period be registered in the name of the Borrower through the Registry as a ship (or other applicable category of vessel or installation) under the laws and flag of the Flag State.
- (b) on the Delivery Date be seaworthy and has been built in accordance with its Specifications;
- (c) on the Delivery Date be classed with the relevant Classification free of all overdue conditions; and
- (d) on the Delivery Date be insured in the manner required by the Finance Documents.

19.23 Earnings

There is no agreement or arrangement whereby the Earnings may be shared with any other person except as expressly provided for in the Finance Documents and Material Project Agreements.

19.24 Other business

The Borrower is not currently involved in any business whatsoever, other than as contemplated by the Transaction Documents and has not undertaken any other business which is still continuing.

19.25 Subsidiaries and minority interest

The Borrower has no Subsidiaries and holds no share or stock in any corporate entity of any kind or in any partnership.

19.26 No Prohibited Payments

To the best of its knowledge, no Prohibited Payment has been made or provided, directly or indirectly, by (or on behalf of) it, any of its Affiliates, its officers, directors or any other person acting on its behalf to, or for the benefit of, any Authority (or any official, officer, director, agent or key employee of, or other person with management responsibilities in, any Authority) in connection with any Finance Document.

19.27 No funds of illicit origin

None of the sources of funds provided other than under the Finance Documents and to be used by it in connection with any Finance Document or its business are of illicit origin.

19.28 Sanctions

- (a) No Loan will be used by any Facility Obligor or any other member of the Höegh MLP Group:
 - (i) to finance equipment or sectors under embargo decisions of the United Nations or the World Bank; or
 - (ii) in breach of any Sanctions.
- (b) No Obligor, nor any of their respective Subsidiaries or joint ventures, nor any of their respective directors, officers or employees nor, to the knowledge of the Borrower or the Guarantor, any persons acting on any of their behalf in connection with the Project:
 - (i) is a Restricted Party;
 - (ii) is aware of any valid claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority; or
 - (iii) is in breach of any Sanctions.

19.29 No adverse consequences

- (a) Subject to the Legal Reservations, it is not necessary under the laws of the Relevant Jurisdictions of any Obligor:
 - (i) in order to enable any Finance Party to enforce its rights under any Finance Document; or
 - (ii) by reason of the execution of any Finance Document or the performance by any Obligor of its obligations under any Finance Document,that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of such Relevant Jurisdictions.

19.30 K-sure Policy

- (a) To the best of its knowledge, no Obligor has done, or omitted to do anything, and no event or circumstance has occurred, which has made, or could make, the K-sure Policy void or voidable.
- (b) No Obligor has received any valid notification that the liability of K-sure or the government of Korea under the K-sure Policy has been reduced or avoided.

19.31 Times when representations are made

- (a) All of the representations and warranties set out in this clause 19 (*other than Vessel Representations*) are made on the date of this Agreement and are deemed to be repeated on the dates of:
 - (i) the first Utilisation Request; and
 - (ii) the first Utilisation.
- (b) The Repeating Representations are deemed to be repeated on the dates of each subsequent Utilisation Request and on the first day of each Interest Period.
- (c) The Vessel Representations are deemed to be made and repeated on the first day of the Mortgage Period and on Final Acceptance.
- (d) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances then existing at the date the representation or warranty is deemed to be made.

20 Information undertakings

The undertakings in this clause 20 remain in force during the Facility Period.

In this clause 20:

Annual Financial Statement means in relation to a Facility Obligor the financial statements for a financial year of such Obligor delivered pursuant to clause 20.1(a)

Semi-annual Financial Statement means, in relation to a Facility Obligor the financial statements for the first half of a financial year of such Obligor delivered pursuant to clause 20.1(c)

20.1 Financial statements

- (a) The Borrower shall supply to the Facility Agent as soon as the same become available, but in any event within one hundred and twenty (120) days after the end of each of the relevant Facility Obligors' financial years the audited (consolidated in the case of the Guarantor) financial statements of the Borrower and the Guarantor for that financial year (or part of a year in the case of the Borrower's first statements).
- (b) The Borrower shall use its reasonable endeavours to supply to the Facility Agent as soon as the same become available to it the annual audited financial statements (consolidated if applicable) of the Charterer for that financial year together with any information concerning the Charterer which the Lenders may reasonably require that the Borrower may obtain using reasonable endeavours.
- (c) The Borrower shall supply to the Facility Agent as soon as the same become available, but in any event within ninety (90) days after the end of the first half of the relevant Facility Obligors' financial years the unaudited financial statements of the relevant Facility Obligor for that financial half-year.

20.2 Provision and contents of Compliance Certificate

- (a) Unless the Guarantor is not then a Facility Obligor, the Borrower shall supply a Compliance Certificate signed by an authorised signatory of the Guarantor or the Parent to the Facility Agent with each set of financial statements of the Guarantor delivered pursuant to clause 20.1 (*Financial statements*);
- (b) The Borrower shall supply to the Facility Agent a Compliance Certificate signed by an authorised signatory of the Borrower within ten (10) Business Days of each K-sure Facility Repayment Date.
- (c) Each Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to compliance with clause 21.1 (*Borrower Financial Covenants*) (in the case of a Compliance Certificate signed by the Borrower) or clause 21.2 (*Guarantor Financial Covenants*) (in the case of a Compliance Certificate signed by the Guarantor). A Compliance Certificate signed by the Borrower shall also set out the Debt Service Coverage Ratio for the purposes of the Distribution Restrictions, if a transfer to the Distribution Account has been made or is proposed to be made on or within ten (10) Business Days of that Repayment Date.

20.3 Requirements as to financial statements

- (a) The Borrower shall procure that each set of Annual Financial Statements and Semi-annual Financial Statements includes a profit and loss account, a balance sheet and a cashflow statement and that, in addition each set of Annual Financial Statements shall be audited by one of the Auditors.
- (b) Each set of financial statements delivered pursuant to clause 20.1 (*Financial statements*) shall:
 - (i) be prepared in accordance with applicable GAAP;
 - (ii) give a true and fair view of (in the case of Annual Financial Statements for any financial year), or fairly represent (in other cases), the financial condition and operations of the relevant Obligor as at the date as at which those financial statements were drawn up;
 - (iii) in the case of Annual Financial Statements and the Semi-annual Financial Statements, be in English or accompanied by an English translation.

20.4 Information: miscellaneous

The Borrower shall supply to the Facility Agent and the K-sure Agent (and the K-sure Agent shall supply to K-sure):

- (a) together with the monthly progress reports required to be delivered to the Facility Agent pursuant to clause 24.6(a) (*Information concerning the Project*):
 - (i) copies of all documents dispatched by the Borrower to its shareholders generally (or any class of them) (in relation to extraordinary matters);
 - (ii) copies of all documents dispatched by any Facility Obligor to its creditors generally;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any Obligor, and which, if adversely determined, might reasonably be expected to have a Material Adverse Effect;
- (c) promptly, such information as the Facility Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Security Documents;

- (d) promptly on request, such further information regarding the financial condition, assets and operations of the Borrower and/or the Guarantor and/or the performance of the Charter and/or the other Project Agreements as any Finance Party or K-sure, through the Facility Agent, may reasonably request, except to the extent that disclosure of such information would breach contract to which it is a party, any law, regulation or stock exchange requirement or listing rule;
- (e) promptly following any changes to the authorised signatories of the Borrower in relation to any of the Project Accounts (other than the Distribution Account) and/or a Utilisation Request, notice of such changes in the form of a certificate signed by the authorised director(s) of the Borrower in accordance with its articles of association together with specimen signatures of any new signatory;
- (f) promptly following the making of any amendment to any constitutional documents of either Facility Obligor, a notification of the details of such amendment together with complete copies of each amended constitutional document; and
- (g) promptly following any changes in the percentage ownership interests and/or shareholding of the Borrower, a notification of the details of such change.

20.5 Change in law

The Borrower shall, promptly upon becoming aware of the same, advise the Facility Agent upon any change in law or regulation which has or might reasonably be expected to have a Material Adverse Effect.

20.6 Sufficient copies

The Borrower shall supply sufficient copies of each document to be supplied under the Finance Documents to the Facility Agent to distribute to each of the Lenders and K-sure, and a document in electronic format shall be sufficient to satisfy this requirement provided that a single certified hard copy is provided to the Facility Agent if the relevant document is required to be provided in certified form and a certified hard copy is required to fulfil this requirement.

20.7 "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 the composition of the shareholders 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/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Facility Agent or any Lender (or, in the case of 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 the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Facility Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied with the results of 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 Finance Party shall promptly upon the request of the Facility Agent or the Security Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent or the Security Agent (for itself) in order for it to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

20.8 Notification of defaults

The Borrower shall promptly inform the Facility Agent of:

- (a) any material occurrence of which it becomes aware which has or which might reasonably be expected to have a Material Adverse Effect;
- (b) any Default under this Agreement of which it becomes aware and will from time to time, if so requested by the Security Agent, confirm to the Security Agent in writing that, save as otherwise stated in such confirmation, it is not aware of any Default that has occurred and is continuing; and/or
- (c) any material breach of the Charter or any other Material Project Agreement or Shareholders Agreement or EPCIC Contract by any party (and the steps, if any, that the Borrower is aware are being taken to remedy such breach) promptly upon the Borrower becoming aware of the same;

20.9 Remedy of Defaults

The Borrower will, promptly after request by the Facility Agent, provide the Facility Agent with evidence satisfactory to the Lenders (acting reasonably) of the remedy of any Default or Event of Default which has occurred and been remedied.

20.10 K-sure Policy

The Borrower will, promptly after request by the K-sure Agent, promptly supply to the K-sure Agent copies of all financial or other information reasonably required by K-sure to satisfy any request for information made by K-sure pursuant to the K-sure Policy, except to the extent that such disclosure of such information would breach contract to which it is a party, any law, regulation or stock exchange requirement or listing rule.

21 Financial covenants

The Borrower undertakes that the undertakings in this clause 21 will be complied with throughout the Facility Period.

21.1 Borrower Financial Covenants

The Borrower shall ensure that, from the second K-sure Facility Repayment Date and thereafter, the Debt Service Coverage Ratio for any Relevant Period is not less than 1.10:1.

21.2 Guarantor Financial Covenants

The Borrower shall procure that, from the date of this Agreement and thereafter throughout the Facility Period, the Guarantor complies with the following financial covenants:

- (a) Minimum Book Equity
Book Equity is greater than the higher of (i) \$200,000,000 and (ii) twenty five percent (25%) of the Total Assets;
- (b) Minimum liquidity

Free Liquid Assets are equal to or exceed the higher of (A) \$15,000,000 and (B) the product of \$2,500,000 and the number of vessels owned by or leased by the Höegh MLP Group and the Höegh MLP Group's pro rata ownership of such vessels, subject to a cap of \$20,000,000.

(c) Working Capital

Working Capital is greater than zero.

21.3 Financial testing

The financial covenants set out in this clause 21 shall be calculated in accordance with applicable GAAP and tested:

- (a) in the case of the Borrower's financial covenants in clause 21 (*Borrower Financial Covenants*), by reference to the Compliance Certificates signed by the Borrower delivered pursuant to clause 20.2; and
- (b) in the case of the Guarantor's financial covenants in clause 21.2 (*Guarantor Financial Covenants*), by reference to each of the financial statements and each Compliance Certificate signed by the Guarantor delivered pursuant to clause 20.2 (*Provision and contents of Compliance Certificate*) on the date they are delivered, in accordance with the terms and conditions of this Agreement.

22 General undertakings

The undertakings in this clause 22 will remain in force throughout the Facility Period.

22.1 Use of proceeds

The Borrower undertakes that the proceeds of Utilisations will be used exclusively for the purposes specified in clause 3 (*Purpose*).

22.2 Authorisations

The Borrower will promptly and shall procure that each other Obligor and the Sponsor shall:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) to the extent requested by the Facility Agent, supply certified copies to the Facility Agent of, each Consent required under any law or regulation of a Relevant Jurisdiction to:
 - (i) enable it to perform its obligations under the Transaction Documents to which it is a party;
 - (ii) ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document to which it is a party; and
 - (iii) carry on its business where failure to do so has or might reasonably be expected to have a Material Adverse Effect.

22.3 Pari passu

The Borrower shall and shall ensure that each Facility Obligor shall ensure that its payment obligations under this Agreement and the other Finance Documents to which it is a party shall at all times rank at least pari passu with all its other present and future unsecured and unsubordinated indebtedness with the exception of any order of priority for payments under the

Finance Documents set out in any Finance Documents and any obligations which are mandatorily preferred by law and not by contract.

22.4 Compliance with laws

- (a) The Borrower shall and shall procure that in respect of the Vessel any O&M Contractor will comply in all respects with all laws and regulations (including Environmental Laws and Environmental and Social Regulations) to which it may be subject where failure to do so has or might reasonably be expected to have a Material Adverse Effect or a material adverse effect on an Obligor's ability to perform its obligations under a Material Project Agreement.
- (b) The Borrower will comply in all respects with all laws and regulations to which it may be subject with respect to the hedging ratio, liquidity ratio and all filing requirements in relation to the entry and implementation of this Agreement and including the submission of a monthly report of its payment obligations in accordance with Indonesian laws including, but not limited to:
 - (i) Bank Indonesia Regulation No. 16/21/PBI/2014 on Implementation of the Prudential Principles on the Offshore Loan Management of Non-Bank Corporation as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 (and its implementing regulations, and as may be amended from time to time);
 - (ii) Bank Indonesia Regulation No. 16/22/PBI/2014 on Reporting of Foreign Exchange Activities and Reporting of the Implementation of the Prudential Principle on the Offshore Loan Management of Non-Bank Corporations in conjunction with Bank Indonesia Regulation No. 21/2/PBI/2019 on Reporting of Foreign Exchange Activities (and their respective implementing regulations, and as may be amended from time to time);
 - (iii) Bank Indonesia Regulation No. 16/10/PBI/2014 on Receipt of Foreign Exchange From Export Proceeds and Withdrawal of Foreign Exchange From Offshore Debt (as amended by Bank Indonesia Regulation No. 17/23/PBI/2015) (and their respective implementing regulations, and as may be amended from time to time); and
 - (iv) Bank Indonesia Regulation No. 21/15/PBI/2019 on Monitoring of Foreign Exchange Activities for Bank and Clients (and its implementing regulations, and as may be amended from time to time).

22.5 Anti-corruption law

- (a) The Borrower will not directly or indirectly use the proceeds of any Facility to make any Prohibited Payment.
- (b) The Borrower shall conduct its businesses in compliance with applicable anti-corruption laws.

22.6 Taxation

- (a) The Borrower shall pay and discharge all Tax imposed upon it or its assets within such time period as may be allowed by law without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Tax and the costs required to contest them which have been disclosed (or will when they are delivered) in its latest financial statements delivered to the Facility Agent under clause 20.1 (*Financial statements*); and

- (iii) such payment can be lawfully withheld.
- (b) The Borrower shall maintain its residence for Tax purposes in the jurisdiction in which it is incorporated and ensure that it is not resident for Tax purposes in any other jurisdiction except with the consent of the Facility Agent.

22.7 Change of business

The Borrower undertakes that no change will be made to the general nature of its business from that carried on at the date of this Agreement.

22.8 Merger

The Borrower will not enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction.

22.9 Further assurance

- (a) The Borrower shall and shall ensure that each other Obligor and the Sponsor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Facility Agent may reasonably specify (and in such form as the Facility Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect any Security Interests created or expressed to be created by that Obligor and/or the Sponsor under or evidenced by the Security Documents (which may include the execution of a mortgage, pledge, fiduciary security, charge, assignment or other security over all or any of the assets which are, or are intended to be, the subject of the Security Documents) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) confer on the Security Agent or on the Finance Parties Security Interests over any Charged Property of that Obligor and/or the Sponsor located in any jurisdiction equivalent or similar to the Security Interest expressed to be conferred by or pursuant to the Security Documents and that are recognised and effective under the laws of such jurisdiction; and/or
 - (iii) after an Event of Default that is continuing, to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Documents.
- (b) The Borrower shall and shall ensure that each other applicable Obligor and/or, as the case may be, the Sponsor shall take all such action as is available to it (including making all filings and registrations) and is requested by the Security Agent and may be necessary for the purpose of the creation, perfection as required under the Finance Documents, protection or maintenance of any Security Interest conferred or expressed to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents including but not limited to:
 - (i) the registration of the Fiduciary Assignments with the Fiduciary Registration Office having jurisdiction over the legal domicile of the relevant fiduciary grantor;
 - (ii) the registration of the Mortgage with the port authority that issued the Grosse Akta Pendaftaran Kapal relating to the Vessel;
 - (iii) the registration of the Shares Security in the Borrower's share register;
 - (iv) the reporting of the execution and the filing of this Agreement with each of Bank Indonesia, the Ministry of Finance and/or the Financial Service Authority (*Otoritas Jasa Keuangan*) (as applicable); and

- (v) the payment of nominal stamp tax in the amount of Rp10,000 on the Finance Documents to which the Borrower is a party.

22.10 Translations

- (a) The Finance Documents are executed in the English language. The Parties confirm that they fully understand and agree to be bound by the terms and conditions of the Finance Documents notwithstanding that the Finance Documents are prepared and executed in English.
- (b) In compliance with Law No. 24 of 2009 regarding National Flag, Language, Emblem and Anthem, the Borrower agrees, at its own cost:
 - (i) to translate and to ensure that the relevant Obligors take such actions as are reasonably required on their part and to use reasonable endeavours on the other relevant Indonesian parties to execute a Bahasa Indonesia version of each of the Transaction Documents listed in Schedule 14 (*List of Translated Documents*) in the agreed form: or
 - (ii) in the case of the Transaction Documents listed in Schedule 14 (*List of Translated Documents*) involving Indonesian parties (in addition to the Borrower), to translate and to ensure that the relevant Obligors and to use reasonable endeavours to ensure that all other relevant parties to such Transaction Documents sign a confirmation to be attached to each Indonesian translation pursuant to which the parties (i) confirm that the translation constitutes the Indonesian version of the document to satisfy the requirement of Law 24 and (ii) provide similar language undertakings as provided in items (a), (c) and (d) of this clause 22.10, no later than the later of (i) ninety (90) days after the date of this Agreement; (ii) the date such Transaction Document is entered into; (iii) or any other date as agreed between the Borrower and the Facility Agent; and provide a copy of the same to the Facility Agent (or in the case of a Finance Document an original signed by the relevant Obligors).
- (c) The Parties agree that: (i) the Bahasa Indonesia version of the Transaction Documents, if executed, will be deemed to be effective from the date the English language version was executed; and (ii) in the event of inconsistency between the Bahasa Indonesia version and the English version, the English version shall prevail and the relevant Bahasa Indonesia text will be deemed to be amended to conform with and to make the relevant Indonesian text consistent with the relevant English text.
- (d) The Borrower further agrees and undertakes that not to (or allow or assist any other party to), in any manner or forum, challenge the validity of, or raise or file any objection to, this Agreement or any other Transaction Document or the transactions contemplated by any Transaction Document on the basis of any failure to comply with Law 24 or its implementing regulations or other similar laws and regulations applicable in Indonesia.

22.11 No prejudicial action

The Borrower shall not do anything and shall not take any action against any person (including, without limitation, any insolvency official or similar officer of, or any creditor of, the Borrower or any other person claiming through, under or in place of the Borrower) which has or is reasonably likely to have the effect of prejudicing any Security Interest created by any Security Document in favour of any Finance Party except for such actions permitted by this Agreement.

22.12 Negative pledge in respect of Charged Property

Except for Permitted Security Interests, the Borrower will not and shall procure that no Obligor will grant or allow to exist any Security Interest over any Charged Property.

22.13 Action of Borrower

At any time after an Event of Default which is continuing, the Borrower shall take such action, make such requests or demands and give such notices and certificates (including, without limitation, any lawful demand for payment under any of the Transaction Documents) as the Facility Agent or the Security Agent may reasonably request and, if requested by the Facility Agent shall not, without the prior written consent of the Facility Agent, take any steps to enforce or exercise, and shall take such reasonable steps as the Facility Agent or the Security Agent may direct to enforce or exercise, any rights, remedies, powers and privileges under the Charter or in respect of the Vessel or the Mooring or any of the Borrower's Security.

22.14 Subordinated Loan

- (a) At all times from the first Utilisation Date (or in the case of the Sponsor three (3) Business Days after the first Utilisation Date), the Borrower shall ensure (and procure) that if the Sponsor, a Shareholder (or any other member of the Höegh MLP Group) has or may have outstanding rights or claims against the Borrower in respect of any Subordinated Loan or Promissory Note (or any other inter-company loan made available to the Borrower) such person shall have executed a Subordination Deed. The Finance Parties shall promptly take any action that is reasonably requested by the Borrower and required on their part to ensure a Subordination Deed is executed for this purpose.
- (b) The Borrower agrees that following the occurrence of a Default, the Borrower shall not repay and shall procure that the Sponsor, a Shareholder or any relevant member of the Höegh MLP Group shall not demand or accept repayment of any such loans or payments of any Promissory Notes, in each case without the prior written consent of the Facility Agent acting on the instructions of the Lenders except to the extent that such payments are made from amounts standing to the credit of the Distribution Account (which payments can be made without any such consent).

23 [Intentionally blank]

24 Project undertakings

The undertakings in this clause 24 apply throughout the Facility Period.

24.1 Project Agreements

- (a) The Borrower shall, and shall procure that each other Obligor shall, duly and punctually perform, comply with and observe each of its respective obligations under each Project Agreement to which it is party and use its reasonable endeavours to ensure that each other party to them performs their obligations under the Project Agreements in each case to the extent that failure to do so has or may reasonably be expected to have a Material Adverse Effect or a material adverse effect on any Obligor's ability to perform its obligations under the Project Agreements.
- (b) The Borrower shall, and shall procure that each other Obligor shall, maintain and enforce its respective rights under the Project Agreements in each case to the extent that failure to do so has or may reasonably be expected to have a Material Adverse Effect or a material adverse effect on any Obligor's ability to perform its obligations under the Project Agreements.
- (c) If the Borrower and/or any other Obligor has the right to terminate a Material Project Agreement, the Borrower shall, and shall procure that any Obligor shall, (a) not exercise that right without the written consent of the Facility Agent (acting on the instructions of the Lenders and K-sure) and (b) exercise that right if so directed by the Facility Agent (acting on the instructions of the Lenders and K-sure) if an Event of Default is continuing, provided that if the Borrower has a right to terminate the Charter and the Charterer is, or would following such termination be, required to pay to the Borrower either a Company Breach Termination Amount or a Non Vessel FM Termination Amount (as each such term is

defined in the Charter) in an amount which is sufficient to discharge all Secured Obligations in full and no other Event of Default is continuing) such consent shall not be unreasonably withheld or delayed) and the Borrower may exercise any rights to terminate a Project Agreement which a O&M Contractor or the Supervisor is party to at any time when that O&M Contractor or Supervisor is being replaced in accordance with this Agreement.

- (d) The Borrower shall not (and shall procure that no other Obligor shall), without the prior written consent of the Facility Agent (acting on the instructions of the Lenders), permit or agree or consent to:
- (i) any withdrawal of the Vessel from service under the Charter at a time when the Borrower is entitled to terminate the Charter (except any suspension of services under clause 26.3(c) of the Charter or when termination is required or permitted under this Agreement) or which entitles the Charterer to terminate, or may reasonably be expected to entitle the Charterer to terminate, the Charter;
 - (ii) save for Permitted Amendments and as otherwise permitted under this Agreement (including under paragraph (e) below), any amendment or variation of, or waiver or release of a party's obligations or liabilities under, any Project Agreement or the Shareholder Agreement;
 - (iii) save for Permitted Amendments and as otherwise permitted under this Agreement, any variation or series of variations to the Works or any changes to the design or construction of the Project which (either alone or together with all other variations and changes) would or is reasonably likely to materially alter the nature of the Project, the manner in which it operates or the risk profile of the Project;
 - (iv) give a notice under the Charter requiring negotiation of the 50% Acquisition Terms (as defined in the Charter);
 - (v) except as expressly required under the Finance Documents, the assignment or transfer of a Project Agreement, Environmental Licence or Project Authorisation by the Borrower or any O&M Contractor;
 - (vi) any party to a Project Agreement (other than an Obligor) assigning or transferring that party's rights or obligations under that Project Agreement except a novation of the Charter pursuant to and in accordance with clause 16.3 of the Charter and provided that the Facility Agent has received a copy of the novated Charter and Charter Guarantee, in each case certified as true by an authorised signatory of the Borrower, duly executed by the parties thereto together with (A) a legal opinion in form satisfactory to the Facility Agent (acting reasonably and upon the advice of its legal counsel) as to the validity and enforceability of the Charter and the Charter Guarantee, the due incorporation of each of the new Charterer and the Charter Guarantor, its power and authority to enter into and perform the Charter and the Charter Guarantee, respectively, and all other documents and instruments to give effect to the same and (B) a certified true copy of the new PGN L/C (if required by applicable law following novation of the Charter) and valid Security Interest in respect of the Charter Guarantee and the PGN L/C in the same form as the Project Agreements Assignment or such other form as may be agreed and (C) a letter of quiet enjoyment in substantially the same form as the Letter of Quiet Enjoyment duly executed by the new Charterer; or
 - (vii) the termination of a Material Project Agreement or the Shareholders Agreement (unless directed to do so in accordance with clause 24.1(c) above or otherwise required or permitted under this Agreement).
- (e) Each Lender shall respond promptly to a Borrower's request to vary the Charter (other than for a Permitted Amendment for which consent shall not be required) and in any event no later than fifteen (15) Business Days (or five (5) Business Days in the case of a variation to the Charter which results in an increase in amounts payable by PGN to the Borrower

under the Charter and such variation does not impose any additional materially onerous obligations on the Borrower) from receipt by that Lender of notice from the Borrower or the Facility Agent of the proposed variation. If a Lender or the Facility Agent fails to respond to the Borrower within such fifteen (15) day period (or, as the case may be, five (5) day period) then such Lender or the Facility Agent on behalf of the Lenders, as the case may be shall be deemed to have consented to such variation (including any consent required under clause 24.1(d)).

- (f) The Borrower shall:
- (i) promptly notify the Facility Agent of any notice received from the Charter Guarantor in accordance with clause 5 of the Charter Novation Agreement (Charterer);
 - (ii) not consent to any proposed transfer of shares of the Charterer by the Charter Guarantor which it is entitled under the Charter Novation Agreement (Charterer) to withhold consent for, without the prior written consent of the Facility Agent (acting on the instructions of all of the Lenders) provided that the Lenders agree that consent shall not be withheld or delayed if the conditions specified in clause 5 of the Charter Novation Agreement (Charterer) have been satisfied in accordance with their terms; and
 - (iii) if requested by any Lender, subject to the relevant costs and expenses having been paid where they are to be borne by the relevant Lender, procure a legal opinion (in substantially the same form as the legal opinion issued by Oentoeng Suria & Partners in connection with the Charter Guarantee dated 26 February 2014 (the **OSP Legal Opinion**), subject to any changes to reflect changes in law, or such other form satisfactory to the Facility Agent acting reasonably and upon the advice of its legal counsel) to any bank which is to become a party to the Facility Agreement in accordance with its terms and which is not able to rely on the OSP Legal Opinion or any other legal opinion covering matters referred to in clause 24.1(d)(vi) that is provided pursuant to this Agreement. The Borrower will pay any costs or expenses in connection with the issuance of such legal opinion limited to one legal opinion per year per Lender (it being agreed that each such opinion may be addressed to more than one bank) and otherwise all such costs and expenses shall be borne by the relevant Lender.

24.2 Project Authorisations

The Borrower shall, and (if applicable) each O&M Contractor, shall obtain, and maintain in full force and effect, each Project Authorisation necessary:

- (a) to enable it to lawfully enter into, exercise its rights and comply with its respective obligations under the Transaction Documents to which it is a party; and
- (b) required by it to carry out the Project in accordance with the Project Agreements,

and shall at all times comply with the requirements such Project Authorisations, in each case to the extent that failure to do so has or may reasonably be expected to have a Material Adverse Effect or a material adverse effect on any Obligor's ability to perform its obligations under the Project Agreements.

24.3 Environmental Matters

- (a) The Borrower shall, and shall procure that the O&M Contractors shall, ensure that it has each Environmental Licence required to be in its name and which is necessary for it to carry out the Project in accordance with the Material Project Agreements and that it maintains, and complies with the terms of, such Environmental Licences in each case to the extent that failure to do so has or may reasonably be expected to have a Material Adverse Effect or a material adverse effect on any Obligor's ability to perform its obligations under the Project Agreements and upon reasonable request by a Finance Party provide

such information in relation to the Project as is available to it and able to be disclosed without breach of any contract or law and is reasonably required by such Finance Party for determining the extent of compliance by that Finance Party with the Equator Principles to the extent applicable to the Project.

- (b) The Borrower shall, and shall procure that the O&M Contractors shall, comply with, and carry out the Project in accordance with, all applicable Environmental Laws and the Environmental and Social Regulations in each case to the extent that failure to do so has or may reasonably be expected to have a Material Adverse Effect or a material adverse effect on any Obligor's ability to perform its obligations under the Project Agreements. The Borrower will provide to the Facility Agent and the Technical Adviser details of all environmental tests and studies carried out in relation to the Project and the Site or any material environmental inspections, investigations, studies, audits, tests, reviews or other analyses, in each case which are received by it relating to the Borrower, any O&M Contractor, the Charterer and/or the Vessel and/or the Mooring and able to be disclosed without breach of any contract or applicable law.
- (c) The Borrower will notify the Facility Agent as soon as reasonably practicable after becoming aware of:
 - (i) any Environmental Incident or any Spill which has given or it reasonably expects may give rise to an Environmental Incident;
 - (ii) any Environmental Claim being made against any Obligor (or any of their respective officers) relating to a breach of Environmental and Social Regulations or an Environmental Incident in respect of the Vessel and/or the Mooring and/or the Project or against the Vessel and of any Environmental Incident which may give rise to such a claim and will keep the Facility Agent regularly and promptly informed in reasonable detail of the nature of, and response to, any such Environmental Incident and the defence to any such claim; and
 - (iii) details of any material breach of or non-compliance by the Borrower with any Environmental and Social Regulation.
- (d) The Borrower will duly and punctually perform, comply with and observe each of its obligations under the Environmental Management Plans, and shall provide the Facility Agent with any environmental monitoring reports that the Borrower has prepared or received pursuant to the Environmental Management Plans and which are able to be disclosed without any breach of any contract or law on a semi-annual basis.

24.3A Poseidon Principles

- (a) The Borrower shall, upon the request of the Agent (at the request of any Lender) and at the cost of the Borrower, on or before 31 July in each calendar year, supply or use their best endeavours to procure the supply to the Agent (for such Lender) of all information necessary in order for such Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the relevant Ship(s) for the preceding year. No Lender shall publicly disclose such information with the identity of the Ship(s) without the prior written consent of the relevant Borrower. Such information shall be "Confidential Information" for the purposes of clause 37 (*Confidentiality*) but the Borrower acknowledges that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender's portfolio climate alignment.
- (b) For the purposes of this clause 25.8:

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.

Poseidon Principles means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published on 18 June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organization from time to time.

Statement of Compliance means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

24.3B Sustainable and socially responsible dismantling of Ships

- (a) The Vessel and any other vessel controlled by the Höegh MLP Group or Höegh LNG Holding Group will, when it is to be scrapped or when sold to an intermediary with the intention of being scrapped be recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner in accordance with the provisions of The Hong Kong International Convention for the safe and Environmentally Sound Recycling of Ships 2009 (whether or not it is in force) and/or, if applicable, the EU Ship Recycling Regulation and/or, if applicable, the Ship Recycling Facilities Regulations 2015.
- (b) For the purposes of this clause 25.9, **EU Ship Recycling Regulation** means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (Text with EEA relevance).

24.4 Operation and Maintenance

- (a) The Borrower shall from Delivery ensure that throughout the Facility Period the Vessel is at all times operated and maintained in accordance with appropriate industry standards.
- (b) The Borrower shall further ensure that at all times throughout the Facility Period from Delivery O&M Contractors will be contracted to carry out the O&M Contracts and will not otherwise sub-contract or delegate any of its operation and maintenance obligations under the Charter to any other party (other than an Approved Operator) without the written consent of the Lenders, which consent shall not be unreasonably withheld or delayed;
- (c) The Borrower further undertakes that from Delivery there shall be no change in the companies carrying out the operation and maintenance services provided by the Borrower under the Charter in respect of the Vessel without the consent of the Facility Agent (acting on the instructions of the Lenders) unless:
 - (i) if such approval is required under the Charter, the Charterer has approved, in accordance with the terms of the Charter or, following an Event of Default, the Letter of Quiet Enjoyment, the appointment of the replacement operator (the **Replacement Operator**) to carry out the operation and maintenance services to be provided by the Borrower under the Charter (as the case may be);
 - (ii) the Replacement Operator is an Approved Operator;
 - (iii) the replacement contract (the **Replacement Contract**) to be entered into between the Replacement Operator and the Borrower is on terms acceptable to the Majority Lenders (acting reasonably);
 - (iv) if applicable, the Replacement Operator has entered into an accession deed (or such other documentation as may be required) whereby the Replacement Operator assumes all of an outgoing O&M Contractor's obligations under the Finance

Documents and such other amendments are made to the Finance Documents and the other Transaction Documents so as to ensure that the Replacement Operator assumes all of an outgoing O&M Contractor's obligations under such documents (to the satisfaction of the Lenders, acting reasonably); and

- (v) the Facility Agent has obtained satisfactory legal opinions in respect of the Replacement Operator's entry into the Replacement Contract and any applicable other documents referred to in paragraph (v) above.

24.5 Agreement of Projected Operating Expenses and Delivery of Project Budget Statement

- (a) Prior to Delivery for the then current financial year and thereafter not less than sixty (60) days prior to the end of each of its financial years, the Borrower shall deliver to the Facility Agent the Project Budget Statement with the Projected Operating Expenses for the next financial year. If, in the opinion of the Majority Lenders (acting reasonably), the proposed Project Budget Statement is materially inaccurate, the Facility Agent shall be entitled (no later than thirty (30) days prior to the end of that financial year) to instruct the Technical Advisor to determine the Projected Operating Expenses in consultation with the Borrower and the Technical Advisor's determination shall be binding on the parties; provided that the Technical Advisor's terms of reference shall be solely to confirm such expenses or to adjust such expenses to the extent it determines them to be materially inaccurate and that prior to such determination the Borrower's Project Budget Statement shall continue to apply.
- (b) Following delivery and, if applicable, determination of each Project Budget Statement in accordance with paragraph (a) above, the Borrower may amend that Project Budget Statement with the consent of the Facility Agent (acting reasonably) unless the amendment is to transfer Projected Operating Expenses (in respect of which a transfer to the Offshore Operating Account pursuant to clause 29.8(a) (*Payment Cascade*) has not been made) to a different month within the same financial year in which case such consent is not required and the Borrower may update and shall deliver to the Facility Agent the revised Project Budget Statement accordingly.

24.6 Information concerning the Project

The Borrower shall furnish the Facility Agent promptly (or on a monthly basis where so indicated) with:

- (a) on a monthly basis until Final Acceptance, up to date progress reports with respect to the construction of the Vessel and the Mooring which shall include the projected Project Costs, details of any Cost Overrun, shortfall in funding to achieve Final Acceptance or forecast delay in achieving Delivery by the Last Availability Date and a statement from the Borrower in respect of the construction of the Downstream Pipeline (as defined in the Charter) and/or the Project;
- (b) annual progress reports with respect of the operation of the Vessel and the Project;
- (c) information relating to (i) any material amendments to or proposed amendments to the Vessel and Mooring Specifications and (ii) details of any material changes to the design, construction or operation of the Vessel and/or the Mooring prior to carrying out or agreeing such changes and (iii) details of any Permitted Amendments to the Material Project Agreements and the Shareholders Agreement and, to the extent available to the Borrower, the EPCIC Contract that have not previously been provided;
- (d) on a monthly basis in respect of the previous month:
 - (i) details of any fines levied and charges made by the Charterer pursuant to the Charter (including the amount of each such fine and, to the extent available to the Borrower, the basis on which the fine was levied);

- (ii) details of any other Total Charter Rate reduction event incurred which results in a reduction in Total Charter Rate;
- (iii) details of any period of off hire incurred which results in a suspension of the obligation to pay any Total Charter Rate or the amount by which the anticipated Total Charter Rate for that period has been reduced;
- (iv) as from the 'Effective Date' (as defined in the First Amendment and Restatement Agreement) until:
 - (A) such time the Facility Agent notifies the Borrower that the PGN Arbitration has been terminated, cancelled or resolved favourably (in the opinion of the Majority Lenders (acting reasonably and promptly following any request by the Borrower to determine the same)), details of the amount of Total Charter Rate paid by the Charterer;
 - (B) such time the Facility Agent notifies the Borrower that the PGN Arbitration has been terminated, cancelled or resolved favourably (in the opinion of the Majority Lenders (acting reasonably and promptly following any request by the Borrower to determine the same)), the status of the Charter and discussions between the Borrower and the Charterer in respect of the PGN Arbitration, the Borrower's counterclaims against the Charterer following receipt of notice of the PGN Arbitration and all other outstanding disputes between the Borrower and the Charterer in respect of the Charter (in each case subject to any confidentiality restrictions: (1) under the SIAC Rules (as defined in clause 51.1 (*Arbitration*)) and (2) in the Charter); and
 - (C) any amendments to the Charter have been finalised and an amendment agreement has been entered into in respect of the same, the status of discussions between the Borrower and the Charterer in respect of the Charterer's request for the Borrower's consent to amend the Charter in respect of the proposed break bulk operations of the Vessel;
- (e) notice of any party having begun any arbitration proceedings under any Project Agreement to which it is party, the conclusion of the arbitration and the terms of any award in such arbitration;
- (f) information in relation to any proposed dry docking of the Vessel including the proposed date of any dry docking and the period for which it is expected that the Vessel will be suspended or in dry dock;
- (g) copies of any material notices received by or on behalf of the Borrower or issued by or on behalf of the Borrower under any of the Material Project Agreements and which have not previously been provided; and
- (h) such information that the Borrower is aware of concerning the Project or any Project Agreements that deviates from the requirements stipulated in the Charter and/or the O&M Contract and which might reasonably be expected to have a Material Adverse Effect and any remedial action proposed by the Borrower to eliminate or reduce the extent of any such deviation.

24.7 Information in relation to the Charterer

The Borrower shall use its reasonable endeavours to provide any information in respect of the Charterer as the Lenders may reasonably require and request.

24.8 Enforcement of rights

The Borrower shall take such reasonable steps to enforce its rights under the Charter and the other Project Agreements which may reasonably be expected to be taken by a prudent FSRU

owner or (following the occurrence of an Event of Default which is continuing) which may be required by the Facility Agent.

24.9 Communications under the Charter and any O&M Contract

The Borrower shall advise the Facility Agent promptly upon receipt by the Borrower of a termination notice under the Charter, and as soon as reasonably practicable (but in any event within one (1) Business Day), provide the Facility Agent with a copy of any such notice.

24.10 Technical Adviser

- (a) The Borrower shall give the Facility Agent and the Technical Adviser:
 - (i) reasonable notice of all acceptance tests to be carried out in respect of the Vessel and/or the Mooring (if it so requires) and copies of its reports on such tests promptly following completion of such tests to the extent necessary to carry out its Agreed Scope of Work;
 - (ii) promptly upon receipt by the Borrower and/or the O&M Contractor, a copy of any notice received from the Charterer in relation to any material operational issues in respect of the Charter which might reasonably be expected to adversely affect the amount of Charter Hire;
- (b) The Technical Adviser is entitled to inspect the Borrower's and any O&M Contractor's records (including all drawings and specifications) in relation to the Vessel, the Mooring and the Project on reasonable prior notice to the Borrower or, as the case may be, any O&M Contractor to the extent necessary to carry out its Agreed Scope of Work;
- (c) The Borrower shall use best endeavours to ensure that the Technical Advisor shall:
 - (i) at any time it has a material concern relating to the Project, which has been raised with the Borrower and not resolved, on reasonable prior notice to the Borrower be allowed to visit the Site and/or the Builder's and/or the Mooring EPC Contractor's yard and/or to board the Vessel and/or the Mooring to enable the Technical Adviser to investigate such concern (without interfering with or hindering performance of a Project Agreement or the safe and efficient operation of the Vessel or Mooring) and shall be given all proper facilities needed for that purpose;
 - (ii) following an Event of Default which is continuing, be granted access to any meetings between the Borrower and the Charterer or the Builder or the Mooring EPC Contractor,in each case subject to the consent of the Charterer or, as the case may be, the Builder or the Mooring EPC Contractor or the Mooring Installation Contractor.
- (d) The Borrower shall, and shall procure that the O&M Contractor shall:
 - (i) provide all necessary co-operation, access and assistance or, as the case may be, procure that the same is provided within their control to enable the Technical Adviser to complete its scope of work and produce the reports in accordance with the Agreed Scope of Work; and
 - (ii) following the occurrence of an Event of Default which is continuing and on request by the Facility Agent, prepare any report or investigate any concerns of the Facility Agent in each case of such operational or technical matters in respect of the Project as the Facility Agent shall reasonably advise.
- (e) The Borrower shall promptly respond to each material concern referred to in any of the reports specified in the Agreed Scope of Work, at the request of the Facility Agent.

- (f) The Technical Adviser shall, until Final Acceptance, provide quarterly progress reports to the Facility Agent with respect to the construction of the Vessel and the Mooring and the Project. In the event that the Technical Adviser determines in a report at any time that there is a funding shortfall to achieve Final Acceptance by the earlier of (i) the Cancellation Date and (ii) 18 March 2015 or that the Project is likely to be delayed beyond such date, the Facility Agent shall notify the Borrower and the Borrower and the Lenders (in consultation with the Technical Adviser) shall use reasonable endeavours to agree the extent to which any funding shortfall to achieve Final Acceptance or such forecast delay exists, within a period of thirty (30) days after the date on which the Facility Agent notifies the Borrower that the Technical Adviser's report has determined that there is such a funding shortfall or forecast delay (the **Negotiation Period**). The Technical Adviser shall update such report promptly at the end of the Negotiation Period, if applicable, to reflect any revisions consequent on the information and clarifications provided by the Borrower in such period. If there has been a Negotiation Period, then unless otherwise agreed within the Negotiation Period, the Technical Adviser's report (as updated if applicable) shall be conclusive and binding on all parties.

24.11 Advisers

The Borrower shall co-operate with, and shall from Delivery ensure that the O&M Contractor and use reasonable endeavours to ensure that each other party to the Project Agreements co-operates with reasonable requirements of the Technical Adviser and the Insurance Advisor.

24.12 Negative covenants

The Borrower shall not, and shall from Delivery procure that no O&M Contractor shall, without the prior written consent of the Facility Agent (acting on the instructions of the Lenders) agree to any Change in Location (such consent not to be unreasonably withheld or delayed), other than (a) within the Permitted Location for the normal operational duties or (b) in case of emergencies or where required for the safety of, maintenance or repair of the Vessel and/or its crew and personnel or (c) where required under the Charter for laying up of the Vessel in accordance with clause 28.1 of the Charter.

24.13 K-sure Policy

- (a) The Borrower shall take all action reasonably requested by the K-sure Agent or the Facility Agent to avert any risk covered by the K-sure Policy.
- (b) The Borrower shall not take any action or omit to take any action which would:
 - (i) result in the restriction, reservation, annulment or termination of the K-sure Policy; or
 - (ii) give rise to an exclusion or defence to payment by K-sure applicable to an insured loss under the K-sure Policy.
- (c) The Borrower shall not waive any right, claim or cause of action or other remedy or accept any offer of compensation in respect of an insured loss under the K-sure Policy.
- (d) The Borrower agrees that, in the event that the Security Agent has filed or intends to file a claim for payment under K-sure Policy, the Borrower shall:
 - (i) use its best efforts to assist in filing a claim for compensation, indemnity or reimbursement in respect of any loss;
 - (ii) use its best efforts to co-operate in good faith with the Security Agent and K-sure with respect to any verification of claim, eligibility or amount by any such person (including but not limited to providing evidence, documentation, information, certificates and other forms of proof reasonably requested in connection therewith).

25 Dealings with the Vessel

The Borrower undertakes that this clause 25 will be complied with throughout the Mortgage Period.

25.1 Vessel's name and registration

- (a) The Vessel's name shall only be changed after prior notice to the Facility Agent.
- (b) The Vessel shall remain permanently registered with the relevant Registry under the laws of the Flag State. Except with approval of the Lenders, the Vessel shall not be registered under any other flag or at any other port or fly any other flag (other than that of the Flag State). If that registration is for a limited period, it shall be renewed at least 45 days before the date it is due to expire and the Facility Agent shall be notified of that renewal at least 30 days before that expiry date.
- (c) Nothing will be done and no action will be omitted by the Borrower or any other Obligor if that might result in such registration being forfeited or imperilled or the Vessel being required to be registered under the laws of another state of registry.

25.2 Sale or other disposal of the Vessel

Except:

- (a) with approval of the Lenders and K-sure; or
- (b) for the 50%Acquisition Terms and any sale that complies with clause 9.7 (*Sale of Vessel*) and in each case where the Secured Obligations have been, or will be concurrently with the sale, prepaid in full; or
- (c) in accordance with clause 30.8(b) (*Disposals*),

the Borrower will not sell, or agree to, transfer, abandon or otherwise dispose of the Vessel or any share or interest in it or agree to do so (other than as contemplated in paragraph (b) above and pursuant to the Finance Documents).

25.3 Sale of the Mooring

Except a sale or transfer to the Charterer pursuant to and in accordance with the terms of the Charter, the Borrower will not sell, transfer, abandon or otherwise dispose of the Mooring or any share or interest in it or agree to do so (other than as contemplated in this clause 25.3 and pursuant to the Finance Documents).

25.4 Conveyance on default

Following the occurrence of an Event of Default which is continuing, where the Vessel is (or is to be) sold in exercise of any power conferred by the Security Documents, the Borrower shall, upon the Facility Agent's request, immediately execute such form of transfer of title to the Vessel as the Facility Agent may require.

25.5 Chartering

Except with approval, the Borrower shall not enter into any charter commitment for the Vessel (except for the Charter and the O&M Contracts).

25.6 Movement of parts

Except with approval, the Borrower shall not allow any machinery, equipment or materials which are an integral part of the Vessel to be removed outside the Permitted Location except as and when necessary to repair or replace them.

25.7 Sanctions

- (a) The Borrower shall not, and shall not permit or authorize 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 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 (if any to the extent applicable to any of them) or becoming a Restricted Party.
- (b) The Borrower shall not permit or authorize and shall use reasonable endeavours to prevent the Vessel being used directly or indirectly: (i) by or for the benefit of any Restricted Party; and/or (ii) in any business which could reasonably be expected to expose the Vessel or the Finance Parties to enforcement proceedings or any other adverse consequences whatsoever arising from Sanctions.

26 Condition and operation of Vessel

The Borrower undertakes that this clause 26 will be complied with in relation to the Vessel throughout the Mortgage Period.

26.1 Repair

The Vessel shall be kept in a good, safe and efficient state of repair. The quality of workmanship and materials used to repair the Vessel or replace any damaged, worn or lost parts or equipment shall be sufficient to ensure that the Vessel's value is not reduced (fair wear and tear excepted) as a result of any repair or replacement.

26.2 Modification

Except with approval or as permitted under this Agreement, the structure, type or performance characteristics of the Vessel shall not be modified in a way which might reasonably be expected to materially alter the Vessel in a manner that would materially reduce its value.

26.3 Removal of parts

Except with approval, no material part of the Vessel shall be removed from the Vessel if to do so would materially reduce its value (unless for repair or if at the same time it is replaced with equivalent parts or equipment owned by the Borrower free of any Security Interest except under Permitted Security Interests).

26.4 Third party owned equipment

Except with approval, equipment owned by a third party (other than the Mooring) shall not be installed on the Vessel if it cannot be removed without risk of causing damage to the structure or fabric of the Vessel or incurring significant expense.

26.5 Maintenance of class

The Vessel's class shall be, and shall be maintained throughout the Mortgage Period as, the Classification.

26.6 Surveys

The Vessel shall be submitted to surveys which are required for it to maintain the Classification as its class. Copies of reports of those surveys shall be provided promptly to the Facility Agent if it so requests.

26.7 Notice of drydockings

- (a) The Borrower shall ensure that the Vessel is not put into drydock without the consent of the Facility Agent (acting on the instructions of the Majority Lenders, in consultation with the Technical Advisor if required), such consent not to be unreasonably withheld or delayed.
- (b) In the event that the Vessel is drydocked in accordance with clause 26.7(a), the Facility Agent shall be given reasonable advance notice of any intended drydocking of the Vessel (whatever the purpose of that drydocking) and of the intended yard in which such drydocking is to be carried out. No drydocking may be carried out in a yard which is not approved by the Facility Agent (acting on the instructions of the Majority Lenders), such approval not to be unreasonably withheld or delayed.

26.8 Prevention and release from arrest

All debts, damages, liabilities and outgoings which have given, or may reasonably be expected to give, rise to maritime, statutory or possessory liens on, or claims enforceable against, the Vessel, the Earnings or Insurances shall be promptly paid and discharged when due.

26.9 Notification of certain events

The Facility Agent shall promptly after the Borrower becomes aware of such event be notified of:

- (a) any damage to the Vessel where the cost of the resulting repairs is reasonably likely to exceed the Major Casualty Amount;
- (b) any occurrence which is reasonably likely to result in the Vessel becoming a Total Loss;
- (c) any requisition of the Vessel for hire other than under the Charter;
- (d) any requirement or recommendation made in relation to the Vessel by any insurer or the Classification Society or by any competent authority which is not, or cannot be, complied with in the manner or time required or recommended; and
- (e) any arrest or detention of the Vessel or any exercise or purported exercise of a lien or other claim on the Vessel or the Earnings or Insurances other than the Finance Documents.

26.10 Repairers' liens

Except with approval of the Facility Agent (acting reasonably), the Vessel shall not be put into any other person's possession for work to be done on the Vessel if the cost to the Borrower of that work will exceed or is likely to exceed the Major Casualty Amount unless that person gives the Security Agent a written undertaking in approved terms not to exercise any lien on the Vessel or the Vessel's Earnings for any of the cost of such work.

26.11 Codes

The Vessel and the Obligors responsible for its operation shall at all times comply with the requirements of any applicable code or prescribed procedures required to be observed by the Vessel or in relation to its operation under any applicable law or regulation (including but not limited to those currently known as the ISM Code and the ISPS Code) to the extent that failure to comply has or could reasonably be expected to have a Material Adverse Effect or a material

adverse effect on any Obligor's ability to perform its obligations under the Material Project Agreements to which it is a party. The Facility Agent shall promptly be informed of:

- (a) any threatened or actual withdrawal of any certificate issued in accordance with any such code which is or may be applicable to each of the Vessel and its operation and required by the Borrower for the purposes of the Charter; and
- (b) the receipt of notification that any application for such a certificate has been refused.

26.12 Lawful use

The Vessel shall not be employed:

- (a) in any way or in any activity which is unlawful under applicable international law or the domestic laws of Indonesia;
- (b) in storing illicit or prohibited goods;
- (c) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; or
- (d) in carrying contraband goods,

and the persons responsible for the operation of the Vessel shall take all necessary and proper precautions to ensure that this does not happen.

26.13 War zones

- (a) Except with the approval of the Facility Agent (acting on the instructions of the Lenders and K-sure), the Vessel shall not enter or remain in any zone which has been declared a war zone by any applicable government entity or the Vessel's war risk insurers.
- (b) If approval is granted for the Vessel to enter or remain in any such war zone, any requirements of the Facility Agent and/or the Vessel's insurers necessary to ensure that the Vessel remains properly and fully insured in accordance with the Finance Documents (including any requirement for the payment of extra insurance premiums) and agreed by the Borrower for the purposes of such approval shall be complied with.

26.14 Inspection of books and records

The Facility Agent shall be allowed proper and reasonable access to the Borrower's accounting records when it requests it and with not less than 5 days' prior notice to the Borrower (or such shorter period as may be agreed by the Borrower).

27 Insurance

The Borrower undertakes that this clause 27 shall be complied with at all times throughout the Facility Period.

27.1 Insurance terms

In this clause 27:

excess risks means the proportion (if any) of claims for general average, salvage and salvage charges not recoverable under the hull and machinery insurances of a vessel in consequence of the value at which the vessel is assessed for the purpose of such claims exceeding its insured value

excess war risk P&I cover means cover for claims only in excess of amounts recoverable under the usual war risk cover including (but not limited to) hull and machinery, crew and protection and indemnity risks

hull cover means insurance cover against the risks identified in clause 27.2(a)(i)

minimum hull cover means an amount equal at the relevant time to 120 per cent of such proportion of the Loans

P&I association means a protection and indemnity association which is a member of the International Group of protection and indemnity associations (or, if the International Group ceases to exist, any other leading protection and indemnity association or other leading provider of protection and indemnity insurance) (including, without limitation, the proportion (if any) of any collision liability not covered under the terms of the hull cover)

P&I risks means the usual risks (including liability for oil pollution, excess war risk P&I cover) covered by a P&I association.

27.2 Coverage required

The Vessel and the Mooring shall be insured:

- (a) In the case of the Vessel, on and at all times after Delivery,
 - (i) against fire and usual marine risks (including excess risks) and war risks (including war protection and indemnity risks and terrorism risks) on an agreed value basis, for at least its minimum hull cover and no less than US\$400,000,000;
 - (ii) against P&I risks for such amount then available in the insurance market for vessels of similar age, size and type as the Vessel as would be reasonable and expected for a prudent FSRU operator to insure against (but, in relation to liability for oil pollution, for an amount of not less than \$500,000,000);
 - (iii) against such other risks and matters which would be reasonable and expected in the international insurance market from time to time (such as Workmen's Compensation and/or Employer's Liability or Third Party Legal Liability Insurance) for a prudent FSRU operator to insure against and which are proposed by the Facility Agent in consultation with the Borrower and the Insurance Adviser.
 - (iv) on terms which comply with the other provisions of this clause 27; and
- (b) In the case of the Vessel, on and at all times from the earlier of (i) Arrival Time (as defined in the Charter) or (ii) Final Acceptance against loss of hire for a daily amount sufficient to cover in full the aggregate of the Capital Element, the Operating and Maintenance Element and all Tax payable by the Borrower not (i) covered by the Tax Element or (ii) otherwise payable by or to be reimbursed by the Charterer under the Charter of not less than 180 days (after deductible of 20 days) each accident or occurrence and in all; and
- (c) In the case of the Mooring, on and at all times after delivery of the Mooring to the Borrower under the Mooring EPC Contract until transfer to the Charterer, the Mooring shall at all times be insured:(i) with a Construction All Risk (CAR) Insurance on an agreed value for physical loss or damage to property, including third party liability insurance for limit USD 50,000,000.

27.3 Placing of cover

The insurance coverage required by clause 27.2 (*Coverage required*) shall be:

- (a) in the name of the Borrower (in the case of the Vessel's hull cover) and no other person (other than the Security Agent if required by the Facility Agent, the Charterer, any O&M

Contractor and any other person which is approved and where, if so required by the Facility Agent, such person (other than the Charterer) has duly executed and delivered a first priority assignment and/or subordination of its interest in the Insurances (other than protection and indemnity insurances) to the Security Agent in an approved form and provided such supporting documents and opinions in relation to that assignment as the Facility Agent requires);

- (b) if the Facility Agent so requests, in the joint names of the Borrower and Security Agent (and, to the extent reasonably practicable in the insurance market, without liability on the part of the Security Agent for premiums or calls);
- (c) in dollars or another approved currency; and
- (d) on terms reasonable in accordance with international insurance market practice and the requirements of the Charter (the Borrower to consult with the Facility Agent on such terms in the case of the first placing of any such insurance and, in the case of P&I Risks, with a P&I association(s)). Each of the policies shall be placed with insurers with an Approved Credit Rating (or, if placed with insurers with no credit rating or a credit rating lower than the Approved Credit Rating, reinsured not less than 98 per cent (or such lower percentage as is then required by applicable law) with reinsurers so that not more than 20 per cent of each policy is placed with reinsurers with a credit rating for its long term indebtedness of not less than BBB with Standard & Poor's Rating Agency (or the equivalent rating with another internationally recognised credit rating agency) and otherwise with reinsurers with an Approved Credit Rating and in all respects subject to the execution of the Reinsurance Fiduciary Assignment in the case of an Indonesian primary insurer). For the purposes of this clause 27.3, the Norwegian Shipowners' Mutual War Risks Association (*Den Norske Krigsforsikring for Skib ('DNK')*) shall be deemed to have an Approved Credit Rating.

27.4 Deductibles

The aggregate amount of any excess or deductible under the Vessel's hull cover shall not exceed an amount not exceeding \$500,000.

27.5 Mortgagee's insurance

The Borrower shall promptly reimburse to the Facility Agent the cost (pre-approved by the Borrower, such approval not to be unreasonably withheld or delayed) (with certification by the Facility Agent being prima facie evidence) of taking out and keeping in force in respect of the Vessel on terms in line with international market standards, or in considering or making claims under, a mortgagee's interest insurance for the benefit of the Finance Parties for an amount acceptable to K-sure and up to its minimum hull cover.

27.6 Fleet liens, set off and cancellations

If the Vessel's hull cover also insures other vessels, the Security Agent shall either be given an undertaking in approved terms by the brokers or (if such cover is not placed through brokers or the brokers do not, under any applicable laws or insurance terms, have such rights of set off and cancellation) the relevant insurers that the brokers or (if relevant) the insurers will not:

- (a) set off against any claims in respect of the Vessel any premiums due in respect of any of such other vessels insured; or
- (b) cancel that cover because of non-payment of premiums in respect of such other vessels,

or the Borrower shall ensure that hull cover for the is provided under a separate policy from any other vessels.

27.7 Payment of premiums

All premiums, calls, contributions or other sums payable in respect of the Insurances shall be paid punctually.

27.8 Details of proposed renewal of Insurances

- (a) At least twenty one (21) days before any of the Insurances are due to expire, the Facility Agent shall be told the names of the brokers, insurers and associations proposed to be used for the renewal of such Insurances and either that there is no change in the amounts, risks and terms in, against and on which the Insurances are proposed to be renewed or that there will be changes. If any of the terms of such Insurances are changed then the Borrower will on request by the Facility Agent provide details of such changes.
- (b) The Borrower will procure that the relevant brokers and/or insurers and or P&I Club will provide the Facility Agent with pro forma copies of all policies relating to the Insurances that are to be effected or renewed.

27.9 Instructions for renewal

At least seven (7) days before any of the Insurances are due to expire, instructions shall be given by the Borrower to brokers, insurers and associations for them to be renewed or replaced on or before their expiry.

27.10 Confirmation of renewal

The Insurances shall be renewed or replaced upon their expiry or replacement in a manner and on terms which comply with this clause 27 and confirmation of such renewal or replacement given by the relevant brokers or insurers to the Facility Agent at least seven (7) days (or such shorter period as may be approved) before such expiry or replacement.

27.11 P&I guarantees

Any guarantee or undertaking required by any protection and indemnity or war risks association in relation to the Vessel shall be provided when required by the association.

27.12 Insurance documents

The Facility Agent shall be provided with cover notes of all insurance and reinsurance policies and other documentation issued by brokers, insurers, reinsurers and associations in connection with the Insurances and the Reinsurances promptly after they have been placed or renewed but in any case no later than thirty (30) days following such placement or renewal.

27.13 Letters of undertaking

Unless otherwise approved where the Facility Agent is satisfied that equivalent protection is afforded by the terms of the relevant Insurances and/or any applicable law and/or a letter of undertaking already provided, on each placing or renewal of the Insurances, the Facility Agent shall be provided promptly with letters of undertaking in an approved form (having regard to general insurance market practice and law at the time of issue of such letter of undertaking) from the relevant brokers.

27.14 Insurance Notices and Loss Payable Clauses

The interest of the Security Agent as assignee of the Insurances shall be endorsed on all policies for the Insurances by the incorporation of a Loss Payable Clause and an Insurance Notice in respect of the Vessel.

27.15 Insurance correspondence

If so requested by the Facility Agent, the Facility Agent shall promptly be provided with copies of all material written communications between the assureds and brokers, insurers and associations relating to any of the Insurances which are available to the Borrower for provision as soon as they are available to the Borrower to be provided.

27.16 Qualifications and exclusions

All requirements applicable to the Insurances to be complied with by the Borrower shall be complied with and the Insurances shall only be subject to exclusions or qualifications which have been approved by the Insurance Advisor.

27.17 Independent report

The Facility Agent shall be entitled to obtain a detailed report on the adequacy of the Insurances and/or Reinsurances on an annual basis and when the terms of the Insurances and/or Reinsurances have been changed from the Insurance Advisor and the Borrower shall reimburse the Facility Agent for the cost of obtaining any such report on an annual basis and following any change to the terms of such Insurances and/or Reinsurances, provided that such costs have been pre-approved by the Borrower (not to be unreasonably withheld or delayed).

27.18 Collection of claims

All documents and other information and assistance available to be provided by the Borrower and required from the Borrower by the Facility Agent to assist it and/or the Security Agent in trying to collect or recover any claims under the Insurances and/or Reinsurances acting in accordance with the terms of the Finance Documents shall be provided promptly.

27.19 Employment of Vessel

The Vessel shall only be employed or operated in conformity with the terms of the relevant Insurances (including any express or implied warranties) and not in any other way (unless the insurers have consented and any additional requirements of the insurers have been satisfied).

27.20 Declarations and returns

If the Insurances are on terms that require a declaration, certificate or other document to be made or filed before the Vessel sails to, or in the case of the Vessel, operates within, an area, those terms shall be complied with within the time and in the manner required by those Insurances.

27.21 Settlement of claims

Any claim under the Insurances for a Total Loss or Major Casualty shall only be settled, compromised or abandoned with the prior approval of the Facility Agent, acting on the instructions of the Lenders not to be unreasonably withheld in the case of settlement or compromise for a Major Casualty (exclusive of any deductible) where the requirements of clause 29.13(a)(ii)(A) are satisfied or for a Total Loss where the Total Loss Proceeds are sufficient to repay the Secured Obligations.

27.22 Further undertaking

The Borrower will, at all times during the Facility Period, take all reasonable action within its power to comply or procure compliance at all times with the terms and conditions of all Insurances (or Reinsurances), and use its reasonable endeavours to procure that nothing is at any time done, or suffered to be done, by any Obligor whereby any Insurance (or Reinsurance) or other insurance required to be maintained by it hereunder, may be impaired, suspended or rendered void or voidable in whole or in part, or any claim becomes uncollectable in full or in part, including, without limitation:

- (a) complying with all of the requirements expressly imposed on it under the Insurances;
- (b) taking all reasonable action within its power to procure that at all times all parties to the Insurances (other than, if applicable, any Finance Party) comply with all of the requirements under the Insurances; and
- (c) complying with the express terms of all Insurances and taking all action necessary to maintain the Insurances as valid and up-to-date insurances.

28 Minimum security value

28.1 Undertaking to comply

The Borrower undertakes that this clause 28 will be complied with from the Effective Date and thereafter throughout the Facility Period.

28.2 Valuation of assets

For the purpose of the Finance Documents, the value at any time of the Vessel or any other asset over which additional security is provided under this clause 28 will be its value as most recently determined in accordance with this clause 28.

28.3 Valuation frequency

- (a) On a semi-annual basis (together with each second Compliance Certificate to be delivered by the Borrower under clause 20.2(b) (*Provision and contents of Compliance Certificate*) following the Effective Date, the Borrower shall provide to the Facility Agent the valuation of the Vessel and each other asset referred to in clause 28.2 carried out in accordance with this clause 28. In addition, valuation of the Vessel and each such asset referred to in clause 28.2 may be required by the Facility Agent at any other time when there is a continuing Default.
- (b) In addition, each Lender has the right to request an additional valuation of the Vessel at any time. If such request is at a time that there is no continuing Default, then such Lender shall bear all costs and expenses of providing such a valuation. If such request is at a time that there is a continuing Default, then the Borrower shall bear all costs and expenses of providing such valuation.

28.4 Expenses of valuation

Subject to clause 28.3(b) above, the Borrower shall bear, and reimburse to the Facility Agent where incurred by the Facility Agent, all costs and expenses of providing such a valuation.

28.5 Valuations procedure

The value of the Vessel shall be determined in accordance with, and by valuers approved and appointed in accordance with, this clause 28. Additional security provided under this clause 28 shall be valued in such a way, on such a basis and by such persons (including the Facility Agent itself) as may be approved by the Majority Lenders or as may be agreed in writing by the Borrower and the Facility Agent (on the instructions of the Majority Lenders).

28.6 Currency of valuation

Valuations shall be provided by valuers in dollars or, if a valuer is of the view that the relevant type of vessel is generally bought and sold in another currency, in that other currency. If a valuation is provided in another currency, for the purposes of this Agreement it shall be converted into dollars at the Facility Agent's spot rate of exchange for the purchase of dollars with that other currency as at the date to which the valuation relates.

28.7 Basis of valuation

Each valuation will be addressed to the Facility Agent in its capacity as such and made:

- (a) without physical inspection (unless required by the Facility Agent); and
- (b) on the basis of a sale for prompt delivery for a price payable in full in cash on delivery at arm's length on normal commercial terms between a willing buyer and a willing seller, without taking into account any existing charter or other contract of employment and after deducting the estimated amount of the usual and reasonable expenses which would be incurred in connection with a sale.

28.8 Information required for valuation

The Borrower shall promptly provide to the Facility Agent and any such valuer any information which they reasonably require for the purposes of providing such a valuation.

28.9 Approval of valuers

All valuers must be Approved Valuers.

28.10 Appointment of valuers

When a valuation is required for the purposes of this clause 28, the Borrower shall promptly appoint Approved Valuers to provide such a valuation. If the Borrower fails to do so promptly, the Facility Agent may appoint Approved Valuers to provide that valuation.

28.11 Number of valuers

- (a) Each valuation shall be carried out by two (2) Approved Valuers nominated by the Borrower or, in the circumstances described in clause 28.10, appointed by the Facility Agent.
- (b) If the two valuations vary by more than 10%, then the value of the Vessel shall be determined by reference to those two valuations and a third valuation provided by a third approved valuer nominated by the Facility Agent.

28.12 Differences in valuations

If valuations provided by individual valuers differ, the value of the Vessel for the purposes of the Finance Documents will be the mean average of those valuations.

28.13 Security shortfall

If at any time the Security Value is less than the Minimum Value, the Facility Agent may, and shall, if so directed by the Majority Lenders, by notice to the Borrower require that such deficiency be remedied. The Borrower shall then within thirty (30) days of receipt of such notice ensure that the Security Value equals or exceeds the Minimum Value. For this purpose, Borrower may:

- (a) provide additional security over other assets approved by the Majority Lenders in accordance with this clause 28; and/or
- (b) cancel part of the Total Commitments under clause 9.2 (*Voluntary prepayment and cancellation*) and prepay a corresponding amount of the Loans.

For the purpose of this clause (i) cash collateral in dollars or another currency acceptable to the Facility Agent which is held in a blocked account and which is the subject of a Security Interest complying with clause 29 (*Project Accounts, Receivables and Insurance Proceeds*) in favour of the Security Agent will be acceptable for the purpose of constituting additional security and shall be valued at par and/or (ii) a first priority mortgage in favour of the Security Agent over another

vessel reasonably acceptable to the Security Agent shall be valued on the same basis as the valuation provided in relation to the Vessel.

28.14 Creation of additional security

The value of any additional security which the Borrower offers to provide to remedy all or part of a shortfall in the amount of the Security Value will only be taken into account for the purposes of determining the Security Value if and when:

- (a) that additional security, its value and the method of its valuation have been approved by the Majority Lenders;
- (b) a Security Interest over that security has been constituted in favour of the Security Agent or (if appropriate) the Finance Parties in an approved form and manner;
- (c) this Agreement has been unconditionally amended in such manner as the Facility Agent requires in consequence of that additional security being provided; and
- (d) the Facility Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to that amendment and additional security including documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in relation to that amendment and additional security and its execution and (if applicable) registration.

28.15 Release of additional security

If at any time the Security Agent holds additional security provided under this clause 28 and the Security Value, disregarding the value of that additional security, exceeds the Minimum Value by at least ten per cent (10%) of the Minimum Value and the Security Value has been determined by reference to valuations provided no more than 90 days previously, the Borrower may, by notice to the Facility Agent, require the release and discharge of that additional security. The Facility Agent shall then promptly direct the Security Agent to release and discharge that additional security if no Default is then continuing or will result from such release and discharge and, upon such release and discharge and, if so required by the Facility Agent, the Borrower shall reimburse to the Facility Agent and the Security Agent any costs and expenses payable under clause 18 (*Costs and expenses*) in relation to that release and discharge.

29 Project Accounts, Receivables and Insurance Proceeds

29.1 The Borrower undertakes with each of the Finance Parties that, from the first Utilisation Date and thereafter, for so long as any Commitment or amount is outstanding under the Finance Documents, it will:

- (a) open each of the Project Accounts with the Account Banks (and such other accounts as may from time to time be requested by the Borrower and approved by the Facility Agent) and, in connection therewith, will from time to time complete all "know your customer" and other returns necessary for such process if any;
- (b) not withdraw any moneys, certificates of deposit or other securities from any Project Account (other than the Distribution Account) otherwise than in accordance with the provisions of this Agreement and the Account Security; and
- (c) not request a withdrawal of any moneys from any Project Account (other than the Distribution Account) without the prior written consent of the Facility Agent if:
 - (i) an Event of Default has occurred and is continuing or would occur as a result (wholly or partly) of such withdrawal and (in either case) the Facility Agent has notified the Borrower and the Account Bank that no such withdrawal will be permitted; or

(ii) such Project Account is overdrawn or would become overdrawn as a result of such withdrawal.

29.2 With effect from the first Utilisation Date, the Borrower shall:

- (a) maintain each of its Project Accounts with an Account Bank;
- (b) immediately disclose to the Facility Agent the particulars of any bank accounts of the Borrower other than the Project Accounts and notify the Facility Agent immediately upon opening any bank accounts other than the Project Accounts;
- (c) pay and direct that the Charterer and any other relevant person shall pay:
 - (i) all Total Charter Rate (other than the Tax Element) and other Earnings payable to the Borrower in respect of the Vessel into a Revenue Account in dollars;
 - (ii) all the Tax Element payable to the Borrower in respect of the Vessel into the Rupiah Account in rupiah or the Dollar Tax Account in dollars; and
 - (iii) the Mooring Purchase Price into a Mooring Payment Account;
- (d) pay proceeds of Utilisations of the Term Facilities (other than the Utilisations in respect of the Delivery Instalment) and the proceeds of Subordinated Loans, for issuance of Promissory Notes and share subscriptions in the Borrower payable to the Borrower into the Onshore Proceeds Account or the Construction Account (prior to Final Acceptance) or the Offshore Revenue Account (on and following Final Acceptance);
- (e) in the case of the proceeds of Utilisations in respect of the Delivery Instalment, pay such proceeds into the Onshore Delivery Account for onward transmission by the Onshore Account Bank to the Builder's bank in accordance with clause 29.6 (*Onshore Delivery Account*).
- (f) pay or procure the payment of all compensation from time to time during the Facility Period received in respect of any requisition of the Vessel for hire into a Revenue Account;
- (g) direct the Hedging Banks to pay any moneys received or receivable from the Hedging Banks under or pursuant to the Hedging Contracts into a Revenue Account and provided that any Hedging Banks who are party to this Agreement shall be deemed to have received such direction;
- (h) permit the Security Agent and the Facility Agent to apply all Earnings in respect of the Vessel in accordance with the Security Assignment and/or in accordance with this clause 28;
- (i) subject to clause 29.4 (*Construction Account*), pay all Receivables payable to it (other than the Tax Element and the Mooring Purchase Price) or procure that such proceeds are paid into either Revenue Account, for application in accordance with 29.7 (*Onshore Revenue Account*) and/or 29.8 (*Offshore Revenue Account*);
- (j) pay all Insurance Proceeds and Liability Insurance Proceeds in respect of the Vessel, received by it whether greater or less than the Major Casualty Amount, or procure that such proceeds are paid, in the manner contemplated by clause 29.13 (*Insurance Proceeds Account*); and
- (k) pay the proceeds of any Permitted Financial Indebtedness payable to the Borrower into a Project Account (other than the Distribution Account or the Rupiah Account) as the circumstances may require to be notified by the Borrower to the Facility Agent.

29.3 If any money credited to any of the dollar denominated Project Accounts is denominated in a currency other than (a) dollars or (b) currencies that are not freely convertible as determined by

the relevant authorities and/or the relevant Account Bank from time to time, then the Borrower irrevocably authorises the relevant Account Bank to convert the amount received into dollars at the rate of exchange then prevailing in the market in accordance with the relevant Account Bank's normal operating practices and any incidental costs of making such conversion in accordance with this clause shall be borne by the Borrower.

29.4 Construction Account / Cash Lock-Up Account

On and from the Effective Date, the Account Bank and the Borrower redesignate the Construction Account as the Cash Lock-Up Account.

(a) Payments

- (i) The Borrower shall ensure that at all time prior to Final Acceptance, except as otherwise contemplated in clauses 29.2, 29.5, 29.6, 29.7 (*Onshore Revenue Account*), 29.14 (*Rupiah Account*) and 29.15, all amounts received by the Borrower in respect of Utilisations, under Hedging Contracts or Project Agreements, Sponsor Funding and liquidated damages are paid into the Construction Account.
- (ii) On and from the Effective Date and until such time the Facility Agent notifies the Borrower that the PGN Arbitration has been terminated, cancelled or resolved favourably (in the opinion of the Majority Lenders (acting reasonably and promptly following any request by the Borrower to determine the same)), the Borrower shall, promptly after each Cash Sweep, transfer into the Cash Lock-Up Account all monies standing to the credit of the Offshore Revenue Account.

(b) Withdrawals

- (i) The Borrower shall be entitled to withdraw funds from the Construction Account to: (i) meet any Project Costs and payments under the Finance Documents; (ii) transfer to the Distribution Account the proceeds of any Utilisation which have been transferred into the Construction Account and are permitted to be transferred into the Distribution Account pursuant to clause 5; and (iii) after the Final Acceptance Date transfer any amounts on such account to the Offshore Revenue Account, and for each such withdrawal the Borrower shall deliver a Borrower Withdrawal Request to the relevant Account Bank (with a copy to the Facility Agent) no later than two (2) Business Days prior to the relevant payment date.
- (ii) Once the Facility Agent notifies the Borrower that the PGN Arbitration has been terminated, cancelled or resolved favourably (in the opinion of the Majority Lenders (acting reasonably and promptly following any request by the Borrower to determine the same)), any amounts standing to the credit of the Cash Lock-Up Account may be transferred to the Distribution Account provided that no Distribution Restriction shall have occurred and be continuing.

(c) Final Acceptance

The Borrower hereby irrevocably authorises and instructs the relevant Account Bank to transfer (and the Offshore Account Bank agrees to make such transfer upon receipt of a Borrower Withdrawal Request provided no later than two (2) Business Days prior to such transfer date) on the date falling ten (10) Business Days after the Final Acceptance Date all moneys standing to the credit of the Construction Account if any transferred to the Offshore Revenue Account.

29.5 Onshore Proceeds Account

(a) Payments

No later than one (1) Business Day following receipt of any payment into the Onshore Proceeds Account, the relevant Account Bank shall transfer (and the Borrower hereby irrevocably authorises and instructs that Account Bank to make such transfer) such amount to the

Construction Account (prior to the Final Acceptance Date) and to the Offshore Revenue Account (on and following the Final Acceptance Date). The Borrower shall notify the Onshore Account Bank of the occurrence of the Final Acceptance Date on the Final Acceptance Date and within two (2) Business Days of receipt of such notice the Onshore Account Bank shall ensure that amounts are transferred to the Offshore Revenue Account in accordance with this clause 29.5(a).

(b) Withdrawals

The Onshore Account Bank shall make the transfers required pursuant to clause 29.5(a) automatically and no Borrower Withdrawal Request shall be required for such transfer. During the Facility Period, the Borrower shall not withdraw or request a withdrawal of moneys from the Onshore Proceeds Account except (i) as provided for in clause 29.5(a), (ii) in accordance with the terms of the Account Security or (iii) with the Lenders' prior written consent.

29.6 Onshore Delivery Account

(a) Payments

No later than one (1) Business Day following receipt of the proceeds of Utilisations in respect of the Delivery Instalment into the Onshore Delivery Account, unless the Borrower, Lenders and the Onshore Account Bank otherwise agree, the Onshore Account Bank shall upon receipt of a Facility Agent Withdrawal Request provided two (2) Business Days prior to the relevant transfer date, transfer (and the Borrower hereby irrevocably authorises and instructs that Account Bank to make such transfer) such amount to the Builder's bank in accordance with Article (X)(4)(a)(ii) of the Building Contract. The transfer shall be accompanied by a MT199 message in a form agreed by the Borrower, relevant Account Bank and the Lenders and funds shall be released to the Builder in accordance with clause 4.2(b).

(b) Withdrawals

During the Facility Period, the Borrower shall not withdraw or request a withdrawal of moneys from the Onshore Delivery Account except (i) as provided for in clause 29.6(a), (ii) in accordance with the terms of the Account Security or (iii) with the Lenders' prior written consent.

29.7 Onshore Revenue Account

(a) Payments

No later than one (1) Business Day following receipt of any payment into the Onshore Revenue Account, the relevant Account Bank shall transfer (and the Borrower hereby irrevocably authorises and instructs that Account Bank to make such transfer) such amount to the Offshore Revenue Account.

(b) Withdrawals

No Borrower Withdrawal Request shall be required for a transfer pursuant to clause 29.7(a). During the Facility Period, the Borrower shall not withdraw or request a withdrawal of moneys from the Onshore Revenue Account except (i) as provided for in clause 29.7(a), (ii) in accordance with the terms of the Account Security or (iii) with the Lenders' prior written consent.

29.8 Offshore Revenue Account

(a) Payment Cascade

Subject to clause 29.8(c) and clause 29.8(e), the Borrower shall apply the amounts standing to the credit of the Offshore Revenue Account in the following order of priority:

- (i) up to twice in any month, in or towards payment in dollars to the Offshore Operating Account of an amount which, when taken together with all other payments under this sub-paragraph in the same financial year, does not exceed 125 per cent of the Projected Operating Expenses payable in that month and each prior month in that financial year as specified in the Project Budget Statement for that financial year;
- (ii) secondly, on each Repayment Date and/or at any other time when such fees or prepayments are due, in payment in dollars of all fees (including commitment fee), expenses, charges and prepayments of Loans and accrued interest on such amounts prepaid due to the Finance Parties pursuant to the Finance Documents to the extent not paid from the Retention Account ;
- (iii) thirdly, on any date to pay any amounts which are due and payable under the Finance Documents and not otherwise referred to in this clause 29.8(a) or clause 29.9 or payable on a date otherwise than as set out in this clause 29.8(a) or clause 29.9;
- (iv) fourthly, on each date (being a Business Day calculated in accordance with clause 1.2(a)(xix)) (a **retention date**) falling 1 month after the date (the **start date**) three months before the First Repayment Date and at 1 month intervals after that, the Borrower shall pay into the Retention Account the lower of: (A) the balance on the Offshore Revenue Account on such date after any payments in priority to this paragraph (iii) are made and (B) such amount as will ensure that the amount credited to the Retention Account is the relevant fraction of:
 - (A) the aggregate of all amounts in respect of interest (including any default interest) due on an Interest Payment Date falling at the end of any Interest Period current or ending on that retention date and payable under the Finance Documents and projected Net Hedging Expenses (if a positive number) in respect of the period ending on the relevant Interest Payment Date;
 - (B) all amounts in respect of principal on Loans payable on the first Repayment Date that falls on or after such retention date and payable under clause 8 (*Repayment*) (or otherwise pursuant to the Finance Documents); and
 - (C) any swap termination sums / close-out payments payable to the Hedging Banks under the Hedging Contracts on the first Repayment Date that falls on or after such retention date.

The relevant fraction of such an amount referred to in paragraphs (A) to (C) as at a retention date will be the fraction whose numerator is the number of retention dates from the beginning of that Interest Period (in the case of an amount referred to in paragraph (A)) (but excluding any retention date at the start of such period) up to and including the relevant retention date or (in the case of an amount referred to in paragraph (B) or (C)) since the start date or, if later, the previous Repayment Date (but excluding any retention date at the start of such period) and whose denominator is the number of retention dates from the beginning of that Interest Period (in the case of an amount referred to in paragraph (A)) (but excluding any retention date at the start of such period) up to and including the relevant Interest Payment Date or (in the case of an amount referred to in paragraph (B) or (C)) the number of retention dates falling during the period beginning on the previous K-sure Facility Repayment Date (or the start date in the case of the retention dates before the First Repayment Date) (but in each case excluding any retention date at the start of such period) and ending on the K-sure Facility Repayment Date immediately following the start of such period;

- (v) fifthly, at the option of the Borrower in transfer to the Retention Account of any amount;

- (vi) sixthly, on the relevant due date in payment of any amounts that are payable from the Retention Account but are unable to be paid from the amounts standing to the credit of the Retention Account ;

provided that if there would, but for this proviso, be inadequate moneys standing to the credit of the Offshore Revenue Account on the relevant due date to make the payments referred to in paragraphs (ii), (iii) and/or (vi) above in full, then the relevant shortfall shall be met from any funds available first, in the Debt Service Reserve Account (or available to be drawn under any DSRA Letter of Credit) and, for this purpose, the Borrower hereby authorizes the Facility Agent and the Account Banks to apply the funds on the Debt Service Reserve Account (or available to be drawn under any DSRA Letter of Credit) for such purpose and the Facility Agent, the Security Agent and the relevant Account Bank must apply such amounts for that purpose and in the case of the Facility Agent sign the relevant Facility Agent Withdrawal Request for such payment;

- (vii) seventhly, on each Repayment Date, in transfer to the Debt Service Reserve Account of such amount (up to the balance remaining on the Offshore Revenue Account) needed to ensure that the DSRA Balance is equal to the applicable Debt Service Reserve at such time;
- (viii) eighthly, on each Repayment Date whilst the PGN Arbitration is ongoing and until such time as the Facility Agent notifies the Borrower that the PGN Arbitration has been terminated, cancelled or resolved favourably (in the opinion of the Majority Lenders (acting reasonably and promptly following any request by the Borrower to determine the same)), 50% of any moneys remaining on the Offshore Revenue Account after the applications under the preceding paragraphs of this clause 29.8(a) (*Payment Cascade*) have been made in full for the applicable date shall be paid to the Facility Agent and applied in prepayment of the Loans in accordance with clause 9.13 (*Restrictions*), as if it were a voluntary prepayment pursuant to clause 9.2 (*Voluntary prepayment and cancellation*) (though, for the avoidance of doubt, no notice or minimum amount requirements pursuant to clause 9.2 shall apply to such prepayment) (the **Cash Sweep**); and
- (ix) ninthly, (provided no Proceeds Application Event has occurred for which the relevant required prepayments have not been made) on each Repayment Date or within thirteen (13) Business Days thereafter, any moneys remaining on the Offshore Revenue Account after the applications under the preceding paragraphs of this clause 29.8(a) (*Payment Cascade*) have been made in full for the applicable date may be transferred to the Distribution Account provided that no Distribution Restriction shall have occurred and be continuing.

- (b) To ensure compliance with clause 29.8(a), the Borrower shall:

- (A) in respect of transfers to any third parties (other than the Facility Agent) in accordance with clause 29.8(a), provide the Facility Agent with a Facility Agent Withdrawal Request signed by the Borrower no later than four (4) Business Days prior to the relevant payment date and the Facility Agent shall, provided that such Facility Agent Withdrawal Request is in compliance with this clause 29.8 or appears to it to be so in compliance, deliver to the relevant Account Bank the countersigned Facility Agent Withdrawal Request no later than two (2) Business Days before the relevant payment date;
- (B) in respect of transfers to the Distribution Account in accordance with this clause 29.8 (*Offshore Revenue Account*), provide the Facility Agent with a Facility Agent Withdrawal Request signed by the Borrower (and in the case of a transfer on or after the First Repayment Date a copy of the relevant Compliance Certificate pursuant to clause 20.2(b)) no later than five (5) Business Days prior to the relevant payment date and the Facility Agent shall provide the Lenders with a copy of such Facility Agent Withdrawal Request

and, if applicable, the relevant Compliance Certificate. Unless the Majority Lenders have instructed the Facility Agent by such date that the conditions set out in clause 29.8(a)(ix) are not met (in the case of a transfer on or after the First Repayment Date) or the withdrawal is not permitted under clause 29.8(e) (in the case of a transfer prior to the First Repayment Date), the Facility Agent shall deliver to the relevant Account Bank the countersigned Facility Agent Withdrawal Request no later than two (2) Business Days before the relevant payment date.

- (C) in respect of transfers to a Project Account (other than the Distribution Account) in accordance with clause 29.8(a) or clause 29.8(e), deliver a Borrower Withdrawal Request to the relevant Account Bank (with a copy to the Facility Agent) no later than two (2) Business Days prior to the relevant payment date;
 - (D) on a monthly basis from the Final Acceptance Date within seven (7) Business Days of the end of each calendar month, provide to the Facility Agent a detailed summary of all withdrawals from the Offshore Revenue Account in that calendar month and with appropriate statements and/or information as may be reasonably required by the Facility Agent for the purpose of determining that such withdrawals have been made in compliance with this clause 29.8.
- (c) All Receivables (other than the Mooring Purchase Price and the Tax Element) from time to time received by the Borrower, either Agent, the Security Agent or either Account Bank after Final Acceptance shall be paid to and held in the Offshore Revenue Account, except as otherwise contemplated in clause 29.7(*Onshore Revenue Account*) and shall in each case, if applicable following transfer to the Offshore Revenue Account, be applied in accordance with this clause 29.8.
- (d) Upon the occurrence of a Proceeds Application Event (or if later the date the relevant prepayment is due) and at all times thereafter (until the relevant payments have been made together with the other amounts then due under the Finance Documents), all amounts standing to the credit of the Offshore Revenue Account (including all interest accrued thereon whilst held in the Offshore Revenue Account), together with all Receivables otherwise held by either Agent, the Security Agent, either Account Bank or the Borrower, shall (after providing for any Losses ranking by law in priority to the Secured Obligations) be applied (and, for this purpose, the Borrower hereby instructs the Facility Agent to make such application (and the Facility Agent hereby instructs the Account Banks, and the Borrower hereby authorises the Account Banks to make such payments) as soon as reasonably practicable in paying the following amounts in the following order:
- (i) first, in or towards reimbursing all and any expenses and charges properly suffered, incurred or paid by the Finance Parties or any Receiver pursuant to the Finance Documents and all and any remuneration payable to any Receiver pursuant to the Finance Documents;
 - (ii) secondly, in or towards the required prepayment of the Loans and accrued interest and all other amounts then due under the Finance Documents and any Hedging Debt then due (in each case for further application in accordance with clause 41.6 (*Partial payments*)); and
 - (iii) thirdly, an amount equal to the balance (if any) shall be paid to the Borrower or as it directs (including in accordance with the order of priorities in clause 29.8(a)).

To ensure compliance with this clause 29.8(d) the Facility Agent shall deliver to the relevant Account Bank a Facility Agent Withdrawal Request (with a copy to the Borrower) for payment in accordance with this clause 29.8(d) no later than two (2) Business Days before the relevant payment date (and the Borrower hereby authorises that Account Bank to make the payment in accordance with such Facility Agent Withdrawal Request).

- (e) Notwithstanding clause 29.8(a), the Borrower may: (i) transfer any amounts received into the Offshore Revenue Account prior to the Final Acceptance Date into the Construction Account, (ii) transfer to the Distribution Account the proceeds of any Utilisation which have been transferred into the Offshore Revenue Account and are permitted to be transferred into the Distribution Account pursuant to clause 5; and (iii) transfer into the Offshore Operating Account the proceeds of Subordinated Loans, for issuance of Promissory Notes and share subscriptions in the Borrower received by the Borrower and transferred to the Offshore Revenue Account after the Final Acceptance Date.

- (f) Withdrawals

During the Facility Period the Borrower shall not withdraw or request a withdrawal of moneys from the Offshore Revenue Account except as provided for in clause 29.8(a) or 29.8(d) or clause 29.8(e) or in accordance with the terms of the Account Security.

- (g) Information

Without prejudice to the other provisions of this Agreement, the Borrower undertakes that it will provide to the Facility Agent promptly such information as may be reasonably required by the Facility Agent for the purpose of determining the amounts to be credited to each of the Project Accounts referred to in clause 29.8(a) or otherwise for application in accordance with the provisions of clause 29.8(a).

29.9 Retention Account

- (a) The Borrower shall not withdraw amounts standing to the credit of the Retention Account except as permitted by paragraph (b) below. The Borrower may withdraw amounts from the Retention Account by providing the Facility Agent with a Facility Agent Withdrawal Request signed by the Borrower no later than four (4) Business Days prior to the relevant payment date and the Facility Agent shall, provided that such Facility Agent Withdrawal Request is in compliance with this clause 29.9 or appears to it to be so in compliance, deliver to the relevant Account Bank the countersigned Facility Agent Withdrawal Request no later than two (2) Business Day before the relevant payment date.

- (b) The Borrower shall apply amounts standing to the credit of the Retention Account in the following order of priority:

- (i) firstly, on each Interest Payment Date, in payment in dollars, on a *pari passu* basis, to:

- (A) the Lenders *pro rata* of all amounts in respect of interest (including any default interest) then due (or overdue) on that Interest Payment Date and payable under the Finance Documents;
- (B) the Hedging Banks *pro rata* of all amounts (other than any swap termination sums / close-out payments under the Hedging Contracts) (if any) then due and payable to the Hedging Banks under the Hedging Contracts in respect of the period ending on that Interest Payment Date;

- (ii) secondly, on each Repayment Date, in payment in dollars, on a *pari passu* basis, to:

- (A) the Lenders *pro rata* of all amounts in respect of principal on Loans then due (or overdue) on that Repayment Date and payable under clause 8 (*Repayment*) (or otherwise pursuant to the Finance Documents); and
- (B) the Hedging Banks *pro rata* of any swap termination sums / close-out payments owing to them under the Hedging Contracts; and

provided that if there would, but for this proviso, be inadequate moneys standing to the credit of the Retention Account on that Interest Payment Date or Repayment

Date to make the payments referred to in paragraphs (i) and (ii) above in full, then the relevant shortfall shall be met from any funds available first, in the Offshore Revenue Account and then from the Debt Service Reserve Account (or available to be drawn under any DSRA Letter of Credit) and, for this purpose, the Borrower hereby authorizes the Facility Agent and the Account Banks to apply the funds on the Offshore Revenue Account and/or Debt Service Reserve Account (or available to be drawn under any DSRA Letter of Credit) for such purpose and the Facility Agent, the Security Agent and the relevant Account Bank must apply such amounts for that purpose and in the case of the Facility Agent sign the relevant Facility Agent Withdrawal Request for such payment; and

- (iii) thirdly, at the option of the Borrower, in payment to the Borrower's Offshore Revenue Account of any amount by which the balance on the Retention Account exceeds that maximum amount then required to be in such account pursuant to clause 29.8(a).

29.10 Operating Accounts

- (a) Payments

The Borrower shall be entitled to:

- (i) make transfers from the Offshore Operating Account to the Onshore Operating Account for Operating Expenses payable in Rupiah; and
- (ii) withdraw funds from the Onshore Operating Account and the Offshore Operating Account to pay any Operating Expenses on such dates and in such amounts as are necessary and transfers to the Offshore Revenue Account permitted by clause 29.13 (*Insurance Proceeds Account*).

To ensure compliance with this clause 29.10(a) the Borrower shall deliver to the relevant Account Bank a Borrower Withdrawal Request for payment in accordance with this clause 29.10(a) no later than two (2) Business Days before the relevant payment date.

- (b) Cash Sweep

The Borrower shall ensure that on 31st December of each year the amounts standing to the credit of the Operating Accounts shall not exceed 125 per cent of the Projected Operating Expenses for January of the following year as set out in the relevant Project Budget Statement. To ensure compliance with this clause 29.10(b), the Borrower shall transfer any such excess to the Offshore Revenue Account and the relevant Account Bank agrees to make such transfer upon receipt of a Borrower Withdrawal Request provided no later than two (2) Business Days prior to the relevant payment date.

- (c) Withdrawals

During the Facility Period, the Borrower shall not withdraw or request a withdrawal of moneys from either Operating Account except (i) as provided for in clause 29.10(a) and (b), (ii) in accordance with the terms of the Account Security or (iii) with the Lenders' prior written consent.

29.11 [Intentionally blank]

29.12 Debt Service Reserve Account

- (a) At any time (unless an Event of Default shall have occurred at such time and be continuing), the Borrower shall be entitled to withdraw moneys standing to the credit of the Debt Service Reserve Account provided that the Borrower has provided a DSRA Letter of Credit (procured by the Shareholders or any of their Affiliates) or to the extent that the DSRA Balance is greater than the Debt Service Reserve. The amount available to be withdrawn shall be such amount that ensures after such withdrawal the DSRA Balance is equal to the

Debt Service Reserve. Any such moneys withdrawn from the Debt Service Reserve Account shall be paid:

- (i) into the Distribution Account in the case of the transfer pursuant to the issuance of a DSRA Letter of Credit; or
 - (ii) into the Offshore Revenue Account in the case of a withdrawal due to the DSRA Balance exceeding the Debt Service Reserve other than due to the issue of a DSRA Letter of Credit.
- (b) The Borrower shall not enter into any counter indemnity or other obligations with the DSRA L/C Issuer in connection with the issue of any DSRA Letter of Credit. No DSRA L/C Issuer shall be entitled to share in the security constituted by the Security Documents with the Finance Parties by reason of provision of the DSRA Letter of Credit. Each DSRA Letter of Credit shall be renewed and/or replaced by the Borrower with a new DSRA Letter of Credit one month prior to the expiry of the then current DSRA Letter of Credit, provided that the Borrower shall not be obliged to ensure such renewal or replacement if the cash balance on the Debt Service Reserve Account is then equal to the Debt Service Reserve. If not replaced as required pursuant to this paragraph (b), the Security Agent shall be entitled to claim under the existing DSRA Letter of Credit an amount equal to the applicable Debt Service Reserve less the cash balance on the Debt Service Reserve Account and such amount shall be credited to the Debt Service Reserve Account.
- (c) The Borrower shall not withdraw or request a withdrawal of moneys from the Debt Service Reserve Account except as provided in clause 29.8(a) (*Payment Cascade*), clause 29.9 or as provided in paragraph (a) above.
- (d) Subject to any withdrawal permitted pursuant to clause 29.12(c), the Borrower shall ensure that, at all times, the DSRA Balance is not less than the Debt Service Reserve.
- (e) To ensure compliance with this clause 29.12 the relevant Account Bank shall only make a transfer from the Debt Service Reserve Account in accordance with paragraph (a) or (c) above and upon receipt of a Facility Agent Withdrawal Request. The Borrower may withdraw amounts from the Debt Service Reserve Account by providing the Facility Agent with a Facility Agent Withdrawal Request signed by the Borrower no later than four (4) Business Days prior to the relevant payment date and the Facility Agent shall, provided that such Facility Agent Withdrawal Request is in compliance with this clause 29.12 or appears to it to be so in compliance, deliver to the relevant Account Bank the countersigned Facility Agent Withdrawal Request no later than two (2) Business Day before the relevant payment date.

29.13 Insurance Proceeds Account

- (a) Unless an Event of Default has occurred and is continuing, all Insurance Proceeds from time to time received by the Borrower, the Security Agent or either Account Bank during the Facility Period shall (after providing for any Losses ranking by law in priority to the Secured Obligations) be applied as follows:
- (i) if those Insurance Proceeds are in an amount less than the Major Casualty Amount, an amount equal to those Insurance Proceeds shall be paid to the Operating Account and the Borrower shall use such Insurance Proceeds in repairing or replacing such asset or property and/or in discharging the liability in respect of which they have been paid except to the extent that the repairs or replacement are unnecessary for continued operation or have already been paid for and/or the liability already discharged or those Insurance Proceeds exceed the cost of repair in which case such excess Insurance Proceeds shall be transferred to the Offshore Revenue Account and if a Termination Date has occurred applied in accordance with clause 29.18 (*Application after Termination Date*);

- (ii) if those Insurance Proceeds are in an amount equal to or exceeding the Major Casualty Amount an amount equal to those Insurance Proceeds shall be paid into the Insurance Proceeds Account and thereafter:
 - (A) if the Borrower is able to demonstrate to the satisfaction of the Lenders (acting reasonably and on the advice of the Technical Adviser and in consultation with the Borrower) that it is technically feasible to repair or replace and make good the relevant damage or loss with a financial model showing (1) a projected average Debt Service Coverage Ratio (for the purpose of clause 21) of 1.10:1 and (2) projected sufficient cash and cash flow (including the existing and projected cash balance on the Debt Service Reserve Account and amounts then available to be drawn down under any DSRA Letter of Credit) to pay Debt Service, in each case for the remainder of the Facility Period, an amount equal to those Insurance Proceeds shall be paid:
 - (1) to the Borrower (to such account as is advised by the Borrower), following receipt by the Facility Agent from the Borrower of evidence reasonably satisfactory to the Facility Agent that the relevant damage or loss has been properly made good and repaired and that all repair accounts and other liabilities whatsoever in connection with that damage or loss have been fully paid and discharged by the Borrower; or
 - (2) to the persons or person effecting the repairs to the Vessel on account of those repairs in the course of those repairs being effected (if staged payments for such repairs are required) or after those repairs have been effected (in all other circumstances);
 - (B) if the Lenders have not provided their consent to the application in accordance with paragraph (a) (such consent not to be unreasonably withheld or delayed), those Insurance Proceeds that are not applied as contemplated by paragraph (A) above shall be paid into the Offshore Revenue Account for application in accordance with clause 29.18 (*Application after Termination Date*).
 - (b) All amounts of Liability Insurance Proceeds from time to time received by the Borrower, the Security Agent or the Account Banks during the Facility Period shall be paid to the person who incurred the liability or who suffered the damage to which those Liability Insurance Proceeds relate or, where that liability has been satisfied, to the person who has satisfied that liability, in reimbursement to that person of the monies expended by it in satisfaction of that liability, in each case and to the extent applicable, following the receipt by the Security Agent from the Borrower of evidence satisfactory to the Security Agent acting reasonably that the relevant liability or damage was incurred or suffered or, as the case may be, that the relevant liability has been satisfied.
 - (c) All amounts of Loss of Hire Insurance Proceeds from time to time received by the Borrower, the Security Agent or the Account Banks during the Facility Period shall be paid into the Offshore Revenue Account.
 - (d) If an Event of Default is continuing, all amounts of Insurance Proceeds and/or Liability Insurance Proceeds from time to time received or held by the Security Agent or the Account Banks shall be applied in accordance with clause 38.23 (*Order of application*).
 - (e) To ensure compliance with this clause 29.13:
 - (i) the Borrower shall provide its instructions for payment (by providing the relevant Facility Agent Withdrawal Request signed by the Borrower) in accordance with this clause 29.13 to the Facility Agent (for its confirmation of compliance) no later than five (5) Business Days prior to the relevant payment date; and
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- (ii) the relevant Account Bank shall only make a transfer from the Insurance Proceeds Account upon receipt of a Facility Agent Withdrawal Request countersigned by the Facility Agent no later than two (2) Business Days prior to the relevant payment date (and the Borrower hereby irrevocably authorises and instructs the relevant Account Bank to make the payment in accordance with such Facility Agent Withdrawal Request).

29.14 Rupiah Account and Dollar Tax Account

- (a) The Borrower may withdraw moneys from the Rupiah Account and Dollar Tax Account only for the payment of its Tax obligations unless an Event of Default occurs and is continuing, in which case any transfer and withdrawal shall require consent of the Majority Lenders.
- (b) To ensure compliance with this clause 29.14, the relevant Account Bank shall only make a transfer from the Rupiah Account upon receipt of a Borrower Withdrawal Request which is delivered by the Borrower to that Account Bank no later than two (2) Business Days prior to the relevant payment date.

29.15 Onshore Mooring Payment Account

- (a) Payments

No later than one (1) Business Day following receipt of any payment into the Onshore Mooring Payment Account, the relevant Account Bank shall transfer (and the Borrower hereby irrevocably authorises and instructs that Account Bank to make such transfer) such amount to the Offshore Mooring Payment Account.

- (b) Withdrawals

No Borrower Withdrawal Request shall be required for a transfer pursuant to clause 29.15(a). During the Facility Period, the Borrower shall not withdraw or request a withdrawal of moneys from the Onshore Mooring Payment Account except (i) as provided for in clause 29.15(a), (ii) in accordance with the terms of the Account Security or (iii) with the Lenders' prior written consent.

29.16 Offshore Mooring Payment Account

- (a) The Borrower shall not withdraw or request a withdrawal of moneys from the Offshore Mooring Payment Account other than to (i) transfer amounts to the Construction Account or the Offshore Revenue Account; or (ii) transfer moneys standing to the credit of the Offshore Mooring Payment Account to the Distribution Account.
- (b) To ensure compliance with this clause 29.16:
 - (i) the Borrower shall provide its instructions for payment (by providing the relevant Facility Agent Withdrawal Request signed by the Borrower) in accordance with this clause 29.16 to the Facility Agent (for its confirmation of compliance) no later than five (5) Business Days prior to the relevant payment date;
 - (ii) the relevant Account Bank shall only make a transfer from the Offshore Mooring Account upon receipt of a Facility Agent Withdrawal Request countersigned by the Facility Agent no later than two (2) Business Days prior to the relevant payment date (and the Borrower hereby authorises that Account Bank to make the payment in accordance with such Facility Agent Withdrawal Request).

29.17 Distribution Account

The Borrower shall be entitled to withdraw moneys from the Distribution Account without restriction.

29.18 Application after Termination Date

Upon and following any Termination Date, the Facility Agent will (and the Account Banks and the Security Agent hereby agree to) on the due date for payment in accordance with this Agreement apply the proceeds of realisation of any Collateral, including any credit balance on any Project Account (other than the Distribution Account), any Insurance Proceeds and/or Total Loss Proceeds and/or Liability Insurance Proceeds and any other moneys received under or pursuant to the Finance Documents and the Security Documents (after providing for all costs, charges, expenses and liabilities and other payments ranking in priority to the Secured Obligations) in the following manner and order:

- (a) first, in or towards payment to the Security Agent of any unpaid costs and expenses incurred in connection with the enforcement or attempted enforcement of any of the rights under any of the Finance Documents; and
- (b) secondly, for further application in accordance with clause 38.23 (*Order of application*).

29.19 Payment Administration

- (a) Each of the Project Accounts shall be operated by the relevant Account Bank solely in accordance with this clause 28 and each instruction to the Account Banks shall be compliant with the format indicated in Schedule 18 (*Form of instruction to Account Bank*). For the avoidance of doubt, adherence to the terms of this clause 28 is the Facility Agent's responsibility.
- (b) The general provisions set out in Schedule 19 (*Account Bank provisions*) are incorporated into this Agreement by reference and, in the case of any conflict between the other provisions of this Agreement and Schedule 19, the provisions of Schedule 19 shall prevail.

29.20 Other provisions

- (a) A Project Account (other than Project Accounts in place as of the first Utilisation Date) may only be designated for the purposes described in this clause 28 after the first Utilisation Date if:
 - (i) such designation is made in writing by the Borrower to the Facility Agent and specifies the name and address of the relevant Account Bank and the number and any designation or other reference attributed to the Account;
 - (ii) an Account Security (other than in the case of the Distribution Account) has been duly executed and delivered by the Borrower in favour of the Security Agent;
 - (iii) any notice required by the Account Security to be given to an Account Bank has been given to the relevant Account Bank in the form required by the relevant Account Security; and
 - (iv) the Facility Agent, or its duly authorised representative, has received such documents and evidence it may require in relation to the Account and the Account Security including documents and evidence of the type referred to in Schedule 3 (*Conditions precedent*) in relation to the Account and the relevant Account Security.
- (b) The Accounts shall, unless otherwise agreed by the Borrower, be interest bearing with such interest paid into the relevant Project Account to which it relates and the rates of payment of interest and other terms regulating any Project Account will be a matter of separate agreement between the Borrower and the relevant Account Bank. If a Project Account (other than the Distribution Account) is a fixed term deposit account, the Borrower may select the terms of deposits until the relevant Account Security has become enforceable and the Security Agent directs otherwise.

- (c) The Borrower shall not close any Project Account (other than the Distribution Account) or alter the terms of any Project Account (other than the Distribution Account) from those in force at the time it is designated for the purposes of this clause 28 or waive any of its rights in relation to a Project Account (other than the Distribution Account) except with approval.
- (d) The Borrower shall deposit with the Security Agent all certificates of deposit, receipts or other instruments or securities relating to any Project Account (other than the Distribution Account), notify the Security Agent of any claim or notice relating to a Project Account (other than the Distribution Account) from any other party and provide the Facility Agent with any other information it may request concerning any Project Account (other than the Distribution Account).
- (e) The Facility Agent shall promptly countersign and provide to the relevant Account Bank any Facility Agent Withdrawal Request or Borrower Withdrawal Request which is provided to it for its countersignature in accordance with this Agreement for a withdrawal which is in compliance with this clause 28 and the Lenders shall promptly provide such instructions as are required by the Facility Agent to countersign and provide to the relevant Account Bank any such Facility Agent Withdrawal Request or Borrower Withdrawal Request.
- (f) For the purposes of this clause 28 a withdrawal from a Project Account includes a payment or transfer from such Project Account.
- (g) Each Finance Party agrees that if it is an Account Bank in respect of a Project Account (other than the Distribution Account) then there will be no restrictions on charging that Project Account as contemplated by this Agreement and it shall not (except with the approval of the Majority Lenders) exercise any right of combination, consolidation or set-off which it may have in respect of that Account in a manner adverse to the rights of the other Finance Parties.

30 Business restrictions

The Borrower undertakes that this clause 30 will be complied throughout the Facility Period.

30.1 General negative pledge

The Borrower shall not permit any Security Interest to exist, arise or be created or extended over all or any part of its assets except for:

- (a) those granted or expressed to be granted by any of the Security Documents; and
- (b) Permitted Security Interests.

30.2 Transactions similar to security

(Without prejudice to clauses 30.3 (*Financial Indebtedness*) and 30.8 (*Disposals*)), the Borrower shall not:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby that asset is or may be leased to, or re-acquired by, any other member of the Höegh MLP Group other than pursuant to disposals permitted under clause 30.8 (*Disposals*);
- (b) sell, transfer, factor or otherwise dispose of any of its receivables on recourse terms (except for the discounting of bills or notes in the ordinary course of business);
- (c) 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
- (d) 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 except where such arrangement or transaction would be permitted by clause 30.1 (*General negative pledge*) if such arrangement or transaction had been a Security Interest.

30.3 Financial Indebtedness

The Borrower shall not incur, or permit to exist, any Financial Indebtedness owed by it to anyone else except:

- (a) Financial Indebtedness incurred under the Finance Documents;
- (b) Permitted Financial Indebtedness; and
- (c) Financial Indebtedness permitted under clause 30.5 (*Loans and credit*).

30.4 Guarantees

The Borrower shall not give or permit to exist, any guarantee by it in respect of indebtedness of any person or allow any of its indebtedness to be guaranteed by anyone else (except pursuant to the Guarantee or otherwise by the Guarantor).

30.5 Loans and credit

The Borrower shall not make, grant or permit to exist any loans or any credit by it to anyone else other than trade credit granted by it to its customers on normal commercial terms in the ordinary course of its business and any loans made from amounts standing to the credit of the Distribution Account.

30.6 Bank accounts and other financial transactions

The Borrower shall not:

- (a) maintain any current or deposit account (other than the Project Accounts and, prior to the first Utilisation Date, the Initial Equity Account) with a bank or financial institution except for the deposit of money, operation of current accounts and the conduct of electronic banking operations with the Account Banks;
- (b) hold cash in any account (other than with the Account Banks) over or in respect of which any set-off, combination of accounts, netting or Security Interest exists except for the Initial Equity Account prior to the first Utilisation Date;
- (c) be party to any banking or financial transaction, whether on or off balance sheet, that is not permitted under this Agreement.

30.7 Other obligations and/or business

The Borrower shall not:

- (a) enter into any contract or agreement with any person and will not otherwise create, undertake, assume or incur any obligation or liability whatsoever to any person other than in its ordinary course of business or as provided for in, or as permitted by, the Transaction Documents and arrangements entered into as a result thereof and each other document required to be executed and delivered by it in accordance with the provisions hereof or thereof; or
- (b) undertake or become involved in any business whatsoever other than as contemplated by the Transaction Documents without the prior written consent of the Facility Agent acting with the consent of all the Lenders.

30.8 Disposals

The Borrower shall not enter into a single transaction or a series of transactions, whether related or not and whether voluntarily or involuntarily, to sell, transfer, assign, pledge, charter, discount or otherwise dispose of any of its present and future business, undertaking, assets and revenues, including, but not limited to, its title, rights or interests in or to the Vessel or any equipment or any of the Borrower's Security (other than the Permitted Security Interests) except for any of the following disposals so long as they are not prohibited by any other provision of the Finance Documents:

- (a) disposals of assets made in (and on terms reflecting) the ordinary course of trading of the disposing entity;
- (b) disposals of obsolete assets, or assets which are no longer required for the purpose of the business of the Borrower in each case for cash on normal commercial terms and on an arm's length basis;
- (c) disposals of any assets, rights and revenues permitted by any Finance Document, or including without limitation under clauses 25.2 (*Sale or disposal of the Vessel*) and 25.3 (*Sale of the Mooring*) of this Agreement, or required pursuant to any other Finance Document;
- (d) dealings with trade creditors with respect to book debts in the ordinary course of trading; and
- (e) the application of cash or cash equivalents in the acquisition of assets or services in the ordinary course of its business.

30.9 Contracts and arrangements with Affiliates

The Borrower shall not be party to any arrangement or contract with any of its Affiliates unless such arrangement or contract is on an arm's length basis.

30.10 Subsidiaries

The Borrower shall not establish or acquire a company or other entity which would be or become a member of the Höegh MLP Group or reactivate any member of the Höegh MLP Group.

30.11 Acquisitions and investments

The Borrower shall not acquire any person, business or assets or make any investment in any person or business or enter into any joint-venture arrangement except:

- (a) the Vessel, the Mooring and the Borrower Assigned Property;
- (b) acquisitions of assets in the ordinary course of business (not being new businesses or vessels); or
- (c) pursuant to any Transaction Document to which it is party.

30.12 Reduction of capital

The Borrower shall not redeem or purchase or otherwise reduce any of its share capital or any warrants or any uncalled or unpaid liability in respect of its share capital or reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption or other undistributable reserve in any manner.

30.13 Increase in capital

The Borrower shall not issue shares to anyone unless to an existing Shareholder provided there is no change in the percentage ownership interests and/or shareholding in the Borrower that constitutes a Change of Control or to a New Shareholder which is an Approved Shareholder in accordance with clause 30.16 (*Replacement and/or additional shareholder*) and in each case provided that any such issued shares are, from the first Utilisation Date, subject to the Shares Security .

30.14 Distributions and other payments

Except to the extent the relevant payment is made from amounts standing to the credit of the Distribution Account and for any Permitted Repayment, the Borrower shall not:

- (a) pay (including by way of set-off, combination of accounts or otherwise) any dividend or redeem or make any other distribution or payment (whether in cash or in specie), including any interest and/or unpaid dividends, in respect of its equity or any of its other share capital or any warrants for the time being in issue; or
- (b) make any payment (including by way of set-off, combination of accounts or otherwise) by way of interest, or repayment, redemption, purchase or other payment, in respect of any Subordinated Loan or Promissory Note to a Shareholder or the Sponsor or another member of the Höegh MLP Group or to any other person.

30.15 Change in ownership

- (a) Subject to paragraphs (b) and (c) below, the Borrower shall not, change or permit any change in the percentage shareholding held by the Shareholders in the Borrower as at the first Utilisation Date without the prior written consent of the Lenders.
- (b) The Indonesian Shareholder may transfer all or part of its shareholding in the Borrower to another Shareholder or a New Shareholder which is an Approved Shareholder in accordance with clause 30.16 (*Replacement and/or additional shareholder*).
- (c) The Singapore Shareholder may transfer all or part of its shareholding in the Borrower to an Affiliate which is a wholly owned Subsidiary of the Guarantor in accordance with clause 30.16 (*Replacement and/or additional shareholder*).

30.16 Replacement and/or additional shareholder

No Shareholder shall transfer any of the shares held by it in the Borrower without the prior written consent of the Lenders (acting reasonably) unless:

- (a) the appointment of a New Shareholder would not breach the terms of the Charter, the Shareholders' Agreement or any applicable law or regulation;
- (b) the New Shareholder is an Approved Shareholder;
- (c) the transfer does not result in a Change in Control;
- (d) the Lenders have obtained all internal "know your customer" approvals required for the proposed appointment of the New Shareholder and can satisfy their know your customer requirements in respect of the New Shareholder;
- (e) the New Shareholder has, or will have concurrently with such transfer, entered into an accession deed (solely or together with the transferring shareholder) or such other documentation as may reasonably be required whereby the New Shareholder assumes all applicable obligations of the transferring Shareholder under any applicable Finance Documents (to the satisfaction of the Majority Lenders (acting reasonably)) and any other documents which the Facility Agent (acting reasonably) may consider necessary in relation

to appointment of the New Shareholder to ensure that rights equivalent to those provided to the Finance Parties under the Finance Documents in respect of the transferring shareholder and its shares are preserved; and

- (f) if required by the Facility Agent (acting reasonably), the Facility Agent has obtained satisfactory legal opinions in respect of the New Shareholder's entry into any of the documents entered into by the New Shareholder pursuant to paragraph (e) above.

31 Hedging

The undertakings in this clause apply throughout the Facility Period.

31.1 Hedging

- (a) Subject to clause 31.1(j) below, the Borrower shall enter into and maintain at all times on and from the date falling three (3) months after the date of this Agreement, Hedging Transactions on a forward start basis to commence from no later than the scheduled first Repayment Date for the Facilities which provide for protection against adverse movements in interest rates for an aggregate notional principal amount that is not less than seventy per cent (70%) of the aggregate of the Total Commitments of the Commercial Facility (as at the date of this Agreement) but not greater than one hundred per cent (100%) (provided that the Borrower shall not be in breach of this requirement where such notional amounts are greater than one hundred per cent (100%) due to a prepayment if it is in compliance with such requirement within 20 Business Days or if due to a cancellation by any Finance Party or due to the occurrence of any Last Availability Date it is in compliance with such requirement within 20 Business Days after being notified of such event by the Facility Agent) of the aggregate of the Loans;
- (b) The initial Hedging Transactions to be entered into within 3 months of the date of this Agreement shall be entered into by the Borrower with the Original Lenders with the credit spread, in basis points (bps), over the offer side of the dollar swap rate, as calculated in line with the scheduled Repayment Instalments, based on the prevailing dollar swap yield curve, agreed by the Borrower and the Mandated Lead Arrangers in writing on or prior to the date of this Agreement, such Hedging Transactions to be entered into with each of the Original Lenders pro rata to the respective Commitments of the Original Lenders (provided that the Original Lenders enter into such Hedging Transactions on such agreed terms). Any Hedging Transactions required or permitted to be entered into by the Borrower after such initial Hedging Transactions shall, subject to clause 33.4(f) be entered into with such Lenders as the Borrower may select and on such terms as they may agree.
- (c) All Original Hedging Banks shall be Original Lenders.
- (d) The Borrower shall no later than three (3) months after the first Utilisation Date, execute and deliver to the Facility Agent a copy of the Hedging Master Agreements that there are required to have been entered into by such date pursuant to clause 31.1(a) certified as true by an authorised signatory of the Borrower and evidence of the entry into the Hedging Transactions.
- (e) Each Hedging Contract contemplated by this clause 31.1 (*Hedging*) shall:
 - (i) provide that the Termination Currency (as defined in each Hedging Contract) of each Hedging Contract is dollars;
 - (ii) provide for two-way payments in the event of a termination of a Hedging Transaction, whether upon a Termination Event or an Event of Default (each as defined in the relevant Hedging Contract) as the applicable payment measure; and
 - (iii) provide that the governing law is English law.

- (f) The Hedging Transactions contemplated by this clause 31.1 (*Hedging*) shall:
 - (i) individually provide for the Borrower to pay a fixed rate of interest in respect of the relevant notional principal amount from the first Repayment Dates of the Facilities; and
 - (ii) collectively match the repayment profile of the Loans in a manner consistent with clause 31.1(a), including pursuant to any adjustment necessitated by clause 8.3 (*Adjustments of scheduled repayments*).
 - (g) The Borrower and Hedging Banks shall use reasonable endeavours to ensure that:
 - (i) each Floating Rate Payer Payment Date (as defined in each Hedging Contract) in respect of each Hedging Transaction shall coincide with each Repayment Date;
 - (ii) each Reset Date (as defined in each Hedging Contract) in respect of each Hedging Transaction is consistent with each Quotation Day; and
 - (iii) the Floating Rate Option (as defined in each Hedging Contract) in respect of each Hedging Transaction is consistent with the definition of LIBOR, including with respect to the first Interest Period and any fallback determination provisions.
 - (h) Each Hedging Bank shall, promptly upon entry into any Hedging Transaction, deliver to the Facility Agent an original or certified copy of the relevant Confirmation.
 - (i) Other than Hedging Transactions which meet the requirements of this clause 31 (*Hedging*), the Borrower shall not enter into derivative transactions.
 - (j) In the circumstances referred to in clauses 33.4(f)(i), and 31.1(k) and from the date designated as the Early Termination Date by the terminating Hedging Bank or the Borrower, as applicable, the Borrower shall, if such action is necessary in order for the Borrower to comply with clause 31.1(a) above, have a period of thirty (30) days to execute replacement Hedging Transactions in accordance with the provisions of clause 31.1(b) and 33.4(f). In such case, unless otherwise agreed or due to the Hedging Banks not being willing to enter into such replacement Hedging Transactions following the procedures set out in clause 31.1(b), should the Borrower fail to execute replacement Hedging Transactions sufficient to comply with clause 31.1(a) within such thirty (30) day period, this shall constitute a breach of clause 31.1(a) but not otherwise. If execution of such replacement Hedging Transactions is unnecessary in order for the Borrower to comply with clause 31.1(a) above, the Borrower may execute replacement Hedging Transactions in accordance with the provisions of clause 31.1(b) and 33.4(f) but failure to do so shall not constitute a breach of clause 31.1(a).
 - (k) If an Event of Default (as defined in a Hedging Contract) occurs in respect of a Hedging Bank the Borrower shall, if requested by the Facility Agent, promptly exercise its rights to terminate the Hedging Transactions with the Hedging Bank in respect of which such event applies.
 - (l) The Borrower may if any Termination Event or Event of Default (as such terms are defined in a Hedging Contract) occurs in respect of a Hedging Bank, subject to the consent of the Facility Agent if such termination, unwinding or close out would or is reasonably likely to result in a net amount payable by the Borrower in respect of such termination, unwinding or close out (such consent not to be unreasonably withheld or delayed where the Borrower can demonstrate that, taking into account such payment, it would still be in compliance with clause 21.1 (*Borrower Financial Covenants*) in respect of the Relevant Period in which such payment would be payable or that such payment will be met from funds in the Distribution Account or advanced pursuant to a Subordinated Loan or Promissory Note) or if an Event of Default is continuing, exercise its rights to terminate any of the Hedging Transactions with the Hedging Bank in respect of whom the event applies, subject to compliance with clause 31.1(a).
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- (m) The Borrower may at any time, subject to the consent of the Facility Agent if such termination, unwinding or close out would or is reasonably likely to result in a net amount payable by the Borrower in respect of such termination, unwinding or close out (such consent not to be unreasonably withheld or delayed where the Borrower can demonstrate that, taking into account such payment, it would still be in compliance with clause 21.1 (*Borrower Financial Covenants*) in respect of the Relevant Period in which such payment would be payable or that such payment will be met from funds in the Distribution Account or advanced pursuant to a Subordinated Loan or Promissory Note) or if an Event of Default is continuing and provided that following such action it will be in compliance with clause 31.1(a), exercise its rights to terminate, unwind or close out any Hedging Transactions provided that, except in the circumstances provided for in clauses 31.1(j), 31.1(k), 31.1(l) and 33.4(f), such action is taken in respect of each of the existing Hedging Transactions pro rata.
- (n) The Borrower may enter into any further Hedging Transactions provided that such Hedging Transactions are entered into in compliance with clause 31.1(a) and in accordance with clause 31.1(b) and 33.4(f) and unless such Hedging Transactions are otherwise expressly permitted or provided for under any other provision of clause 31 or 33 or they are entered into with the prior written consent of the Facility Agent.

31.2 Variations

Except with the approval of the Facility Agent (or as required under clause 31.6 (*Unwinding of Hedging Contracts*), or to align the payment dates with actual Repayment Dates for which no such approval shall be required) no Hedging Master Agreement or Hedging Contract shall be varied provided that, to the extent that any adjustment is made under clause 8.3 (*Adjustment of scheduled repayments*) or after such variation the Borrower will be in compliance with clause 31.1(a), no such approval shall be required to vary the profile of any Hedging Transaction to match such adjustment and for this purpose vary includes terminating or closing out any Hedging Transaction and provided that the Borrower may terminate, unwind or close out any Hedging Transaction subject to compliance with clause 31.1. Furthermore, no such approval is required if the variation is minor or of an administrative nature or corrects a manifest or proven error.

31.3 Releases and waivers

Except with the approval of the Facility Agent (subject to clause 31.7 (*Assignment of Hedging Contracts by Hedging Banks*)), the Borrower shall not release any obligation of any Hedging Bank under the Hedging Contracts (including by way of novation), nor waive of any breach of any such obligation nor consent to anything which would otherwise be such a breach.

31.4 Assignment by Borrower

Except pursuant to the Hedging Security or as permitted or required under this Agreement, the Borrower shall not assign or otherwise dispose of its rights under any Hedging Contract.

31.5 Termination of Hedging Contracts by Borrower

Except with the approval of the Facility Agent or as permitted under this Agreement and subject to clause 33.4(f), the Borrower shall not terminate or rescind any Hedging Contract or close out or unwind any Hedging Transaction for any reason whatsoever.

31.6 Unwinding of Hedging Contracts

- (a) Subject to clause 31.6(b) below, if, the 20 Business Day period referred to in clause 31.1(a) has lapsed, and whether as a result of any prepayment (in whole or in part) of the Loans or any cancellation (in whole or in part) of the Commitment or otherwise, the aggregate notional principal amount under all Hedging Transactions entered into by the Borrower exceeds or will exceed the aggregate amount of Loans in respect of the Facilities outstanding at that time after such prepayment or cancellation, then each of the Hedging

Banks shall promptly after the expiry of such period close out and terminate a sufficient portion of each Hedging Transaction (on a pro rata basis) as is necessary to ensure that the aggregate notional principal amount under the remaining continuing Hedging Transactions is not greater than one hundred per cent (100%) of the aggregate of the Loans outstanding at that time and as scheduled to be repaid from time to time thereafter pursuant to clause 8 (*Repayment*).

- (b) Where the prepayment of a Loan (or any part thereof) arises as a result of the circumstances described in clause 9.1 (*Illegality*) in relation to a single Lender (and such circumstances also affect such person (or its respective Affiliate) acting in its capacity as Hedging Bank, as a result of which such Hedging Bank is entitled to designate an Early Termination Date (as defined in the relevant Hedging Master Agreement) with respect to the whole of the relevant Hedging Transaction), then such Hedging Bank shall (on the instruction of the Facility Agent) immediately close out and terminate such Hedging Transaction.

31.7 Assignment of Hedging Contracts by Hedging Banks

- (a) A Hedging Bank (the **Existing Hedging Bank**) shall assign its rights or transfer by novation its rights and obligations under this Agreement (in its capacity as a Hedging Bank and not, if applicable, as a Lender) to another bank or financial institution (or, following an Event of Default that is continuing, 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 and entering into ISDA derivative documentation and interest rate swaps (including an Affiliate of such Hedging Bank) (the **New Hedging Bank**) to the extent that such Hedging Bank has assigned or transferred its rights to such New Hedging Bank under, and in accordance with the terms of, the relevant Hedging Contract and shall ensure each New Hedging Bank becomes a Party in capacity or, a hedging Bank by executing a Succession Deed. The consent of the Borrower is required for an assignment by a Hedging Bank, unless the assignment is to another Lender or an Affiliate of a Lender or an Event of Default is continuing or such assignment or transfer is made after the Final Acceptance Date to an Approved Transferee and the relevant Existing Hedging Bank has notified the Borrower of the proposed assignment or transfer and New Hedging Bank at least five (5) Business Days prior to, and consulted with the Borrower on, the proposed assignment or transfer. The Facility Agent will immediately advise the Borrower and the Agents of the assignment.
- (b) The Borrower's consent to an assignment may not be unreasonably withheld or delayed and will be deemed to have been given ten (10) Business Days after it has received the Existing Hedging Bank's request for consent unless consent is expressly refused within that time
- (c) Except in the case of a transfer that meets the criteria specified in clause 31.7(a) above or when an Event of Default which is continuing, no Hedging Bank is entitled to transfer its Hedging Contract other than to an Alternative Financial Institution (as defined in clause 33.4(f)).
- (d) Neither the Borrower nor the other Obligor shall be liable for any costs (including break costs) arising from the termination of any Hedging Contracts and/or entering into new hedging arrangements on less favourable rates than the existing Hedging Contracts which are incurred as a result of voluntary transfers by Lenders or Hedging Banks.
- (e) If such assignment or transfer would at the date of such assignment or transfer subject the Borrower to any greater withholding tax liability hereunder to the New Hedging Bank than it would have had to the Existing Hedging Bank on such date then unless such assignment or transfer was made at the request or with the consent of the Borrower in order to mitigate or avoid the requirement for payment of additional amounts or increased costs or to mitigate or avoid an illegality, the Borrower shall not be obliged to pay any such additional withholding tax or increased costs under this Agreement in excess of that it would have been obliged to pay had no such assignment or transfer then taken place.

31.8 Information concerning Hedging Contracts

The Hedging Banks shall provide the Facility Agent with any information it may request concerning any Hedging Contract, including all reasonable information, accounts and records that may be necessary or of assistance to enable the Facility Agent to verify the amounts of all payments and any other amounts payable under the Hedging Contracts or to enable any Finance Party to comply with any reporting obligation under the laws or regulations of any jurisdiction in respect of any Hedging Contract.

32 Events of Default

Each of the events or circumstances set out in clauses 32.1 to 32.29 is an Event of Default.

32.1 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 and such failure to pay is not remedied within five (5) Business Days of its due date.

32.2 Financial covenants

The Borrower does not comply with clauses 21.1 (*Borrower Financial Covenants*) or 21.2 (*Guarantor Financial Covenants*) or the Guarantor does not comply with clause 21 (*Financial covenants*) of the Guarantee.

32.3 Value of security

The Borrower does not comply with clause 28 (*Minimum security value*).

32.4 Insurance

- (a) The Insurances and, if applicable, the Reinsurances of the Vessel are not in place and in force in the manner (except for any requirement other than at the time of such insurance or reinsurance being taken, as to credit rating of any insurer or reinsurer) required by clause 27 (*Insurance*).
- (b) Any insurer or reinsurer disclaims liability under the Insurances or, if applicable, the Reinsurances of the Vessel by reason of any mis-statement or failure or default by any Obligor.

32.5 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in clauses 32.1 (*Non-payment*), 32.2 (*Financial covenants*), 32.3 (*Value of security*), and 32.4 (*Insurance*)).
- (b) No Event of Default under clause 32.5(a) above will occur if the failure to comply is capable of remedy and the failure is remedied within fifteen (15) Business Days of the Facility Agent giving notice to the Borrower.

32.6 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 in any material respect when made or deemed to be made.
- (b) No Event of Default will occur under this clause 32.6 (*Misrepresentation*) if the misrepresentation and/or mis-statement and/or underlying event or circumstance giving

rise to it is capable of remedy and is remedied within fifteen (15) Business Days of the Facility Agent giving notice to the Borrower.

- (c) No Event of Default will occur under this clause 32.6 (*Misrepresentation*) in the case of a representation, statement or document made or delivered by, or in respect of, a Shareholder, O&M Contractor or Supervisor if the misrepresentation and/or mis-statement and/or underlying event or circumstance giving rise to it is capable of remedy by replacing such Shareholder, O&M Contractor or Supervisor and in the case of a Shareholder such Shareholder is replaced as a shareholder in the Borrower with a New Shareholder pursuant to and in accordance with clause 30.16 (*Replacement and/or additional shareholder*), or in the case of an O&M Contractor if a replacement operator which is an Approved Operator is appointed pursuant to and in accordance with clause 24.4 (*Operation and Maintenance*), or in the case of a Supervisor such Supervisor is replaced with a new Supervisor, in each case within thirty (30) Business Days of the Facility Agent giving notice to the Borrower.

32.7 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor, a Shareholder or the Charterer to perform any of its obligations under the Finance Documents.
- (b) Any obligation or obligations of any Obligor, a Shareholder or the Charterer under any Finance Documents are not (subject to the Legal Reservations) or cease to be, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document or any Security Interest created or expressed to be created or evidenced by the Security Documents (other than a Reinsurance Fiduciary Assignment) ceases (subject to the Legal Reservations) to be in full force and effect (other than by a termination permitted under the Finance Documents) or is alleged by a party to it (other than a Finance Party) to be ineffective for any reason.
- (d) No Event of Default will occur under this clause 32.7 (*Unlawfulness and invalidity*) in the case of a Finance Document entered into by, or an obligation of or in respect of, a Shareholder, O&M Contractor or Supervisor if it is capable of remedy by replacing such Shareholder, O&M Contractor or Supervisor and the entry if applicable into replacement Finance Documents and in the case of a Shareholder such Shareholder is replaced as a shareholder in the Borrower with a New Shareholder pursuant to and in accordance with clause 30.16 (*Replacement and/or additional shareholder*), or in the case of an O&M Contractor if a replacement operator which is an Approved Operator is appointed pursuant to and in accordance with clause 24.4 (*Operation and Maintenance*), or in the case of a Supervisor such Supervisor is replaced with a new Supervisor, in each case together with the entry into of the applicable Finance Documents and within thirty (30) Business Days of the Facility Agent giving notice to the Borrower.

32.8 Cross default

- (a) Any Financial Indebtedness of any Facility 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).
- (b) Any commitment for any Financial Indebtedness of any Facility Obligor is cancelled or suspended by a creditor of that Obligor as a result of an event of default (however described).
- (c) Any creditor of any Facility Obligor becomes entitled to declare any Financial Indebtedness of that Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (d) No Event of Default will occur under this clause 32.8 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within clauses 32.8(a) to

32.8(c) above is, in the case of the Guarantor, less than \$10,000,000 (or its equivalent in any other currency or currencies).

32.9 Insolvency

- (a) Any Obligor or the Charterer or the Charter Guarantor or the Builder or the Mooring EPC Contractor or the Mooring Installation Contractor or the EPCIC Contractor or the Refund Guarantor or Modec is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) A moratorium is declared in respect of any indebtedness of any Obligor or the Charterer or the Builder. If a moratorium occurs, the ending of the moratorium will not, subject to paragraph (c) below, remedy any Event of Default caused by that moratorium.
- (c) No Event of Default will occur under this clause 32.9 (*Insolvency*) if any of the events described in paragraphs (a) and (b) above occurs in respect of the Charterer, the Charter Guarantor, the Builder, the EPCIC Contractor, the Mooring EPC Contractor, Modec or the Mooring Installation Contractor and it might reasonably be expected that such event would not have a material adverse effect on the delivery of the Vessel in accordance with the Building Contract or the Charterer's obligation to pay Charter Hire in accordance with the Charter.
- (d) No Event of Default will occur under this clause 32.9 (*Insolvency*) in the case a Shareholder, O&M Contractor or Supervisor if in the case of a Shareholder such Shareholder is replaced as a shareholder in the Borrower with a New Shareholder pursuant to and in accordance with clause 30.16 (*Replacement and/or additional shareholder*), or in the case of an O&M Contractor if a replacement operator which is an Approved Operator is appointed pursuant to and in accordance with clause 24.4 (*Operation and Maintenance*), or in the case of a Supervisor such Supervisor is replaced with a new Supervisor, in each case within thirty (30) Business Days of any event described within clauses 32.9(a) and (b) above having taken place (provided that none of the events described within clauses 32.9(a) and (b) above has occurred in respect of such New Shareholder or replacement O&M Contractor or Supervisor).

32.10 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 Obligor or the Charterer or the Charter Guarantor or the Builder or Modec or the Refund Guarantor or the Mooring EPC Contractor or the Mooring Installation Contractor or the EPCIC Contractor;
 - (ii) if by reason of actual or anticipated financial difficulties, a composition, compromise, assignment or arrangement with any creditor of any Obligor or the Charterer or the Charter Guarantor or the Builder or Modec or the Refund Guarantor or the Mooring EPC Contractor or the Mooring Installation Contractor or the EPCIC Contractor;
 - (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Obligor or the Charterer or the Builder or the Mooring EPC Contractor or the Mooring Installation Contractor or the EPCIC Contractor or any of its assets (including the directors of any person requesting a person to appoint any such officer in relation to it or any of its assets); or

- (iv) enforcement of any Security Interest over any assets of any Obligor or the Charterer or the Builder or the Mooring EPC Contractor or the Mooring Installation Contractor or the EPCIC Contractor,

or any analogous procedure or step is taken in any jurisdiction.

- (b) Clause 32.10(a) shall not apply to any winding-up petition (or analogous procedure or step) which is frivolous or vexatious and (i) is discharged, stayed or dismissed within fourteen (14) days of commencement (or, if earlier, the date on which it is advertised) or (ii) if the Facility Agent is satisfied (acting upon the advice of its legal counsel) that there is no reasonable prospect of success.
- (c) No Event of Default will occur under this clause 32.10 (*Insolvency proceedings*) if any of the events described in paragraphs 32.10(a) (i) to (a)(iv) above occurs:
 - (i) in respect of the Builder or the Refund Guarantor after Delivery or in respect of the EPCIC Contractor, the Mooring EPC Contractor or the Mooring Installation Contractor or Modec after Final Acceptance; or
 - (ii) in respect of the Refund Guarantor, if a replacement refund guarantee in the form of the existing Refund Guarantee or another approved form is issued by a bank or financial institution approved by the Facility Agent and K-sure within sixty (60) days of any event described within paragraphs (a) or (b) above having taken place; or
 - (iii) in respect of the Charterer, the Builder, the EPCIC Contractor, the Mooring EPC Contractor, Modec or the Mooring Installation Contractor and it might reasonably be expected that such event would not have a material adverse effect on the delivery of the Vessel in accordance with the Building Contract or the Charterer's obligation to pay Charter Hire in accordance with the Charter.
- (d) No Event of Default will occur under this clause 32.10 (*Insolvency proceedings*) in the case a Shareholder, O&M Contractor or Supervisor if in the case of a Shareholder such Shareholder is replaced as a shareholder in the Borrower with a New Shareholder pursuant to and in accordance with clause 30.16 (*Replacement and/or additional shareholder*), or in the case of an O&M Contractor if a replacement operator which is an Approved Operator is appointed pursuant to and in accordance with clause 24.4 (*Operation and Maintenance*), or in the case of a Supervisor such Supervisor is replaced with a new Supervisor, in each case within thirty (30) Business Days of any event described within clauses 32.10(a)(i) to (a)(iv) above having taken place (provided that none of the events described within clauses 32.10(a)(i) to (a)(iv) above has occurred in respect of such New Shareholder or replacement O&M Contractor or Supervisor).

32.11 DSRA L/C Issuer credit rating

- (a) At any time, the credit rating of any DSRA L/C Issuer who is the issuer of an outstanding DSRA Letter of Credit falls below the Approved Credit Rating.
- (b) No Event of Default will occur under this clause 32.11 if within twenty (20) Business Days (or if earlier, prior to expiry of the relevant DSRA Letter of Credit) of the Facility Agent giving notice to the Borrower either (a) a replacement DSRA Letter of Credit issued by a bank or financial institution having an Approved Credit Rating is provided to the Facility Agent or (b) the balance on the Debt Service Reserve Account is fully reinstated by the Guarantor or any of its Affiliates (other than the Borrower) to be equal to the applicable Debt Service Reserve.

32.12 Creditors' process

- (a) Other than pursuant to a Security Document or a Total Loss, any expropriation, attachment, sequestration, distress, execution or analogous process affects any asset or assets of any

Facility Obligor with an aggregate value in excess of US\$10,000,000 in respect of the Guarantor only and is not discharged within fourteen (14) days.

- (b) Any final judgment or order with an aggregate value in excess of US\$10,000,000 in respect of the Guarantor only is made against any Facility Obligor and is not stayed or complied with within seven (7) days or, in respect of the Guarantor only, such later period as is required to be complied with under applicable law.

32.13 Cessation of business

The Borrower or the Guarantor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its current business.

32.14 Expropriation

The authority or ability of any Facility Obligor 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 government, regulatory or other authority or other person in relation to the Borrower or any of its assets.

32.15 Repudiation and rescission of Finance Documents

- (a) An Obligor or a Shareholder repudiates or purports to repudiate a Finance Document or evidences an intention to rescind a Finance Document.
- (b) No Event of Default will occur under this clause 32.15 (*Repudiation and rescission of Finance Documents*) in the case of an Indonesian Shareholder if such Shareholder is replaced as a shareholder in the Borrower with a New Shareholder pursuant to and in accordance with clause 30.16 (*Replacement and/or additional shareholder*) within thirty (30) Business Days of any event described within paragraph (a) above having taken place (provided that none of the events described within paragraph (a) above has occurred in respect of such New Shareholder).

32.16 Litigation

Any material litigation, alternative dispute resolution, arbitration or administrative proceeding related to the Project is taking place, or threatened or a claim in respect of any such proceedings is brought against any Facility Obligor or any of their respective assets, rights or revenues which, in the opinion of the Majority Lenders (acting reasonably), has or is reasonably likely to have a Material Adverse Effect or a material adverse effect on any Facility Obligor's ability to perform its obligations under the Project Agreements.

32.17 Material Adverse Effect

- (a) Any event or circumstance or series of events (including but not limited to any change of law or hostilities or civil war in the Flag State or any Relevant Jurisdiction or there is a seizure of power in the Flag State) occurs which, in the opinion of the Majority Lenders (acting reasonably), has or is reasonably likely to have a Material Adverse Effect.
- (b) No Event of Default will occur under this clause 32.17 (*Material Adverse Effect*) if the relevant event or circumstance or series of events relates to a Shareholder, O&M Contractor or Supervisor if in the case of a Shareholder such Shareholder is replaced as a shareholder in the Borrower with a New Shareholder pursuant to and in accordance with clause 30.16 (*Replacement and/or additional shareholder*), or in the case of an O&M Contractor if a replacement operator which is an Approved Operator is appointed pursuant to and in accordance with clause 24.4 (*Operation and Maintenance*), or in the case of a Supervisor such Supervisor is replaced with a new Supervisor, in each case within thirty (30) Business Days of the Facility Agent giving notice to the Borrower

32.18 Arrest of Vessel / Mooring

The Vessel or, prior to any sale or transfer permitted under this Agreement, the Mooring is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim and the Borrower fails to procure the release of the Vessel or the Mooring within a period of thirty (30) days thereafter (or such longer period as may be approved).

32.19 Vessel registration

Except with approval the Vessel is not registered or the Mortgage is not executed in accordance with and within the time specified in this Agreement or, after the start of the Mortgage Period, the registration of the Vessel under the laws and flag of its Flag State is cancelled or terminated or, where applicable, not renewed.

32.20 Hedging Contracts

- (a) An Event of Default (as defined in any Hedging Contract or such other equivalent definition(s) in any Hedging Contract) has occurred with respect to the Borrower and is continuing under any Hedging Contract; or
- (b) An Early Termination Date (as defined in any Hedging Contract or such other equivalent definition in any Hedging Contract) has occurred (except with the approval of the Facility Agent or in accordance with clause 31.1(k), 31.1(l) or 31.1(m) or clause 33.4 (*Close out of Hedging Contracts*)).
- (c) No Event of Default under clause 32.20(b) shall occur if the applicable Early Termination Date is a date designated by a terminating Hedging Bank in breach of its obligations under clause 33.4(b), 33.4(e) or 33.4(f).

32.21 Breach of obligations in relation to the Project Accounts

- (a) The Borrower commits any breach of or omits to observe any of the covenants, obligations and undertakings expressed to be assumed by it under clause 28 (*Project Accounts, Receivables and Insurance Proceeds*) of this Agreement; or
- (b) or any moneys standing to the credit of any Project Account are or become subject to any attachment or similar type of order and is not discharged within fourteen (14) days.
- (c) No Event of Default under clause 32.21 above will occur if the breach (other than a deliberate breach) or omission (other than a deliberate omission) is capable of remedy and is remedied within seven (7) Business Days of the Facility Agent giving notice to the Borrower.

32.22 O&M Contract

- (a) Subject to (b) below, failure of an O&M Contractor to perform or observe any material covenant or obligation to be performed or observed by it under an O&M Contract where such failure to perform or observe any such covenant or obligation by it is not remedied in accordance with the requirements of the applicable O&M Contract.
- (b) No Event of Default will occur under this clause 32.22 if the Borrower notifies the Facility Agent of the event described in this clause 32.22 having taken place and a replacement operator which is an Approved Operator is appointed pursuant to clause 24.4 (*Operation and Maintenance*) within thirty (30) days of notice from the Facility Agent.

32.23 Qualification of accounts

The Auditors of any Facility Obligor qualify their report on the audited financial statements of any Facility Obligor in any way whatsoever which is reasonably likely to have a Material Adverse Effect.

32.24 Charter termination and breach

Except with the approval of the Facility Agent:

- (a) (except as a result of the Vessel becoming a Total Loss or in the circumstances contemplated in clause 9.8 (*Charter and Charter Guarantee*)) the Charter is terminated, cancelled, rescinded, repudiated or frustrated as a result of an Owner's Event of Default (as defined in the Charter); or
- (b) an Event of Company's Default (as defined in the Charter) occurs under clause 26.2 of the Charter and the non-payment is not rectified and any shortfall not paid by the Charterer or recovered under the PGN L/C within thirty (30) Business Days of the Facility Agent giving notice to the Borrower or, if earlier within thirty (30) Business Days of the Borrower giving notice to the Charterer provided that no Event of Default shall occur under this paragraph (b) if such payment is the subject to a dispute with the Charterer and the Borrower is in good faith in the process of resolving such dispute and the Borrower is not in default under any payment obligation under a Finance Document and the credit balance of the Debt Service Reserve Account is not less than a sum equal to three (3) months' Debt Service obligations of the Borrower under this Agreement at that time; or
- (c) the Charterer is otherwise in breach of its obligations under the Charter which has or is reasonably likely to have a Material Adverse Effect.

32.25 Project Agreements

- (a) Any event of default or any other breach occurs under any of the Material Project Agreements, the Shareholders Agreement or the EPCIC Contract which entitles the Builder (prior to the Delivery Date) and/or the Charterer to terminate the Building Contract and/or the Charter (other than in the circumstances contemplated in clause 9.8 (*Charter and Charter Guarantee*)) or is reasonably likely to have a Material Adverse Effect.
- (b) any Material Project Agreement or the Shareholders Agreement or the EPCIC Contract becomes unlawful or unenforceable for any reason (other than in the case of the Shareholders Agreement to the extent that any such unenforceability is in respect of the rights or obligations of any of the Shareholders in relation to a transfer of shares that may be required by any Shareholder) and the Borrower fails to make alternative arrangements satisfactory to the Facility Agent (acting on the instructions of the Majority Lenders (acting reasonably)) within thirty (30) Business Days of notice from the Facility Agent; or
- (c) any Obligor, the EPCIC Contractor or the Charterer repudiates a Material Project Agreement (other than the Charter) or any such Material Project Agreement is cancelled, terminated or suspended or varied or amended in breach of this Agreement.
- (d) No Event of Default will occur under this clause 32.25 (*Project Agreements*) if any of the events or circumstances described in paragraphs (a) to (c) above occurs:
 - (i) in respect of the Building Contract or the Refund Guarantee after Delivery; or
 - (ii) in respect of the Supervision Agreement after the later of (A) Delivery and (B) the completion Works under the Mooring Installation Contract; or
 - (iii) in respect of the EPCIC Contractor or EPCIC Contract and it might reasonably be expected not to: (A) delay Final Acceptance beyond the earlier of (x) Cancellation

Date and (y) 18 March 2015 or (B) have a material adverse effect on the Charterer's obligation to pay Charter Hire; or

- (iv) in respect of the Mooring EPC Contract, the Mooring Installation Contract, the Modec Guarantee, the Umbrella Agreement, the Consortium Agreement or the EPCIC Contract after Final Acceptance.

32.26 Environmental

There occurs an Environmental Incident unless within thirty (30) days of such Environmental Incident occurring it is determined that all Environmental Claims in respect of such Environmental Incident (excluding any deductibles) are payable in full by the Borrower's Insurances and the Facility Agent (acting reasonably) is satisfied that there is sufficient cash and cash flow to pay all deductibles which are payable and, if applicable, all claims for an amount less than the deductible(s).

32.27 Abandonment of the Vessel

The Project or the Vessel is abandoned by the Borrower.

32.28 Ownership of the Vessel

The Borrower ceases to be the owner of the Vessel, unless it has been sold in accordance with clauses 9.7 (*Sale of Vessel*) and/or 25.2 (*Sale or other disposal of the Vessel*) or pursuant to a Security Document.

32.29 Redeployment of the Vessel

After the Final Acceptance Date, there is a redeployment of the Vessel or the Mooring or a relocation from the Permitted Location (other than for the normal operation of the Vessel at the Permitted Location or for maintenance or repairs or a short-term relocation (in each case of no more than thirty (30) days) required in the case of an emergency or security reason where the prior written consent of the Facility Agent cannot be obtained in sufficient time or when required under the Charter for laying up of the Vessel in accordance with clause 28.1 of the Charter) without the prior written consent of the Facility Agent (acting on the instructions of the Lenders), such consent not to be unreasonably withheld.

32.30 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 Borrower:

- (a) cancel the Total Commitments at which time they shall immediately be cancelled; and/or
- (b) declare that all or part of the Loans, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (c) declare that all or part of the Loans be payable on demand, at which time it shall immediately become payable on demand by the Facility Agent on the instructions of the Majority Lenders; and/or
- (d) declare that all outstanding Hedging Transactions entered into under the Hedging Contracts shall be terminated or closed out by the Hedging Banks;
- (e) declare that no withdrawals be made from any Project Account (other than the Distribution Account); and/or
- (f) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents including but not limited to making a demand

under the Guarantee and/or enforcing any Security Interest created by the Security Documents.

32.31 Remedies in relation to the K-sure Policy

- (a) The remedies stated in clause 32.30 (*Acceleration*) shall be without prejudice to the rights of the K-sure Agent and K-sure Lenders to make claims under and enforce the K-sure Policy.
- (b) Notwithstanding any other provision of this Agreement and the other Finance Documents, the Facility Agent (or K-sure Agent as the case may be) shall only make written demand to K-sure under the K-sure Policy after the Facility Agent has first made a written demand for payment of the relevant amount of the Secured Obligations under the applicable Guarantee to the extent such Guarantee guarantees the payment of such amount of Secured Obligations.

32.32 K-sure subrogation

Notwithstanding any other provision of this Agreement and, in addition to, and without prejudice to, any right of indemnification or subrogation K-sure may have at law, in equity or otherwise, the Borrower and the Finance Parties unconditionally agrees that following payments by K-sure under the K-sure Policy in accordance with the terms of the K-sure Policy:

- (a) K-sure shall to the extent of such payments be subrogated to the relevant Lenders' rights under the Finance Documents in accordance with the K-sure Policy and, furthermore, the Borrower consents to any assignment by the relevant Lenders of any or all of their rights under the Finance Documents to K-sure as may be required by the provisions of the K-sure Policy.
- (b) To the extent required to do so by K-sure pursuant to the terms of the K-sure Policy, the K-sure Lenders shall cause a transfer to K-sure in respect of such party of its Commitment in respect of the K-sure Facility or (as the case may be) its portion of the K-sure Loans as is equal to the amount simultaneously paid to it by K-sure under the K-sure Policy.

32.33 The Borrower agrees to cooperate with the Agents and the Lenders, as the case may be, in giving effect to any subrogation or assignment referred to in clause 32.32 above, and to take all actions requested by an Agent, any Lender or K-sure, in each case to the extent capable of being done by it, to implement or give effect to such subrogation or assignment.

32.34 On the date of any subrogation to, or (as applicable) assignment of, rights referred to in clauses 32.32 to 32.36 (*K-sure subrogation*):

- (a) all further rights and benefits (including the right to receive commission in respect thereof but not any duty or other obligations) whatsoever of the relevant Lender in relation to the portion of the Loans or the rights and benefits to which such assignment or rights of subrogation relate under or arising out of this Agreement shall, to the extent of such assignment or rights of subrogation, be vested in and be for the benefit of K-sure; and
- (b) references in this Agreement to the Lenders shall, where relevant in the context thereafter be construed so as to include K-sure in relation to such rights and benefits as are assigned to, or to which K-sure has rights of subrogation.

32.35 All agreements, representations and warranties made in this Agreement in favour of the relevant Lender shall survive any assignment or transfer made pursuant to clauses 32.32 to 32.36 (*K-sure subrogation*) and shall also inure to the benefit of K-sure.

32.36 The K-sure Agent, the Facility Agent and the Security Agent each agree that they will consult with K-sure prior to issuing a notice pursuant to clause 32.30 (although the consent of K-sure shall not be required in order for the Facility Agent and the Security Agent to issue such notice).

33 Position of Hedging Banks

33.1 Rights of Hedging Bank

Each Hedging Bank is a Finance Party and as such, will be entitled to share in the security constituted by the Security Documents in respect of any liabilities of the Borrower under the Hedging Contracts with such Hedging Bank in the manner and to the extent contemplated by the Finance Documents.

33.2 No voting rights

Subject to clause 47.2 (*Exceptions*), no Hedging Bank shall be entitled to vote on any matter where a decision of the Lenders alone is required under this Agreement, whether before or after the termination or close out of the Hedging Contracts with such Hedging Bank, provided that each Hedging Bank shall be entitled to vote on any matter where a decision of all the Finance Parties is expressly required.

33.3 Acceleration and enforcement of security

Subject to clause 47.2 (*Exceptions*), neither the Agents nor the Security Agent or any other beneficiary of the Security Documents shall be obliged, in connection with any action taken or proposed to be taken under or pursuant to clause 32 (*Events of Default*) or pursuant to the other Finance Documents, to have any regard to the requirements of any Hedging Bank except to the extent that the relevant Hedging Bank is also a Lender.

33.4 Close out of Hedging Contracts

- (a) The parties to this Agreement agree that at any time when an Event of Default is continuing the Facility Agent (acting on the instructions of the Majority Lenders) shall be entitled, by notice in writing to a Hedging Bank, to instruct such Hedging Bank to terminate and close out any Hedging Transactions (or parts thereof) with the Borrower (on the basis that the Hedging Transactions shall be closed out pro rata and pari passu). The relevant Hedging Bank will terminate and close out the relevant Hedging Transactions (or parts thereof) and/or the relevant Hedging Contracts in accordance with such notice immediately upon receipt of such notice.
- (b) No Hedging Bank shall be entitled to terminate or close out any Hedging Contract or any Hedging Transaction under it prior to its stated maturity except:
 - (i) in accordance with a notice served by the Facility Agent under clause 33.4(a); or
 - (ii) in accordance with clause 31.6 (*Unwinding of Hedging Contracts*) (or, for the avoidance of doubt, as a result of a termination or close out by the Borrower in accordance with clause 31 (*Hedging*)); or
 - (iii) if the Borrower has not paid amounts due under the relevant Hedging Contract and such amounts remain unpaid for a period of five (5) days after the due date for payment; or
 - (iv) if the Facility Agent takes any action under clause 32.30 (*Acceleration*); or
 - (v) if the Loans and other amounts outstanding under the Finance Documents (other than amounts outstanding under the Hedging Contracts) have been repaid by the Borrower in full; or
 - (vi) if, following the occurrence of any Illegality, Bankruptcy, Tax Event, Tax Event Upon Merger, Force Majeure Event or Additional Termination Event (as each such expression is defined in the Hedging Master Agreements), the relevant Hedging Bank is entitled to terminate or close out the relevant Hedging Transaction pursuant to the relevant Hedging Contract.

- (c) If there is a net amount payable to the Borrower under a Hedging Transaction or a Hedging Contract upon its termination and close out as a result of a notice pursuant to clause 33.4(a), the relevant Hedging Bank shall forthwith pay that net amount (together with interest earned on such amount) to the Security Agent for application in accordance with clause 38.23 (*Order of application*).
- (d) No Hedging Bank shall set-off any such net amount against or exercise any right of combination in respect of any other claim it has against the Borrower.
- (e) If, as a result of any termination or close-out of any Hedging Transaction pursuant to any Illegality, Tax Event or Force Majeure Event as referred to in clause 33.4(b)(vi), the Borrower would fail to comply with the requirements set out in clause 31.1(a), the relevant Hedging Bank shall, as a condition of its right to designate an Early Termination Date, use all reasonable efforts (which will not require such Hedging Bank to incur a loss, other than immaterial, incidental expenses (as determined by such Hedging Bank in its reasonable discretion)) to transfer within thirty (30) days (in the case of Tax Event or Force Majeure Event) or seven (7) Business Days (in the case of Illegality) after it gives notice of its intention to terminate or close out the relevant Hedging Transaction(s) all its rights and obligations under the relevant Hedging Contract to another of its Offices (as defined in the Hedging Master Agreements) or Affiliates (and any such transferee shall be required to accede to this Agreement as a Hedging Bank) so that the relevant Termination Event (as defined in the Hedging Master Agreements) ceases to exist. The Borrower hereby consents to any such transfer. Such time period shall run concurrently with any time period relating to any transfer requirement or Waiting Period (as defined in the Hedging Master Agreements) under the relevant Hedging Contract.
- (f)
 - (i) If the relevant Hedging Bank is unable to effect the transfer referred to in clause 33.4(e) within the relevant time period it will give notice to the Borrower (copied to the Facility Agent) to that effect following expiry of the relevant period, whereupon the Hedging Bank may then designate an Early Termination Date with respect to the relevant Hedging Transaction(s).
 - (ii) Following designation of an Early Termination Date in relation to any Hedging Transaction by (1) a Hedging Bank pursuant to clause 33.4(f)(i) or following the occurrence of a Tax Event Upon Merger or (2) the Borrower in accordance with the terms of the relevant Hedging Contract and with the consent of the Facility Agent, the Borrower shall follow the process set out in clause 31.1(b) to the extent required in order to prevent any breach of clause 31.1(a) from arising as a result of the relevant termination or close-out pursuant such designation upon the expiry of the period referred to in clause 31.1(j).
 - (iii) In the event that no Lender is willing to take up the additional notional amount requested by the Borrower in accordance with clause 31.1(b), the Borrower may enter into one or more Hedging Contracts (on terms substantially the same as the Hedging Master Agreements entered into by the Original Hedging Banks on or about the date of this Agreement), with one or more Alternative Financial Institutions.

For the purpose of this clause 33.4(f) and clause 31.7(c) above, **Alternative Financial Institution** shall mean a financial institution, with an Approved Credit Rating, which is regularly engaged in or established for the purpose of investing in loans, securities or other financial assets and entering into ISDA derivative documentation and interest rate swaps and which, simultaneously with entering into a Hedging Contract with the Borrower, accedes to this Agreement as a Hedging Bank.

33.5 No Enforcement Action

Other than the steps permitted by clause 33.4, no Hedging Bank will take any Enforcement Action without the prior written consent of the Security Agent.

Section 8 - Changes to Parties

34 Changes to the Lenders

34.1 Assignments and transfers by the Lenders

(a) Subject to this clause 34, a Lender (the **Existing Lender**) may:

- (i) assign any of its rights; or
- (ii) transfer by novation any of its rights and obligations,

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 (the **New Lender**).

(b) In addition to the other rights provided to Lenders under this clause 34, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign by way of security or otherwise create a Security Interest 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:

- (i) any charge, assignment by way of security or other Security Interest to secure obligations to a federal reserve or central bank; and
- (ii) in the case of any Lender which is a fund, any charge, assignment by way of security or other Security Interest 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 other Security Interest shall:

- (A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (B) require any payments to be made by an Obligor 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.

34.2 Conditions of assignment or transfer

(a) The consent of the Borrower is required for an assignment or transfer by a Lender, unless:

- (i) the assignment is to another Lender or an Affiliate of a Lender; or
- (ii) an Event of Default is continuing; or
- (iii) such assignment or transfer is made after the Final Acceptance Date to an Approved Transferee and the relevant Existing Lender has notified the Borrower of the proposed assignment or transfer and New Lender at least five (5) Business Days prior to, and consulted with the Borrower on, the proposed assignment or transfer.

The Facility Agent will immediately advise the Borrower and the Agents of the assignment or transfer.

- (b) The Borrower's consent to an assignment or transfer may not be unreasonably withheld or delayed and will be deemed to have been given ten (10) Business Days after the Lender has delivered its request for consent to the Borrower unless consent is expressly refused within that time.
- (c) K-sure's consent is required for an assignment or transfer by a Lender in respect of any part of the K-sure Facility.
- (d) An Existing Lender shall provide the Borrower with at least two (2) Business Days' prior written notice prior to an assignment or transfer in accordance with clause 34.1, unless the assignment or transfer is:
 - (i) by a K-sure Lender to K-sure; or
 - (ii) to another Lender or an Affiliate of a Lender; and/or
 - (iii) made at a time when an Event of Default is continuing.
- (e) An assignment or transfer will only be effective:
 - (i) in the case of an assignment, on receipt by the Facility Agent 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 Finance Parties and the other Finance Parties as it would have been under if it was an Original Lender or, in the case of a transfer, if the procedure set out in clause 34.5 (*Procedure for transfer*) is complied with;
 - (ii) on the New Lender entering into any documentation required for it to accede as a party to the Intercreditor Deed and any Security Document to which the Original Lender is a party in its capacity as a Lender;
 - (iii) on the Facility Agent (or, if appropriate, the Existing Lender) obtaining all "know your customer" or other checks relating to any person that it is required to carry out in relation to such assignment or transfer to a New Lender, the completion of which the Facility Agent (or, if appropriate, the Existing Lender) shall promptly notify to the Existing Lender (or, as appropriate, the Facility Agent) and the New Lender;
 - (iv) if that Existing Lender assigns or transfers equal fractions of its Commitment and participation in the Utilisations (if any) under the Facilities; and
 - (v) if at the time when an assignment or transfer takes effect more than one Utilisation is outstanding, the assignment of an Existing Lender's participation in the Utilisations (if any) under the Facilities shall take effect in respect of the same fraction of each such Utilisation.
- (f) If: (i) a Lender or Hedging Bank 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, the Borrower would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office or new Hedging Bank under clause 14 (*Tax gross-up and indemnities*) or clause 15 (*Increased Costs*), then the New Lender or Lender acting through its new Facility Office or new Hedging Bank 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 or Hedging Bank would have been if the assignment, transfer or change had not occurred.

34.3 Fee

Except for any assignment or transfer from a K-sure Lender to K-sure, 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.

34.4 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 Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor or any other person of its obligations under the Finance Documents or any other documents;
 - (iv) the application of any Basel 2 Regulation or Basel 3 Regulation to the transactions contemplated by the Finance Documents; or
 - (v) the accuracy of any statements (whether written or oral) made in or in connection with any Finance 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 Finance Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document;
 - (ii) has made (and shall continue to make) its own independent investigation and assessment of the application of any Basel 2 Regulation or Basel 3 Regulation to the transactions contemplated by the Finance Documents; and
 - (iii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and their related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-assignment or re-transfer from a New Lender of any of the rights assigned and obligations transferred under this clause 34 (*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 Obligor of its obligations under the Finance Documents or by reason of the application of any Basel 2 Regulation to the transactions contemplated by the Finance Documents or otherwise.

34.5 Procedure for transfer

- (a) Subject to the conditions set out in clause 34.2 (*Conditions of assignment or transfer*) an assignment or transfer is effected in accordance with clause 34.5(b) below when (a) the Facility Agent executes an otherwise duly completed Transfer Certificate and (b) the Facility Agent executes any document required under clause 34.2(e) which it may be necessary for it to execute in each case delivered to it by the Existing Lender and the New Lender duly executed by them and, in the case of any such other document, any other relevant person. The Facility Agent shall, as soon as reasonably practicable after receipt by it of a Transfer Certificate and any such other document each duly completed, appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and such other document. The

Borrower and the other Finance Parties irrevocably authorise the Facility Agent to execute any Transfer Certificate on their behalf without any consultations with them.

- (b) On the Transfer Date:
- (i) to the extent that in the Transfer Certificate the Existing Lender seeks to assign its rights and be released from its obligations under any Finance Document, the Existing Lender shall assign such rights absolutely to the New Lender and shall be released from further obligations towards the Borrower and the other Finance Parties under such Finance Documents (being the **Discharged Rights Obligations**) (but the obligations owed by the Borrower under the Finance Documents shall not be released);
 - (ii) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under this Agreement the Borrower and the Existing Lender shall be released from further obligations towards one another under this Agreement and their respective rights against one another under this Agreement shall be cancelled (being the **Discharged Rights and Obligations**);
 - (iii) in the case of an assignment pursuant to paragraph (i) above, the New Lender shall assume obligations towards the Borrower and the other Finance Parties and the Borrower and the other Finance Parties shall acquire rights against the New Lender which differ from the Discharged Rights Obligations only insofar as the New Lender has assumed and/or the Borrower and the other Finance Parties acquired the same in place of the Existing Lender and the New Lender shall be bound by the Discharged Rights Obligations;
 - (iv) in the case of a transfer pursuant to paragraph (ii) above, the Borrower 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 the Borrower and the New Lender have assumed and/or acquired the same in place of that the Borrower and the Existing Lender;
 - (v) the other Finance Parties and the New Lender shall acquire the same rights and assume the same obligations between themselves 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 Security Agent, Existing Lender and the other Finance Parties shall each be released from further obligations to each other under the Finance Documents; and
 - (vi) the New Lender shall become a Party as a Lender.

34.6 Copy of Transfer Certificate to Borrower

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate and any other document required under clause 34.2(e), send a copy of that Transfer Certificate and such documents to the Borrower.

34.7 Universal Succession (Assignments and Transfers)

- (a) If a Lender is to be merged with any other person by universal succession, such Lender shall, at its own cost within 45 days of that merger furnish to the Facility Agent:
- (i) an original or certified true copy of a legal opinion issued by a qualified legal counsel practising law in its jurisdiction of incorporation confirming that all such Lender's assets, rights and obligations generally have been duly vested in the succeeding entity who has succeeded to all relationships as if those assets, rights and obligations had been originally acquired, incurred or entered into by the succeeding entity; and

- (ii) an original or certified true copy of a written confirmation by either the Lender's legal counsel or such other legal counsel acceptable to the Facility Agent and for the benefit of the Facility Agent (in its capacity as agent of the Lenders) that the laws of England and of the jurisdiction in which the Facility Office of such Lender is located recognise such merger by universal succession under the relevant foreign laws,

whereupon a transfer and novation of all such Lender's assets, rights and obligations to its succeeding entity shall have been, or be deemed to have been, duly effected as at the date of the said merger.

- (b) If such Lender, in a universal succession, does not comply with the requirements under paragraph (a) above, the Facility Agent has the right to decline to recognise the succeeding entity and demand such Lender and the succeeding entity to either sign and deliver a Transfer Certificate to the Facility Agent evidencing the disposal of all rights and obligations of such Lender to that succeeding entity, or provide or enter into such documents, or make such arrangements acceptable to the Facility Agent (acting on the advice of the Lender's legal counsel (any legal costs so incurred shall be borne by the relevant Lender)) in order to establish that all rights and obligations of the relevant Lender under this Agreement have been transferred to and assumed by the succeeding entity.
- (c) This clause 34.7 shall be subject to clause 34.2(e).

35 Changes to the Obligors

None of the Obligors may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

36 Benefit and burden

This Agreement shall be binding upon, and enure for the benefit of, the Finance Parties and their respective successors in title and transferees and the Borrower and its successors in title.

37 Confidentiality

37.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by clause 37.2 (*Disclosure of Confidential Information*) and clauses 37.3(a) to 37.3(c) (*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.

37.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners, insurers and insurance brokers, reinsurers and reinsurance brokers 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 37.2(a) 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;

- (b) to any person:
- (i) 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 Agent or Security Agent and, in each case, to any of that person's Affiliates, Representatives and professional advisers;
 - (ii) 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 Obligor and to any of that person's Affiliates, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom clauses 37.2(a) or 37.2(b)(i) 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 clause 38.15 (*Relationship with the Lenders and the Hedging Banks*));
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in clauses 37.2(a) or 37.2(b)(i) above;
 - (v) 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;
 - (vi) 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;
 - (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to clause 34.1(b);
 - (viii) who is a Party; or
 - (ix) with the consent of the Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to clauses 37.2(b)(i) and 37.2(b)(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 a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to clause 33.4(b)(iii) 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;
- (C) in relation to clauses 33.4(b)(iv), 33.4(b)(v) and 33.4(b)(vi) 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; and

- (c) to any person appointed by that Finance Party or by a person to whom clauses 37.2(b)(i) 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 (c) if the service provider to whom the Confidential 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 Borrower and the relevant Finance Party;
- (d) to any rating agency (including any 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 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.

37.3 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 Obligors the following information:
 - (i) names of Obligors;
 - (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) date of this Agreement;
 - (v) clause 50 (*Governing law*);
 - (vi) the names of the Facility Agent and the Arranger;
 - (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) the term of the Facility;
 - (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
 - (xiv) such other information agreed between such Finance Party and the Borrower,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 Facilities and/or one or more 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) The Borrower represents that none of the information set out in clauses 37.3(a)(i) to 37.3(a)(xiii) 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 Obligor; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligor by such numbering service provider.

37.4 Entire agreement

This clause 37 (*Confidentiality*) 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.

37.5 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.

37.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to clause 37.2(b)(iv) (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that clause 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 37 (*Confidentiality*).

37.7 Continuing obligations

The obligations in this clause 37 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligor under or in connection with the Finance Documents 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.

Section 9 - The Finance Parties

38 Roles of Facility Agent, Security Agent, Mandated Lead Arrangers and K-sure Agent

38.1 Appointment of the Facility Agent

- (a) Each other Finance Party (other than the Security Agent) appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each such other Finance Party authorises the Facility Agent:
 - (i) 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; and
 - (ii) subject always to clause 47.2 (*Exceptions*), to execute each of the Security Documents and all other documents that may be approved by the Majority Lenders for execution by it.

38.2 Instructions to Facility Agent

- (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 clause 38.2(a)(i) above.
- (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 Lender or group of Lenders, from that Lender or group of Lenders) 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 those instructions or that clarification.
- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders 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 (other than the Security Agent).
- (d) The Facility Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders 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 which it may incur in complying with those instructions.

- (e) In the absence of, or while awaiting, instructions from the Majority Lenders (or, if appropriate, the Lenders), the Facility Agent may act (or refrain from acting) as it considers to be in the best interest of the Finance Parties.
- (f) The Facility Agent is not authorised to act on behalf of a Lender or any Hedging Provider (without first obtaining that Lender's or any Hedging Provider's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) 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 Security Documents.
- (g) Neither the Facility Agent nor the Co-ordinating Bank shall be obliged to request any certificate, opinion or other information under clause 20 (*Information undertakings*) unless so required in writing by a Lender or any Hedging Bank, in which case the Facility Agent shall promptly make the appropriate request of the Borrower if such request would be in accordance with the terms of this Agreement.

38.3 Duties of the Facility Agent

- (a) 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.
- (b) 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.
- (c) If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (d) 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 or the Security Agent for their own account) under this Agreement it shall promptly notify the other Finance Parties.
- (e) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

38.4 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 or the transactions contemplated by the Finance Documents.

38.5 No fiduciary duties

- (a) Nothing in this Agreement or any other Finance Document constitutes the Facility Agent as a trustee or fiduciary of any other person.
- (b) None of the Facility Agent, the Security Agent or the Mandated Lead Arrangers shall be bound to account to any Lender or any Hedging Bank for any sum or the profit element of any sum received by it for its own account or have any obligations to the other Finance Parties beyond those expressly stated in the Finance Documents.

38.6 Business with the Höegh LNG Holdings Group

The Facility Agent, the Security 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 Obligor or other member of the Höegh LNG Holdings Group or the Höegh MLP Group or their

respective Affiliates as if it were not performing the duties specified herein or any other Finance Document.

38.7 Rights and discretions of the Facility Agent

- (a) The Facility Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his or her knowledge or within his or her power to verify.
- (b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as facility agent for the other Finance Parties) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under clause 32.1 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (iii) any notice or request made by the Borrower (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts in the conduct of its obligations and responsibilities under the Finance Documents, subject to clause 18 (*Costs and expenses*).
- (d) The Facility Agent may act in relation to the Finance Documents through its personnel and agents.
- (e) The Facility Agent may disclose to any other Party any information it reasonably believes it has received as facility agent under this Agreement.
- (f) Without prejudice to the generality of paragraph (e) above, the Facility Agent:
 - (i) may disclose; and
 - (ii) upon the written request of the Borrower or the Majority Lenders shall, as soon as reasonably practicable, disclose, the identity of a Defaulting Lender to the other Finance Parties and the Borrower.
- (g) Notwithstanding any other provision of any Finance Document to the contrary, the Facility 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. The Facility Agent may do anything which in its opinion, is necessary or desirable to comply with any law or regulation of any jurisdiction.

38.8 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document (including, but not limited to, clause 47.2 (*Exceptions*)), the Facility Agent shall:
 - (i) exercise any right, power, authority or discretion vested in it as Facility Agent (including giving instructions to the Security Agent) in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority

Lenders, refrain from exercising any right, power, authority or discretion vested in it as Facility Agent); and

- (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document (including, but not limited to, clause 47.2 (*Exceptions*)), any instructions given by the Majority Lenders to the Facility Agent (in relation to any right, power, authority or discretion vested in it as Facility Agent) shall be binding on all the Finance Parties (other than the Security Agent).
- (c) The Facility Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.
- (d) In the absence of, or while awaiting, instructions from the Majority Lenders (or, if appropriate, the Lenders), the Facility Agent may act (or refrain from taking action) as it considers to be in the best interest of the Finance Parties.
- (e) The Facility Agent is not authorised to act on behalf of a Lender or any Hedging Bank (without first obtaining that Lender's or that Hedging Bank's consent) in any legal or arbitration proceedings relating to any Finance Document. This clause 38.8(e) 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 Security Documents.
- (f) The Facility Agent shall not be obliged to request any certificate, opinion or other information under clause 20 (*Information undertakings*) unless so required in writing by a Lender or any Hedging Bank, in which case the Facility Agent shall promptly make the appropriate request of the Borrower if such request would be in accordance with the terms of this Agreement.

38.9 Responsibility for documentation and other matters

The Facility Agent, the Security Agent, any Mandated Lead Arranger, any Receiver or any Delegate:

- (a) is not responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, any Mandated Lead Arranger, an Obligor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or of any representations in any Finance Document or of any copy of any document delivered under any Finance Document;
- (b) is not responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any Project Agreement or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or any Project Agreement;
- (c) is not responsible for the application of any Basel 2 Regulation or Basel 3 Regulation to the transactions contemplated by the Finance Documents;
- (d) is not responsible for any loss to the Trust Property arising in consequence of the failure, depreciation or loss of any Charged Property or any investments made or retained in good faith or by reason of any other matter or thing;
- (e) is not obliged to account to any person for any sum or the profit element of any sum received by it for its own account;

- (f) is not responsible for the failure of any Obligor or any other party to perform its obligations under any Finance Document, Project Agreement or the financial condition of any such person;
- (g) is not responsible to ascertain whether all deeds and documents which should have been deposited with it (or the Security Agent) under or pursuant to any of the Security Documents have been so deposited;
- (h) is not responsible to investigate or make any enquiry into the title of any Obligor or any other party to any of the Charged Property or any of its other property or assets;
- (i) is not responsible for the failure to register any of the Security Documents with the Registrar of Companies or any other public office;
- (j) is not responsible for the failure to register any of the Security Documents in accordance with the provisions of the documents of title of any Obligor or any other party to any of the Charged Property;
- (k) is not responsible for the failure to take or require any Obligor or any other party to take any steps to render any of the Security Documents effective as regards property or assets outside England or Wales or to secure the creation of any ancillary charge under the laws of the jurisdiction concerned; or
- (l) is not (unless it is the same entity as the Security Agent) responsible on account of the failure of the Security Agent to perform or discharge any of its duties or obligations under the Security Documents.

38.10 Exclusion of liability

- (a) Without limiting clause 38.10(b) (and without prejudice to the provisions of clause 41.10 (*Disruption to Payment Systems etc.*)), the Facility Agent will not be liable for any action or omission taken or committed by it under or in connection with any Finance Document or any insurance policy, unless directly caused by its gross negligence or wilful misconduct.
- (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 Finance Document or any insurance policy and any officer, employee or agent of the Facility Agent may rely on this clause subject to clause 1.3 (*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, the Security Agent or any Mandated Lead Arranger to carry out any "Know Your Customer" or other checks in relation to any person on behalf of any Lender or any Hedging Bank and each Lender and each Hedging Bank confirms to the Facility Agent, the Security 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 the Security Agent or any Mandated Lead Arranger.

38.11 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):
 - (i) indemnify the Facility Agent, promptly on demand, against:
 - (A) any Losses for negligence or any other category of liability whatsoever incurred by such Lenders' Representative in the circumstances contemplated pursuant to clause 41.10 (*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); 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) including the costs of any person engaged in accordance with clause 38.7 (*Rights and discretions of the Facility Agent*) and any Receiver in acting as its agent under the Finance Documents (unless the Facility Agent has been reimbursed by an Obligor pursuant to a Finance Document or out of the Trust Property); and
 - (ii) reimburse the Facility Agent for any out of pocket expenses (including reasonable legal fees and expenses) incurred by it in connection with the preparation, execution, administration or enforcement of, or legal advice in respect of rights or responsibilities under, the Finance Documents, to the extent that the Facility Agent is not reimbursed for such expenses by the Borrower pursuant to and in accordance with clause 18.1 (*Transaction expenses*).
- (b) Subject to clause 38.11(c) below, the Borrower shall immediately on demand reimburse any Lender for any payment that Lender makes to the Facility Agent pursuant to paragraph (a) above.
- (c) Clause 38.11(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.
- (d) The provisions of this clause 38.11 shall survive the termination or expiry of this Agreement.

38.12 Resignation of the Facility Agent

- (a) The Facility Agent may resign and appoint one of its Affiliates as successor by giving thirty (30) days prior written notice to the Lenders, the Hedging Banks, the Security Agent, the K-sure Agent and the Borrower.
- (b) Alternatively the Facility Agent may resign by giving thirty (30) days' notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Facility Agent.
- (c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with clause 38.12(b) above within thirty (30) days after notice of resignation was given, the Facility Agent (after consultation with the Borrower) 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 clause 38.12(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 38 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) The appointment of the successor Facility Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Facility Agent. As of this date, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of clause 16.3 (*Indemnity to the Agents and the Security Agent*) and this clause 38 (and any agency fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date. Its 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) After consultation with the Borrower, the Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with clause 38.12(b). In this event, the Facility Agent shall resign in accordance with clause 38.12(b).

38.13 Replacement of the Facility Agent

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Facility Agent (or, at any time the Facility Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Facility Agent by appointing a successor Facility Agent.
- (b) The retiring Facility Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) 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 Agent under the Finance Documents.
- (c) The appointment of the successor Facility Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Facility Agent. As from this date, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under clause 38.13(a)) but shall remain entitled to the benefit of clause 16.3 (*Indemnity to the Agents and the Security Agent*) and this clause 38 (and any agency fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Facility Agent 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.
- (e) The Facility Agent shall resign in accordance with clause 38.13 (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Facility Agent) 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 14.8 (*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 14.8 (*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 Borrower 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;
- (iv) and (in each case) 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 that Lender, by notice to the Facility Agent, requires it to resign.

38.14 Confidentiality

- (a) In acting as facility agent for the Finance Parties, the Facility Agent shall be regarded as acting through its department, division or team directly responsible for the management of the Finance Documents which shall be treated as a separate entity from any other of its divisions, departments or teams.
- (b) If information is received by another division or department of the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Facility 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 a breach of a fiduciary duty.

38.15 Relationship with the Lenders and the Hedging Banks

- (a) The Facility Agent may treat each Lender and each Hedging Bank as a Lender or (as the case may be) a Hedging Bank, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five (5) Business Days prior notice from that Lender or that Hedging Bank to the contrary in accordance with the terms of this Agreement.
- (b) Each Lender and each Hedging Bank shall supply the Facility Agent with any information that the Facility Agent may reasonably specify as being necessary or desirable to enable the Facility Agent or the Security Agent to perform its functions as Facility Agent or Security Agent. Each Lender and each Hedging Bank shall deal with the Security Agent exclusively through the Facility Agent and shall not deal directly with the Security Agent.

38.16 Credit appraisal by the Lenders and the Hedging Banks

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender and each Hedging Bank confirms to each other Finance Party 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 Finance Document including but not limited to:

- (a) the financial condition, status and nature of each Obligor and the Höegh MLP Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (c) the application of any Basel 2 Regulation or Basel 3 Regulation to the transactions contemplated by the Finance Documents;

- (d) whether any 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 Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (e) the adequacy, accuracy and/or completeness of any 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 the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and
- (f) the right of title of any person to, or the value or sufficiency of, any part of the Charged Property, the priority of the Security Documents or the existence of any Security Interest affecting the Charged Property.

38.17 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.

38.18 Reliance and engagement letters

Each Finance Party confirms that each of the Security Agent, the Facility Agent and any Mandated Lead Arranger 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 or the Facility Agent or a Mandated Lead Arranger) the terms of any reliance letter or engagement letters relating to any reports, opinions or letters provided by accountants or other professional advisers in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports, opinions 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.

38.19 Common parties

Although the Facility Agent and the Security Agent may from time to time be the same entity, that entity will have entered into the Finance Documents (to which it is party) in its separate capacities as facility agent for the Finance Parties and (as appropriate) security agent and trustee for the Finance Parties. Where any Finance Document provides for the Facility Agent or Security Agent to communicate with or provide instructions to the other, while they are the same entity, such communication or instructions will not be necessary.

38.20 Security Agent

- (a) Each other Finance Party appoints the Security Agent to act as its agent and (to the extent permitted under any applicable law) trustee under and in connection with the Security Documents and confirms that the Security Agent shall have a lien on the Security Documents and the proceeds of the enforcement of those Security Documents for all moneys payable to the beneficiaries of those Security Documents.
- (b) Each other Finance Party authorises the Security Agent:
 - (i) 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; and

- (ii) to execute each of the Security Documents and all other documents that may be approved by the Facility Agent and/or the Majority Lenders for execution by it.
- (c) The Security Agent accepts its appointment under clause 38.20 (*Security Agent*) as trustee of the Trust Property with effect from the date of this Agreement and declares that it holds the Trust Property on trust for itself, the other Finance Parties (for so long as they are Finance Parties) and such other persons entitled under the Intercreditor Deed on and subject to the terms set out in clauses 38.20 to 38.28 (inclusive), the Intercreditor Deed and the Security Documents to which it is a party.

38.21 Application of certain clauses to Security Agent

- (a) Clauses 38.7 (*Rights and discretions of the Facility Agent*), 38.9 (*Responsibility for documentation and other matters*), 38.10 (*Exclusion of liability*), 38.11 (*Lenders' indemnity to the Facility Agent*), 38.12 (*Resignation of the Facility Agent*), 38.13 (*Replacement of the Facility Agent*), 38.14 (*Confidentiality*), 38.15 (*Relationship with the Lenders and the Hedging Banks*), 38.16 (*Credit appraisal by the Lenders and the Hedging Banks*) and 38.17 (*Deduction from amounts payable by the Facility Agent*) shall each extend so as to apply to the Security Agent in its capacity as such and for that purpose each reference to the Facility Agent in these clauses shall extend to include in addition a reference to the Security Agent in its capacity as such.
- (b) In addition, clause 38.12 (*Resignation of the Facility Agent*) shall, for the purposes of its application to the Security Agent pursuant to clause 38.21(a), have the following additional sub-clause:

At any time after the appointment of a successor, the retiring Security Agent shall do and execute all acts, deeds and documents reasonably required by its successor to transfer to it (or its nominee, as it may direct) any property, assets and rights previously vested in the retiring Security Agent pursuant to the Security Documents and which shall not have vested in its successor by operation of law. All such acts, deeds and documents shall be done or, as the case may be, executed at the cost of the retiring Security Agent (except where the Security Agent is retiring under clause 38.12(h) as extended to it by clause 38.21(a), in which case such costs shall be borne by the Lenders (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)).

38.22 Instructions to Security Agent

- (a) Unless a contrary indication appears in a Finance Document, the Security Agent shall:
 - (i) exercise any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by the Facility Agent (or, if so instructed by the Facility Agent, refrain from exercising any right, power, authority or discretion vested in it as Security Agent); and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with such an instruction of the Facility Agent (the Facility Agent in each case acting on the instructions of the Majority Lenders or, if appropriate pursuant to clause 47.2 (*Exceptions*), the Lenders).
- (b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Facility Agent 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 those instructions or that clarification.
- (c) Unless a contrary indication appears in a Finance Document, any instructions given by the Facility Agent to the Security Agent in accordance with clause 38.22(a) shall override any conflicting instructions given by any other Parties and will be binding on the Finance Parties.

- (d) The Security Agent may refrain from acting in accordance with the instructions of the Facility Agent until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.
- (e) In the absence of, or while awaiting, instructions from the Facility Agent, (including in exceptional circumstances where time does not permit the Facility Agent obtaining instructions from the Lenders and urgent action is required) the Security Agent may act (or refrain from taking action) as it considers to be in the best interest of the Finance Parties.
- (f) The Security Agent is not authorised to act on behalf of another Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document but this is without prejudice to clauses 38.22(a) and 38.22(e), including the right to enforce the Security Documents in accordance with these clauses.

38.23 Order of application

- (a) Except as otherwise provided in this Agreement and subject to the terms of the Intercreditor Agreement, the Security Agent agrees to apply the Trust Property in accordance with the following respective claims:
 - (i) **first**, as to a sum equivalent to the amounts payable to K-sure under clause 16.4, the Facility Agent and/or the K-sure Agent and/or the Security Agent under the Finance Documents (excluding any amounts received by the Facility Agent and/or the Security Agent pursuant to clause 38.11 (*Lenders' indemnity to the Facility Agent*) as extended to the Security Agent pursuant to clause 38.21 (*Application of certain clauses to Security Agent*) or by the K-sure Agent pursuant to clause 38.22(f)), for the Facility Agent and/or the K-sure Agent and/or the Security Agent absolutely, and/or K-sure;
 - (ii) **secondly**, as to a sum equivalent to any other unpaid fees, costs (including, without limitation, Break Costs) and expenses of the Facility Agent, the Security Agent, the Account Bank, the Mandated Lead Arrangers and any Receiver under the Finance Documents;
 - (iii) **thirdly**, in or towards payment, on a *pari passu* basis, to (i) the Lenders *pro rata* of any accrued interest, fee or commission due but unpaid under the Finance Documents and (ii) the Hedging Banks *pro rata* of any sums (other than swap termination / close-out payments sums under the Hedging Contracts) owing to them under any of the Finance Documents;
 - (iv) **fourthly**, in or towards payment, on a *pari passu* basis, to:
 - (A) the Lenders *pro rata* of any principal which is due (or overdue) but unpaid under the Finance Documents; and
 - (B) the Hedging Banks *pro rata* of any termination sums / close-out payments owing to them under the Hedging Contracts;
 - (v) **fifthly**, only when an Event of Default is continuing, until such time as the Security Agent is satisfied that all obligations owed to the Finance Parties have been irrevocably and unconditionally discharged in full or no Event of Default is continuing, held by the Security Agent on a suspense account for payment of any further amounts owing to the Finance Parties under the Finance Documents and further application in accordance with this clause 38.23(a) as and when any such amounts later fall due, to the extent there remains a risk of an insolvency (as described in clause 32.9 (*Insolvency*)) and/or insolvency proceedings (as described in clause 32.10 (*Insolvency proceedings*)) affecting the Borrower;

- (vi) **sixthly**, to such other persons (if any) as are entitled thereto in accordance with the Intercreditor Agreement;
 - (vii) **seventhly**, to such other persons (if any) as are legally entitled thereto in priority to the Obligors; and
 - (viii) **eighthly**, as to the balance (if any), for the Obligors by or from whom or from whose assets the relevant amounts were paid, received or recovered or other person entitled to them.
- (b) The Security Agent shall make each application as soon as is practicable after the relevant moneys are received by, or otherwise become available to, it save that (without prejudice to any other provision contained in any of the Security Documents) the Security Agent (acting on the instructions of the Facility Agent) or any receiver or administrator may, when an Event of Default is continuing, credit any moneys received by it to a suspense account for so long and in such manner as the Security Agent or such receiver or administrator may from time to time determine with a view to preserving the rights of the Finance Parties or any of them to prove for the whole of their respective claims against the Borrower or any other person liable provided that: (1) when such amounts taken together with other amounts that are held on similar suspense or nominal accounts in accordance with the Finance Documents are sufficient to discharge the Borrower's obligations under the Finance Documents they must be so applied; and (ii) such amount shall be treated as having been paid when due for all purposes under the Finance Documents, including the determination of interest accruing on amounts, whether at the default rate or otherwise.
- (c) The Security Agent shall obtain a good discharge in respect of the amounts expressed to be due to the other Finance Parties as referred to in this clause 38.23 by paying such amounts to the Facility Agent for distribution in accordance with clause 41 (*Payment mechanics*).

38.24 Perpetuities

The perpetuity period to the extent applicable to this Agreement and the other Finance Documents shall be 125 years from the date of this Agreement.

38.25 Powers and duties of the Security Agent as trustee of the security

In its capacity as trustee in relation to the Security Documents, the Security Agent:

- (a) shall, without prejudice to any of the powers, discretions and immunities conferred upon trustees by law (and to the extent not inconsistent with the provisions of this Agreement or any of the Security Documents), have all the same powers and discretions as a natural person acting as the beneficial owner of such property and/or as are conferred upon the Security Agent by this Agreement and/or any Security Document but so that the Security Agent may only exercise such powers and discretions to the extent that it is authorised to do so by the provisions of this Agreement;
- (b) shall (subject to clause 38.23 (*Order of application*)) be entitled (in its own name or in the names of nominees) to invest moneys from time to time forming part of the Trust Property or otherwise held by it as a consequence of any enforcement of the security constituted by any Finance Document which, in the reasonable opinion of the Security Agent, it would not be practicable to distribute immediately, by placing the same on deposit in the name or under the control of the Security Agent as the Security Agent may think fit without being under any duty to diversify the same and the Security Agent shall not be responsible for any loss due to interest rate or exchange rate fluctuations except for any loss arising from the Security Agent's gross negligence or wilful misconduct;
- (c) may, subject to the consent of the Borrower unless an Event of Default is continuing, in the conduct of its obligations under and in respect of the Security Documents (otherwise than in relation to its right to make any declaration, determination or decision), instead of acting

personally, employ and pay any agent (whether being a lawyer or any other person) to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Agent (including the receipt and payment of money) and on the basis that (i) any such agent engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner or employee of his or her in connection with such employment and (ii) the Security Agent shall not be bound to supervise, or be responsible for any loss incurred by reason of any act or omission of, any such agent if the Security Agent shall have exercised reasonable care in the selection of such agent; and

- (d) may place all deeds and other documents relating to the Trust Property which are from time to time deposited with it pursuant to the Security Documents in any safe deposit, safe or receptacle selected by the Security Agent exercising reasonable care or with any firm of solicitors or company whose business includes undertaking the safe custody of documents selected by the Security Agent exercising reasonable care and may make any such arrangements as it thinks fit for allowing Obligors access to, or its solicitors or auditors possession of, such documents when necessary or convenient and the Security Agent shall not be responsible for any loss incurred in connection with any such deposit, access or possession if it has exercised reasonable care in the selection of a safe deposit, safe, receptacle or firm of solicitors or company (save that it shall take reasonable steps to pursue any person who may be liable to it in connection with such loss).

38.26 All enforcement action through the Security Agent

None of the other Finance Parties shall have any independent power to enforce any of the Security Documents or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to any of the Security Documents or otherwise have direct recourse to the security and/or guarantees constituted by any of the Security Documents except through the Security Agent. If any Lender is a party to any Security Document it shall promptly upon being requested by the Facility Agent to do so grant power of attorney or other sufficient authority to the Security Agent to enable the Security Agent to exercise any rights, discretions or powers or to grant any consents or releases under such Security Document.

38.27 Co-operation to achieve agreed priorities of application

The other Finance Parties shall co-operate with each other and with the Security Agent and any receiver or administrator under the Security Documents in realising the property and assets subject to the Security Documents and in ensuring that the net proceeds realised under the Security Documents after deduction of the expenses of realisation are applied in accordance with clause 38.23 (*Order of application*).

38.28 Indemnity from Trust Property

- (a) In respect of all liabilities, costs or expenses for which the Obligors are liable under this Agreement, the Security Agent and each Affiliate of the Security Agent and each officer or employee of the Security Agent or its Affiliate (each an **Indemnified Person**) shall be entitled to be indemnified out of the Trust Property in respect of all liabilities, damages, costs, claims, charges or expenses whatsoever properly incurred or suffered by such Indemnified Person in the execution or exercise or bona fide purported execution or exercise of the trusts, rights, powers, authorities, discretions and duties created or conferred by or pursuant to the Finance Documents.
- (b) The rights conferred by this clause 38.28 are without prejudice to any right to indemnity by law given to trustees generally and to any provision of the Finance Documents entitling the Security Agent or any other person to an indemnity in respect of, and/or reimbursement of, any liabilities, costs or expenses incurred or suffered by it in connection with any of the Finance Documents or the performance of any duties under any of the Finance Documents. Nothing contained in this clause 38.28 shall entitle the Security Agent or any other person to be indemnified in respect of any liabilities, damages, costs, claims, charges or expenses

to the extent that the same arise from such person's own gross negligence or wilful misconduct.

38.29 Finance Parties to provide information

The other Finance Parties shall provide the Security Agent with such written information as it may reasonably require for the purposes of carrying out its duties and obligations under the Security Documents and, in particular, with such necessary directions in writing so as to enable the Security Agent to make the calculations and applications contemplated by clause 38.23 (*Order of application*) above and to apply amounts received under, and the proceeds of realisation of, the Security Documents as contemplated by the Security Documents, clause 41.6 (*Partial payments*) and clause 38.23 (*Order of application*).

38.30 Release to facilitate enforcement and realisation

Each Finance Party acknowledges that pursuant to any enforcement action by the Security Agent (or a Receiver) carried out on the instructions of the Facility Agent it may be desirable for the purpose of such enforcement and/or maximising the realisation of the Charged Property being enforced against, that any rights or claims of or by the Security Agent (for the benefit of the Finance Parties) and/or any Finance Parties against any Obligor and/or any Security Interest over any assets of any Obligor (in each case) as contained in or created by any Finance Document, other than such rights or claims or security being enforced, be released in order to facilitate such enforcement action and/or realisation and, notwithstanding any other provision of the Finance Documents, each Finance Party hereby irrevocably authorises the Security Agent (acting on the instructions of the Facility Agent) to grant any such releases to the extent necessary to fully effect such enforcement action and realisation including, without limitation, to the extent necessary for such purposes to execute release documents in the name of and on behalf of the Finance Parties. Where the relevant enforcement is by way of disposal of shares in the Borrower, the requisite release shall include releases of all claims (including under guarantees) of the Finance Parties and/or the Security Agent against the Borrower and of all Security Interests over the assets of the Borrower.

38.31 Undertaking to pay

The Borrower undertakes with the Security Agent on behalf of the Finance Parties that it will, on demand by the Security Agent, pay to the Security Agent all money from time to time owing, and discharge all other obligations from time to time incurred, by it under or in connection with the Finance Documents provided that any payment under this undertaking shall discharge its obligation to pay such amount to the relevant Finance Party entitled to such payment.

38.32 Additional trustees

The Security Agent shall have power by notice in writing to the other Finance Parties and the Borrower to appoint any person approved by the Borrower (such approval not to be unreasonably withheld or delayed) either to act as separate trustee or as co-trustee jointly with the Security Agent:

- (a) if the Security Agent reasonably considers such appointment to be in the best interests of the Finance Parties;
- (b) for the purpose of conforming with any legal requirement, restriction or condition in any jurisdiction in which any particular act is to be performed; or
- (c) for the purpose of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction against any person of a judgment already obtained,

and any person so appointed shall (subject to the provisions of this Agreement) have such rights (including as to reasonable remuneration), powers, duties and obligations as shall be conferred or imposed by the instrument of appointment approved by the Borrower. The Security Agent shall have power to remove any person so appointed. At the request of the

Security Agent, the other parties to this Agreement shall forthwith execute all such documents and do all such things as may be required to perfect such appointment or removal and each Finance Party irrevocably authorises the Security Agent in its name and on its behalf to do the same. Such a person shall accede to this Agreement as a Security Agent to the extent necessary to carry out their role on terms satisfactory to the Security Agent and (subject always to the provisions of this Agreement) have such trusts, powers, authorities, liabilities and discretions (not exceeding those conferred on the Security Agent by this Agreement and the other Finance Documents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment (being no less onerous than would have applied to the Security Agent but for the appointment). The Security Agent shall not be bound to supervise, or be responsible for any loss incurred by reason of any act or omission of, any such person if the Security Agent shall have exercised reasonable care in the selection of such person.

38.33 Non-recognition of trust

It is agreed by all the parties to this Agreement that:

- (a) in relation to any jurisdiction the courts of which would not recognise or give effect to the trusts expressed to be constituted by this clause 38, the relationship of the Security Agent and the other Finance Parties shall be construed as one of principal and agent, but to the extent permissible under the laws of such jurisdiction, all the other provisions of this Agreement shall have full force and effect between the parties to this Agreement; and
- (b) the provisions of this clause 38 insofar as they relate to the Security Agent in its capacity as trustee for the Finance Parties and the relationship between themselves and the Security Agent as their trustee may be amended by agreement between the other Finance Parties and the Security Agent.

38.34 K-sure Agent

- (a) Each K-sure Lender hereby appoints and authorises the K-sure Agent to act as its agent in connection herewith and for all purposes under the K-sure Policy, with power to take all such actions as are specified for the K-sure Agent to take on behalf of the K-sure Lenders insured under the K-sure Policy, together with such other powers as are specifically delegated to the K-sure Agent by the terms of the K-sure Policy or are reasonably incidental thereto, and each K-sure Lender hereby authorises and instructs the K-sure Agent to execute and deliver, if required, on its behalf the K-sure Policy and agrees severally to be bound by the terms and conditions of the K-sure Policy as if it had executed and delivered such agreement for and in its own name.
- (b) Each K-sure Lender represents and warrants to the K-sure Agent that (i) it has reviewed the K-sure Policy and is aware of the provisions thereof, (ii) the representations and warranties made by the K-sure Agent on behalf of each K-sure Lender under the K-sure Policy are true and correct with respect to such Lender in all respects, and (iii) no information provided by such K-sure Lender in writing to the K-sure Agent or to K-sure prior to the date hereof was incomplete, untrue or incorrect in any respect except to the extent that such Lender, in the exercise of reasonable care and due diligence prior to the giving of the information, could not have discovered the error or omission. Each K-sure Lender represents and warrants that it has not taken (or failed to take), and agrees that it shall not take (or fail to take), any action that would result in the K-sure Agent being in breach of any of its obligations in its capacity as K-sure Agent under the K-sure Policy or the other Transaction Documents, or result in the K-sure Lenders being in breach of any of their respective obligations as insured parties, under the K-sure Policy, or which would otherwise prejudice the K-sure Agent's ability to make a claim on behalf of the K-sure Lenders under the K-sure Policy.
- (c) The K-sure Agent agrees to furnish promptly to each K-sure Lender, a copy of each written communication received by it from, or sent by it to, K-sure expressly relating to the K-sure Policy. The K-sure Agent agrees not to take any action under the K-sure Policy without the

consent of the Lenders (which consent shall not be unreasonably withheld), unless the K-sure Agent has reasonably determined that such action would not be material to the coverage provided to the K-sure Lender thereunder.

- (d) Each Lender acknowledges and agrees that it shall have no entitlement to make any claim or to take any action whatsoever under or in connection with the K-sure Policy except through the K-sure Agent and that all of the rights of the K-sure Lenders under the K-sure Policy shall only be exercised by the K-sure Agent.
- (e) The K-sure Agent agrees to take such actions under the K-sure Policy (including with respect to any amendment, modification or supplement to the K-sure Policy) as may be directed by the Lenders from time to time; provided that, anything herein or in the K-sure Policy to the contrary notwithstanding, the K-sure Agent shall not be obliged to take any such action or to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder or thereunder if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it or if such action would be contrary to applicable law.
- (f) Each K-sure Lender severally agrees to indemnify the K-sure Agent and its affiliates, and its and their respective officers, directors, employees and agents for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever that may be imposed on, incurred by, or asserted against the K-sure Agent or any of its affiliates or its or their respective officers, directors, employees or agents arising out of or by reason of any action taken by the K-sure Agent or any of its affiliates or its or their respective officers, directors, employees or agents or as a result of any misrepresentations and/or other breaches under paragraph (b) above, provided that no K-sure Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or wilful misconduct of the K-sure Agent. Each Lender expressly confirms and agrees that the K-sure Agent shall not be liable for any loss caused as a result of the breach by any Lender of its obligations under paragraph (b) above. The provisions of paragraphs (a) and (b) above, pertaining to the procedures to be followed in connection with the appointment of successor Facility Agent and Security Agent shall constitute, mutatis mutandis, the procedures to be followed in connection with the appointment of a successor K-sure Agent.
- (g) Each K-sure Lender severally agrees to reimburse the K-sure Agent in respect of the K-sure Premium (or any part thereof) if such premium (or any part thereof) is paid by the K-sure Agent and the K-sure Agent is not fully reimbursed in accordance with the terms of this Agreement.
- (h) If the K-sure Agent receives any K-sure Insurance Proceeds, the K-sure Agent shall pay the amount actually received by it to the Facility Agent for application in accordance with the provisions of clauses 38.23 (*Order of application*). The K-sure Insurance Proceeds are for the benefit of the Finance Parties and not for the benefit of the Borrowers. K-sure Insurance Proceeds received by the K-sure Agent or applied by the Facility Agent pursuant to this Agreement shall not be deemed to satisfy the obligations of the Borrower under any Security Document which obligations shall remain due and payable notwithstanding the receipt or application of those K-sure Insurance Proceeds.

38.35 Application of certain clauses to K-sure Agent

Clauses 38.12 (*Resignation of the Facility Agent*), 38.13 (*Replacement of the Facility Agent*), 38.14 (*Confidentiality*) shall each extend so as to apply to the K-Sure Agent in its capacity as such and for that purpose each reference to the Facility Agent in these clauses shall extend to include in addition a reference to the K-sure Agent in its capacity as such.

39 Conduct of business by the Finance Parties

39.1 Finance Parties tax affairs

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.

39.2 Finance Parties acting together

Notwithstanding clause 2.2 (*Finance Parties' rights and obligations*), if the Facility Agent makes a declaration under clause 32.30 (*Acceleration*) the Facility Agent shall, in the names of all the Finance Parties, take such action on behalf of the Finance Parties and conduct such negotiations with the Borrower and other Obligor and generally administer the Facility in accordance with the wishes of the Majority Lenders. All the Finance Parties shall be bound by the provisions of this clause and no Finance Party shall be entitled to take action independently against any Obligor or any of their respective assets without the prior consent of the Majority Lenders.

This clause shall not override clause 38 (*Roles of Facility Agent, Security Agent, Mandated Lead Arrangers and K-sure Agent*) as it applies to the Security Agent.

39.3 Majority Lenders

- (a) Where any Finance Document provides for any matter to be determined by reference to the opinion of, or to be subject to the consent, approval or request of, the Majority Lenders or for any action to be taken on the instructions of the Majority Lenders (a **majority decision**), such majority decision shall (as between the Lenders) only be regarded as having been validly given or issued by the Majority Lenders if all the Lenders shall have received prior notice of the matter on which such majority decision is required and the relevant majority of Lenders shall have given or issued such majority decision subject to paragraph (b) below. However (as between any Obligor and the Finance Parties) the relevant Obligor shall be entitled (and bound) to assume that such notice shall have been duly received by each Lender and that the relevant majority shall have been obtained to constitute Majority Lenders when notified to this effect by the Facility Agent whether or not this is the case.
- (b) If, within the relevant decision period provided for under the relevant provision of the Finance Documents (or if there is no such period, fifteen (15) Business Days after the Facility Agent despatching to each Lender a notice requesting instructions (or confirmation of instructions) from the Lenders or the agreement of the Lenders to any amendment, modification, waiver, variation or excuse of performance for the purposes of, or in relation to, any of the Finance Documents), the Facility Agent has not received a reply specifically giving or confirming or refusing to give or confirm the relevant instructions or, as the case may be, approving or refusing to approve the proposed amendment, modification, waiver, variation or excuse of performance, then (irrespective of whether such Lender responds at a later date) the Facility Agent shall treat any Lender which has not so responded as having indicated a desire to be bound by the wishes of $66\frac{2}{3}$ per cent of those Lenders (measured in terms of the total Commitments of those Lenders) which have so responded and their Commitment shall be disregarded for the purposes of determining whether a relevant percentage of the Total Commitments has been obtained.
- (c) For the purposes of clause 39.3(b), any Lender which notifies the Facility Agent of a wish or intention to abstain on any particular issue shall be treated as if it had not responded.

- (d) Clauses 39.3(b) and 39.3(c) shall not apply in relation to those matters referred to in, or the subject of, clause 47.2 (*Exceptions*).

39.4 Conflicts

- (a) The Borrower acknowledges that any Mandated Lead Arranger and its parent undertaking, subsidiary undertakings and fellow subsidiary undertakings (together an **Arranger Group**) may be providing debt finance, equity capital or other services (including financial advisory services) to other persons with which the Borrower may have conflicting interests in respect of the Facility or otherwise.
- (b) No member of an Arranger Group shall use confidential information gained from any Obligor by virtue of the Facility or its relationships with any Obligor in connection with their performance of services for other persons. This shall not, however, affect any obligations that any member of an Arranger Group has as Facility Agent in respect of the Finance Documents. The Borrower also acknowledges that no member of an Arranger Group has any obligation to use or furnish to any Obligor information obtained from other persons for their benefit.
- (c) The terms **parent undertaking**, **subsidiary undertaking** and **fellow subsidiary undertaking** when used in this clause have the meaning given to them in sections 1161 and 1162 of the Companies Act 2006.

40 Sharing among the Finance Parties

40.1 Payments to Finance Parties

If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with clause 41 (*Payment mechanics*) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three (3) 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 41 (*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, promptly on 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 41.6 (*Partial payments*).

40.2 Redistribution of payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with clause 41.6 (*Partial payments*).

40.3 Recovering Finance Party's rights

- (a) On a distribution by the Facility Agent under clause 40.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under clause 40.3(a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

40.4 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 Finance Party which has received a share of the relevant Sharing Payment pursuant to clause 40.2 (*Redistribution of payments*) shall, upon request of the Facility Agent, pay to the Facility Agent for 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); and
- (b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Lender for the amount so reimbursed.

40.5 Exceptions

- (a) This clause 40 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 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 in accordance with the terms of this Agreement, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings;
 - (ii) the taking legal or arbitration proceedings was in accordance with the terms of this Agreement; and
 - (iii) 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.

40.6 Application of proceeds under K-sure Policy

The foregoing provisions of this clause 40 shall not apply to any proceeds under the K-sure Policy and instead:

- (a) if any Finance Party receives any proceeds under the K-sure Policy, it shall pay such moneys to the Facility Agent;
- (b) notwithstanding the provisions of clause 41.6 (*Partial payments*), any such moneys shall be applied by the Facility Agent only in favour of the K-sure Lenders, and, for the avoidance of doubt, no such proceeds shall be available in any circumstances to the Obligors;
- (c) no such proceeds (whether before or after application in accordance with the provisions of clause 40.6(b) above) shall be deemed to satisfy the obligations of the Obligors, shall be ignored in calculating the amount owing to the Finance Parties and any of them in respect of the K-sure Policy and, for the avoidance of doubt, the obligations of each Obligor under each Finance Document to which it is a party shall remain in full force and effect unaffected by the receipt of any such insurance proceeds; and

- (d) any unpaid K-sure Premium shall constitute amounts then due and payable in respect of the K-sure Facility under the Finance Documents (and any of them) for the purposes of the amounts then due and payable in respect of clause 18.1 (*Transaction expenses*).

Section 10 - Administration

41 Payment mechanics

41.1 Payments to the Facility Agent

- (a) On each date on which the Borrower or a Lender is required to make a payment under a Finance Document, the Borrower or Lender shall make the same 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 with such bank as the Facility Agent specifies.

41.2 Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to clause 41.3 (*Distributions to an Obligor*) and clause 41.4 (*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.

41.3 Distributions to an Obligor

The Facility Agent may (with the consent of the Obligor or in accordance with clause 42 (*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.

41.4 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) 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 Borrower 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 Borrower:
 - (i) the Facility Agent may notify the Borrower of that Lender's identity and the Borrower shall on demand refund it to the Facility Agent; and
 - (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower, 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.

41.5 Impaired Agent

- (a) If, at any time, the Facility Agent becomes an Impaired Agent, the Borrower or a Lender which is required to make a payment under the Finance Documents to the Facility Agent in accordance with clauses 41.1 (*Payments to the Facility Agent*) may instead either:
 - (i) pay that amount direct to the required recipient(s); or
 - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay the relevant part of that amount to an interest-bearing account held with an Approved Transferee and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Borrower or the Lender making the payment (the **Paying Party**) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the **Recipient Party** or **Recipient Parties**).

In each case such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with paragraphs (a) and (b) above shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Facility Agent in accordance with this Agreement, each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facility Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with clause 41.2 (*Distributions by the Facility Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
 - (i) that it has not given an instruction pursuant to paragraph (d) above; and
 - (ii) that it has been provided with the necessary information by that Recipient Party,give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

41.6 Partial payments

- (a) If the Facility Agent receives a payment for application against amounts due under the Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Facility Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs (including Break Costs) and expenses (ignoring any fees payable under clause 13 (*Fees*)) of the Agents, the Security Agent or the Mandated Lead Arrangers under those Finance Documents;
 - (ii) **secondly**, in or towards payment to the Lenders *pro rata* of any amount owing to the Lenders under clause 38.11 (*Lenders' indemnity to the Facility Agent*) including any

amount resulting from the indemnity to the Security Agent under clause 38.21(a) (*Application of certain clauses to Security Agent*);

- (iii) **thirdly**, in or towards payment, on a *pari passu* basis, to (i) the Lenders *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents and (ii) the Hedging Banks *pro rata* of any sums owing to them under any of those Finance Documents (other than any swap termination sums / close-out payments owing to them under the Hedging Contracts);
 - (iv) **fourthly**, in or towards payment, on a *pari passu* basis, to:
 - (A) the Lenders *pro rata* of any principal which is due but unpaid under those Finance Documents; and
 - (B) the Hedging Banks *pro rata* of any termination sums owing to them under the Hedging Contracts; and
 - (v) **fifthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Facility Agent shall, if so directed by all the Lenders and the Hedging Banks, vary the order set out in paragraphs (a)(i) to (a)(v) of clause 41.6(a).
 - (c) Clauses 41.6(a) and 41.6(b) above will override any appropriation made by an Obligor.

41.7 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.

41.8 Business Days

- (a) Any payment 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 Unpaid Sum under this Agreement, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

41.9 Currency of account

- (a) Subject to clauses 41.9(b) to 41.9(c), dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of all or part of any Loan or an Unpaid Sum and each payment of interest shall be made in dollars on its due date.
- (c) Each payment in respect of the amount of any costs, expenses or Tax or other losses shall be made in dollars and, if they were incurred in a currency other than dollars, the amount payable under the Finance Documents shall be the equivalent in dollars of the relevant amount in such other currency on the date on which it was incurred.
- (d) All moneys received or held by the Security Agent or by a Receiver under a Security Document in a currency other than dollars may be sold for dollars and the Obligor which executed that Security Document shall indemnify the Security Agent against the full cost in relation to the sale. Neither the Security Agent nor such Receiver will have any liability to that Obligor in respect of any loss resulting from any fluctuation in exchange rates after the sale.

41.10 Disruption to Payment Systems etc.

If the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Facility Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower 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 Borrower 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 Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 47 (*Amendments and grant of waivers*);
- (e) the Facility Agent shall not be liable for any damages, costs or losses 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 41.10; and
- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to clause 41.10(d) above.

42 Set-off

A Finance Party may set off any matured obligation due from an Obligor under any Finance Document 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.

43 Notices

43.1 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, email or letter.

43.2 Addresses

The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Obligor or any Finance Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of any Obligor which is a Party, that identified with its name in Schedule 1 (*The original parties*);

- (b) in the case of any Obligor which is not a Party, that identified in any Finance Document to which it is a party;
- (c) in the case of any Original Lender, the Security Agent, the Facility Agent, the K-sure Agent and any other original Finance Party that identified with its name in Schedule 1 (*The original parties*); and
- (d) in the case of each other Lender or Finance Party, that notified in writing to the Facility Agent on or prior to the date on which it becomes a Party in the relevant capacity,

or, in each case, any substitute address, email address, fax number, or department or officer as an Obligor or Finance 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 (5) Business Days' notice.

43.3 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 or, in the case of a Party other than an Account Bank, email, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five (5) 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 43.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Facility Agent, the Account Banks or the Security Agent will be effective only when actually received by the Facility Agent, the Account Banks or the Security Agent and then only if it is expressly marked for the attention of the department or officer identified in Schedule 1 (*The original parties*) (or any substitute department or officer as the Facility Agent or the Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor to or from a Finance Party shall be sent through the Facility Agent.
- (d) Any communication or document made or delivered to the Borrower in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.
- (e) Any electronic communication which becomes effective, in accordance with paragraph (a) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

43.4 Notification of address, email address and fax number

Promptly upon receipt (from an Obligor) of notification of an address, email address and fax number or change of address, email address or fax number pursuant to clause 43.2 (*Addresses*) or changing its own address, email address or fax number, the Facility Agent shall notify the other Parties.

43.5 Communication when Agent is Impaired Agent

If the Facility Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Facility Agent, communicate with each other directly and (while the Facility Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facility Agent shall be varied so

that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed

43.6 English language

- (a) Any notice given under or in connection with any Finance Document shall be in English.
- (b) All other documents provided under or in connection with any Finance Document shall be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Facility Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

44 Calculations and certificates

44.1 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.

44.2 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.

44.3 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 Interbank Market differs, in accordance with that market practice.

45 Partial invalidity

If, at any time, any provision of the Finance Documents 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 nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

46 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

47 Amendments and grant of waivers

47.1 Required consents

- (a) Subject to clause 47.2 (*Exceptions*), any term of the Finance Documents may be amended or waived with the consent of the Facility Agent (acting on the instructions of the Majority Lenders and, if it affects the rights and obligations of the Security Agent or either Agent, the consent of the Facility Agent or the Security Agent and, if it affects the rights and

obligations of the Hedging Banks, the consent of the Hedging Banks) and any such amendment or waiver agreed, given or effected by the Facility Agent will be binding on the other Parties.

- (b) The Facility Agent may (or, in the case of the Security Documents, instruct the Security Agent to) effect, on behalf of any Finance Party, any amendment, waiver, discharge or release permitted by this clause.
- (c) Without prejudice to the generality of clause 38.7 (*Rights and discretions of the Facility Agent*), 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, discharge, release or consent under this Agreement.

47.2 Exceptions

- (a) An amendment, waiver, discharge or release or a consent of, or in relation to, the terms of any Finance Document that has the effect of changing or which relates to:
 - (i) the definition of “Majority Lenders” in clause 1.1 (*Definitions*);
 - (ii) the definition of “Last Availability Date” in clause 1.1 (*Definitions*);
 - (iii) the definition of “Final Maturity Date” in clause 1.1 (*Definitions*);
 - (iv) an extension to the date of payment of any amount under the Finance Documents ;
 - (v) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable or the rate at which they are calculated;
 - (vi) an increase in, or an extension of, any Commitment or the Total Commitments, an extension of any period within which the Facility is available for Utilisation or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
 - (vii) a change to the Borrower or any other Obligor (other than Supervisor and the appointment of a replacement O&M Contractor which is an Approved Operator pursuant to clause 24.4 (*Operation and Maintenance*)) or the Charterer;
 - (viii) any provision which expressly requires the consent or approval of all the Lenders;
 - (ix) clauses 20.1 (*Financial statements*), 20.2 (*Provisions and contents of Compliance Certificate*) or 20.3 (*Requirements as to financial statements*) or clause 21 (*Financial covenants*);
 - (x) clause 2.2 (*Finance Parties' rights and obligations*), clause 34 (*Changes to the Lenders*), clause 40.1 (*Payments to Finance Parties*) or this clause 47;
 - (xi) the order of distribution under clauses 38.23 (*Order of application*) or 41.6 (*Partial payments*);
 - (xii) the currency in which any amount is payable under any Finance Document;
 - (xiii) the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Security Documents are distributed; or
 - (xiv) the circumstances in which the security constituted by the Security Documents are permitted or required to be released under any of the Finance Documents,

shall not be made without the prior consent of the Lenders and K-sure.

- (b) Amendments to or waivers in respect of the Hedging Contracts may only be agreed by the Hedging Banks.
- (c) An amendment or waiver which relates to the rights or obligations of the Facility Agent, the Security Agent, the Hedging Banks or the Mandated Lead Arrangers in their respective capacities as such (and not just as a Lender) may not be effected without the consent of the Agents, Security Agent, the Hedging Banks and the Mandated Lead Arrangers (as the case may be).
- (d) Notwithstanding clauses 47.1 and 47.2(a) to 47.2(c) (inclusive), the Facility Agent may with the consent of the Borrower make technical amendments to the Finance Documents arising out of manifest errors on the face of the Finance Documents, where such amendments would not prejudice or otherwise be adverse to the interests of any Finance Party without any reference or consent of the Finance Parties.
- (e) Notwithstanding the provisions of this clause 47.2, any waiver of an Event of Default and enforcement of remedies related thereto shall require the consent of K-sure.
- (f) The K-sure Agent shall provide a copy of any amendment or waiver to K-sure within ten (10) days of such amendment or waiver becoming effective.

47.3 Replacement of Screen Rate

- (a) If a Screen Rate Replacement Event has occurred, any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Benchmark in place of (or in addition to) the Screen Rate; and
 - (ii) any or all of the following:
 - (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 Borrower. The Lenders and the Borrower shall have regard to, and to the extent practicable, use all reasonable endeavours to align such amendments or waivers with, the amendments and waivers applicable to, or to be applied under, the Hedging Contracts.

- (b) If, as at 1 January 2023, this Agreement provides that the rate of interest for the Loan is to be determined by reference to the Screen Rate:
- (i) a Screen Rate Replacement Event shall be deemed to have occurred on that date in relation to the Screen Rate; and
 - (ii) the Facility Agent (acting on the instructions of the of the Majority Lenders) and the Obligors shall enter into negotiations in good faith with a view to agreeing the use of a Replacement Benchmark in place of the Screen Rate from and including a date no later than 31 March 2023.
- (c) If any Lender fails to respond to a request for an amendment or waiver described in, or for any other vote of Lenders in relation to, paragraphs (a) or (b) above within ten (10) Business Days (or such longer time period in relation to any request which the Borrower and the Facility Agent may agree) of that request being made:
- (i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the Facility when ascertaining whether any relevant percentage of Total Commitments 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.
- (d) In this clause 47.3:

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.

Replacement Benchmark means a benchmark rate which is:

- (i) formally designated, nominated or recommended as the replacement for the Screen Rate by:
 - (A) the administrator of the Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by the Screen Rate); or
 - (B) 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 this definition;
- (ii) in the opinion of the Majority Lenders and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to that Screen Rate; or
- (iii) in the opinion of the Majority Lenders and the Borrower, an appropriate successor to the Screen Rate,

provided that, in determining a Replacement Benchmark, the Majority Lenders and the Borrower shall have regard to and, to the extent practicable, use all reasonable endeavours to align the selection with, the replacement benchmark determined or to be determined under the Hedging Contracts.

Screen Rate Replacement Event means, in relation to the Screen Rate:

- (i) the methodology, formula or other means of determining the Screen Rate has, in the opinion of the Majority Lenders and the Borrower materially changed;
- (ii) any of the following applies:
 - (A) either:
 - (1) the administrator of the Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (2) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the Screen Rate is insolvent,provided that, in each case, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (B) the administrator of the Screen Rate publicly announces that it has ceased or will cease, to provide the Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Screen Rate;
 - (C) the supervisor of the administrator of the Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued;
 - (D) the administrator of the Screen Rate or its supervisor announces that the Screen Rate may no longer be used;
 - (E) the supervisor of the administrator of the Screen Rate makes a public announcement or publishes information:
 - (1) stating that the Screen Rate is no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such supervisor); and
 - (2) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication; or
- (iii) the administrator of the Screen Rate determines that the Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (A) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or
 - (B) the Screen Rate is calculated in accordance with any such policy or arrangement for a period of no less than twenty (20) days; or
- (iv) in the opinion of the Majority Lenders and the Borrower the Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

For the avoidance of doubt, the FCA announcement made on the 5 March 2021 shall not constitute a Screen Rate Replacement Event as at the Effective Date.

47.4 Releases

Except with the approval of the Lenders or as is expressly permitted or required by the Finance Documents, the Facility Agent shall not have authority to authorise the Security Agent to release:

- (a) any Charged Property from the security constituted by any Security Document; or
- (b) any Obligor from any of its guarantee or other obligations under any Finance Document.

48 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.

49 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party (and any other Obligor who is a party to any other Finance Document to which this clause is expressed by the terms of that other Finance Document to apply) acknowledges and accepts that any liability of any Finance Party to another Finance Party or to an Obligor under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

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

Section 11 - Governing Law and Enforcement

50 Governing law

This Agreement and any non-contractual obligations connected with it are governed by English law.

51 Enforcement

51.1 Arbitration

- (a) Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of Singapore International Arbitration Centre (**SIAC Rules**) for the time being in force which rules are deemed to be incorporated by reference to this clause.
- (b) The tribunal shall consist of a panel of three arbitrators (the **Tribunal**) appointed in accordance with the SIAC Rules.
- (c) The language of the arbitration shall be English.
- (d) The Parties undertake to keep confidential the existence of, and all awards in, any arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain - save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.
- (e) By agreeing to arbitration in accordance with this clause, the Parties do not intend to deprive any competent court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings or the enforcement of any award. Any interim or provisional relief ordered by any competent court may subsequently be vacated, continued or modified by the arbitral tribunal on the application of either Party.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
The original parties

Borrower

Name:	PT HOEGH LNG LAMPUNG
Jurisdiction of incorporation	Indonesia
Registration number (or equivalent, if any)	TDP 09.05.1.50.78984
Registered office	Jl Jenderal Sudirman Kav 1, Jakarta 10220, Indonesia
Address for service of notices	PT Hoegh LNG Lampung Jl Jenderal Sudirman Kav 1, Jakarta 10220, Indonesia Fax No: +62 21 574 2180 Tel No: +62 21 574 2181 Attention: Managing Director E-mail: irman.rumadja@hoeghlng.com With copy to: Hoegh LNG Lampung Pte Ltd 3 Anson Road, #14-04 Springleaf Tower, Singapore 079909 Fax No:+65 6438 6493 Tel No: +65 6511 1950 Attention: Parthsarathi Jindal E-mail: Parthsarathi.jindal@hoeghlng.com

Guarantor

Name of Guarantor	HÖEGH LNG PARTNERS LP
Jurisdiction of incorporation	Republic of the Marshall Islands
Registration number (or equivalent, if any)	950068
Registered Agent	The Trust Company of the Marshall Islands Inc.
Registered office of the partnership	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960
Principal place of business	Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda
Address for service of notices	c/o Höegh LNG AS Drammensveien 134, P.O. Box 4 Skoyen, NO-0212 Oslo, Norway Fax No: +47 975 57 401 Tel No: +47 975 57 400 Attention: VP Finance E-mail: finance@hoeghlng.com

Shareholders

Name of Singapore Shareholder	HOEGH LNG LAMPUNG PTE LTD
Jurisdiction of incorporation	Singapore
Registration number (or equivalent, if any)	201230099W
Registered office	163 Tras Street #03-01 Lian Huat Building, Singapore 079024
Address for service of notices	3 Anson Road, #14-04 Springleaf Tower, Singapore 079909 Fax No: +65 6438 6493 Tel No: +65 6511 1950 Parthsarthy.jindal@hoeghlng.com E-mail: Parthsarthy.jindal@hoeghlng.com / yin-ying.guay@hoeghlng.com

Name of Indonesian Shareholder	PT BAHTERA DAYA UTAMA
Jurisdiction of incorporation	Indonesia
Registration number (or equivalent, if any)	TDP 09.03.1.46.82799
Registered office	Jalan Ampera Raya No. 9-10, Jakarta Selatan 12550, Indonesia
Address for service of notices	Jalan Ampera Raya No. 9-10, Jakarta Selatan 12550, Indonesia Fax No: 7808055 Tel No: 7808044 Attention: Director E-mail: nbasuki@imeco.co.id

The Original Lenders and their Commitments

(i) **Commercial Lenders**

(A) Prior to Effective Date

Name	Facility Office, address, fax number and attention details for notices and account details for payments	Account details for payments	Commitment \$ outstanding prior to the Effective Date
MUFG Bank, Ltd	<p><u>Administrative / Credit Contacts</u></p> <p>MUFG Bank Ltd., Jakarta Branch Address: Trinity Tower 6-9 Fl. Jl. HR Rasuna Said Kav. C22 Blok IIB Jakarta 12940, Indonesia</p> <p>Attn: Nurhayani Purwitasari/Rumata Rennyati/Rini Lestari/Rachel Anasthasia Siwabessy/William Ganis/Muhamad Ardiansyah</p> <p>Tel: (62-21) 2553 8369 ext. 3630 / (62-21) 2553 8369 ext. 3647/ (62-21) 2553 8369 ext. 3643 / (62-21) 2553 8369 ext. 3609 / (62-21) 3049 9306 ext. 2106/ (62-21) 3049 9306 ext. 2154 Fax: (62-21) 573 5724 / (62-21) 570 6184</p> <p>Email: Nurhayani_Purwitasari@id.mufg.jp rumata_rennyati@id.mufg.jp rini_lestari@id.mufg.jp rachel_anasthasia_siwabessy@id.mufg.jp william_ganis@id.mufg.jp muhamad_ardiansyah@id.mufg.jp</p> <p><u>Credit Contacts</u></p> <p>MUFG Bank Ltd., Singapore Branch Address: 7 Straits View, #23-01 Marina One East Tower, Singapore 018936</p> <p>Attn: Joanna Swee / Kelvin Chew / Chin Zhuo Song / Arthur Tay</p> <p>Tel: +65 6918 4770 / +65 6918 3496 / +65 6918 4717 / +65 6918 4775 Fax: +65 6918 4446</p> <p>Email: joanna_swee@sg.mufg.jp kelvin_chew@sg.mufg.jp zhuosong_chin@sg.mufg.jp arthur_tay@sg.mufg.jp</p>	<p>USD Payment Details</p> <p>Beneficiary Bank: MUFG Bank, Ltd, New York Branch</p> <p>Swift No.: BOTKUS33</p> <p>Country Payable: Indonesia</p> <p>Beneficiary Details: MUFG Bank, Ltd, Jakarta Branch</p> <p>Account number: USD acc.: 536 - 390317</p> <p>IDR acc. : 516 - 390303</p> <p>Payment Details: Fee / Interest / Principal Payments of PT Hoegh LNG Lampung</p>	2,567,557.39
DBS Bank Ltd	<p>DBS Bank</p> <p><u>Credit Correspondence</u></p> <p>Address: 12 Marina Boulevard Level 45, DBS Asia Central @ Marina Bay</p>	<p>USD Payment Details: USD correspondent</p>	2,034,343.32

	<p>Financial Centre Tower 3, Singapore 018982 Attn: Dax Chow Email: daxchow@dbs.com Tel: +65 68785531</p> <p><u>Admin Correspondence</u> Address: 12 Marina Boulevard Level 45 DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982 Attn: Erin Foong / Debbie Kong Tel : +65 6878 5184 / +65 6878 8578 Fax: + 65 6224 7044/ + 65 6224 7044 Email : erinfoong@dbs.com / debbiekong@dbs.com</p>	<p>bank: JP Morgan Chase Bank, N.A. SWIFT Code: CHASUS33 Account name: DBS Bank Ltd SWIFT code: DBSSSGSG A/C No. 0011745957 ABA No: 021000021 Chips ID: 0002 Payment Details: Fee / Interest / Principal Payments of PT Hoegh LNG Lampung</p>	
The Korea Development Bank	<p>The Korea Development Bank 14 Eunhaeng-ro, Youngdeungpo-gu, Seoul 07242, Korea Email : kdbindw@kdb.co.kr, msjung@kdb.co.kr, pf_operation@kdb.co.kr Fax : +82 2 787 5693 Tel : +82 2 787 5672</p>	<p>Bank: JPMorgan Chase Bank, New York BIC : CHASUS33 Account name: The Korea Development Bank (KODBKRSE) Account: 544-7-71671 CHIPS 069628 (ABA Number 021-0000-21) Reference : PF2- LAMPUNG</p>	3,100,771.46
Oversea-Chinese Banking Corporation Limited	<p>Credit correspondences Address: 65 Chulia Street OCBC Centre #10-00 Singapore 049513 Angeline Teo / Lam Wai Kay / Remece Chen Tel : 65 6530 8708 / 65 6530 4988 / 65 6530 5956 AngelineTeo@ocbc.com / waikaylam@ocbc.com / remeechen@ocbc.com Fax : +65 6536 9327</p> <p>Administrative correspondences</p>	<p>Name of Currency: USD Account Holding Bank: JP Morgan Chase Bank, NY City: New York, USA SWIFT Address: CHASUS33 Beneficiary: OCBC Singapore Reference: WCM – PT Hoegh LNG Lampung (Attention: Kathy Ho / Lam Wai Kay)</p>	3,100,771.46

	<p>Address: 65 Chulia Street OCBC Centre #10-00 Singapore 049513</p> <p>Kathy Ho / Kelvin Ang / Nirmala / Sally Ong / Evelyn Wong</p> <p>Tel : 6530 1595 / 6538 1111 Service Code 328 (Option 2 for Loans)</p> <p>homlkathy@ocbc.com / BBCSCSyndication@ocbc.com</p> <p>Fax : +65 6536 6449 / +65 6535 6990</p>		
Standard Chartered Bank	<p>Standard Chartered Bank</p> <p>Credit Correspondences</p> <p>Standard Chartered Bank Address: 8 Marina Boulevard, Marina Bay Financial Centre, 26F Singapore 018981</p> <p>Attn: Ross Bennett</p> <p>Tel: +65 65964015</p> <p>Fax: +65 66349568</p> <p>Email: ross.bennett@sc.com</p> <p>Admin Correspondences</p> <p>Address: 8 Marina Boulevard, Marina Bay Financial Centre, 26F Singapore 018981</p> <p>Attn: Ross Bennett</p> <p>Tel: +65 65964015</p> <p>Fax: +65 66349568</p> <p>Email: ross.bennett@sc.com</p>	<p>Standard Chartered Bank, New York</p> <p>Swift: SCBLUS33</p> <p>Account No.: 3582-088503-001 (CHIPS UID 057220)</p> <p>Account Name: Standard Chartered Bank, Singapore</p> <p>SWIFT Address: SCBSGSG</p> <p>Reference: Hoegh LNG Lampung (Attn: Ross Bennett)</p>	3,100,771.44
TOTAL OUTSTANDING			15,503,857.28

(B) On and from the Effective Date

Name	Facility Office, address, fax number and attention details for notices and account details for payments	Account details for payments	Commitment \$
DBS Bank Ltd	<p><u>Credit Correspondence</u></p> <p>Address: 12 Marina Boulevard Level 45, DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982</p> <p>Attn: Dax Chow</p> <p>Email: daxchow@dbs.com</p> <p>Tel: +65 68785531</p> <p><u>Admin Correspondence</u></p> <p>Address: 12 Marina Boulevard Level 45</p> <p>DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982</p> <p>Attn: Erin Foong / Debbie Kong</p> <p>Tel : +65 6878 5184 / +65 6878 8578</p> <p>Fax: + 65 6224 7044/ + 65 6224 7044</p> <p>Email : erinfoong@dbs.com / debbiekong@dbs.com</p>	<p>USD Payment Details:</p> <p>USD correspondent bank: JP Morgan Chase Bank, N.A.</p> <p>SWIFT Code: CHASUS33</p> <p>Account name: DBS Bank Ltd</p> <p>SWIFT code: DBSSSGSG</p> <p>A/C No. 0011745957</p> <p>ABA No: 021000021</p> <p>Chips ID: 0002</p> <p>Payment Details:</p> <p>Fee / Interest / Principal Payments of PT Hoegh LNG Lampung</p>	1,503,857.28
DNB Bank ASA	<p><u>Loan issuer</u></p> <p>DNB Bank ASA (Org. no 984 851 006)</p> <p>Address Headquarter</p> <p>Dronning Eufemias gate 30</p> <p>0191 Oslo</p> <p>Norway</p> <p><u>Credit contact</u></p> <p>Marius Eriksen</p> <p>marius.eriksen@dnb.no</p> <p>+47 936 88 186</p> <p><u>Operational contact</u></p>	<p>Bank Name : Bank of New York Mellon, New York</p> <p>SWIFT: IRVTUS3N</p> <p>Account Name : DNB Bank ASA, Oslo</p> <p>Account No. : 8033261374</p> <p>SWIFT: DNBANOKK</p>	4,666,667

	<p>DNB Loan admin</p> <p>loanadmin.corporate@dnb.no</p>		
<p>Nordea Bank Abp, filial i Norge</p>	<p>Nordea Bank Abp, filial i Norge</p> <p>Essendrops gate 7</p> <p>P.O. Box 1166, Sentrum</p> <p>NO-0107 Oslo, Norway</p> <p>For loans operations matters:</p> <p>Email:sls.shipping.norway@nordea.com</p> <p>Attn :Nordea Loan Administration, Structured Loan Services</p>	<p>Pay to beneficiary bank: Nordea Bank Abp, filial i Norge</p> <p>Beneficiary bank swift: NDEANOKK</p> <p>Favour of: Nordea Bank Abp, filial i Norge, Structured Loan Services</p> <p>Correspondent bank name: Bank of America</p> <p>Correspondent bank Swift: BOFAUS3N</p> <p>Account: IBAN NO7460025944944</p>	<p>4,666,667</p>
<p>ABN AMRO Bank N.V., Oslo Branch</p>	<p>Facility Office:</p> <p>ABN AMRO Bank N.V., Oslo Branch</p> <p>Address:</p> <p>Olav Vs gate 5, 0161 Oslo, Norway</p> <p><u>Business/Credit Matters:</u></p> <p>Attn:</p> <p>Hilde Egeland Olsen / Emile Karsten</p> <p>Address:</p> <p>Olav Vs gate 5, 0161 Oslo, Norway</p> <p>Email: hilde.olsen@no.abnamro.com</p> <p>Emile.karsten@no.abnamro.com</p> <p>Tlf:</p> <p>+47 48 49 78 88</p> <p>+47 47 46 45 78</p> <p><u>Administrative/Operations Matters:</u></p> <p>Attn: OPS Credits Lending COB</p> <p>Address:</p> <p>Coolsingel 93, 3012 AE Rotterdam, The Netherlands</p>	<p>USD</p> <p>Account number: NL60ABNA0626269504</p> <p>Beneficiary: ABN AMRO Bank N.V. Amsterdam</p> <p>Receiver: ABNANL2A</p> <p>Our correspondent: Bank of America Intl. New York</p> <p>Swift address (with bank): BOFAUS3N</p> <p>Reference: PT Hoegh LNG Lampung</p>	<p>4,666,667</p>

	Tlf: +31 10 4018628 / +31 10 4015639 Email: loket.leningenadministratie.ccs@nl.abnamro.com		
TOTAL			15,503,857.28

(ii) K-sure Lenders

Name	Facility Office, address, fax number and attention details for notices and account details for payments	Account details for payments	Commitment \$ outstanding as at the Effective Date
MUFG Bank, Ltd	<p><u>Administrative / Credit Contacts</u></p> <p>MUFG Bank Ltd., Jakarta Branch Address: Trinity Tower 6-9 Fl. Jl. HR Rasuna Said Kav. C22 Blok IIB Jakarta 12940, Indonesia</p> <p>Attn: Nurhayani Purwitasari/Rumata Rennyati/Rini Lestari/Rachel Anasthasia Siwabessy/William Ganis/Muhamad Ardiansyah</p> <p>Tel: (62-21) 2553 8369 ext. 3630 / (62-21) 2553 8369 ext. 3647 / (62-21) 2553 8369 ext. 3643 / (62-21) 2553 8369 ext. 3609 / (62-21) 3049 9306 ext. 2106 / (62-21) 3049 9306 ext. 2154</p> <p>Fax: (62-21) 573 5724 / (62-21) 570 6184</p> <p>Email: Nurhayani_Purwitasari@id.mufg.jp rumata_rennyati@id.mufg.jp rini_lestari@id.mufg.jp rachel_anasthasia_siwabessy@id.mufg.jp william_ganis@id.mufg.jp muhamad_ardiansyah@id.mufg.jp</p> <p><u>Credit Contacts</u></p> <p>MUFG Bank Ltd., Singapore Branch Address: 7 Straits View, #23-01 Marina One East Tower, Singapore 018936</p> <p>Attn: Joanna Swee / Kelvin Chew / Chin Zhuo Song / Arthur Tay</p> <p>Tel: +65 6918 4770 / +65 6918 3496 / +65 6918 4717 / +65 6918 4775</p> <p>Fax: +65 6918 4446</p> <p>Email: joanna_swee@sg.mufg.jp kelvin_chew@sg.mufg.jp zhuosong_chin@sg.mufg.jp arthur_tay@sg.mufg.jp</p>	<p>USD Payment Details</p> <p>Beneficiary Bank: MUFG Bank, Ltd, New York Branch</p> <p>Swift No.: BOTKUS33</p> <p>Country Payable: Indonesia</p> <p>Beneficiary Details: MUFG Bank, Ltd, Jakarta Branch</p> <p>Account number: USD acc.: 536 - 390317</p> <p>IDR acc.: 516 - 390303</p> <p>Payment Details: Fee / Interest / Principal Payments of PT Hoegh LNG Lampung</p>	13,631,779.94
DBS Bank Ltd	<p>DBS Bank</p> <p><u>Credit Correspondences</u></p> <p>Address: 12 Marina Boulevard Level 45, DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982</p> <p>Attn: Berna Okten</p> <p>Tel: +(65) 6878 2073</p> <p>Fax: +(65) 6224 7044</p> <p>Email: bernaokten@dbs.com</p>	<p>USD Payment Details:</p> <p>Beneficiary Bank: The Bank of New York Mellon, New York</p> <p>SWIFT Code: IRVTUS3N</p> <p>Beneficiary Details: DBS Bank Ltd</p>	13,631,779.94

	<p><u>Admin Correspondences</u></p> <p>Address: 12 Marina Boulevard Level 45, DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982</p> <p>Attn: Tham Choi Ling / John Lim</p> <p>Tel: +(65) 6878 8634 / 4707</p> <p>Fax: +(65) 6224 7044</p> <p>Email: choiling@dbs.com johnl@dbs.com</p>	<p>SWIFT address: DBSSSGSG</p> <p>A/C No. 8900298189</p> <p>Payment Details: Fee / Interest / Principal Payments of PT Hoegh LNG Lampung</p>	
Korea Development Bank	<p>Korea Development Bank Project Finance Department II</p> <p><u>Credit Correspondences</u></p> <p>Korea Development Bank Address: 14, Eunhaeng-ro, Youngdeungpo-gu, Seoul 150-973, Korea</p> <p>Attn: Energy & Natural Resources Team Se-Hee HWANG / Dae-Kwon Chung</p> <p>Tel: +82-2-787-5668 /+82 -2-787-5666</p> <p>Fax: +82-2-787-5693</p> <p>Email: seheehwang@kdb.co.kr gooddk@kdb.co.kr</p> <p><u>Admin Correspondences</u></p> <p>Address: 14, Eunhaeng-ro, Youngdeungpo-gu, Seoul 150-973, Korea</p> <p>Attn: Operations Department Hyeong-Seop SHIM / Se-Young CHUN</p> <p>Tel: +82-2-787-7358 /+82 -2-787-7357</p> <p>Fax: +82-2-787-5299</p> <p>Email: hshim@kdb.co.kr csy226@kdb.co.kr</p>	<p>Bank name: JP Morgan Chase Bank, New York</p> <p>Address: 4 New York Plaza Floor 15, New York, United States (ZIP Code: 10004)</p> <p>Swift code: CHASUS33</p> <p>Beneficiary Bank: The Korea Development Bank (Swift code: KODBKRSE)</p> <p>Reference: Principal (or Interest or Fee) Payment for PT HOEGH LNG LAMPUNG</p> <p>Account number: 544-7-71671</p>	13,631,779.94
Oversea-Chinese Banking Corporation Limited	<p><u>Credit correspondences</u></p> <p>Address: 65 Chulia Street OCBC Centre #10-00 Singapore 049513</p> <p>Angeline Teo / Lam Wai Kay / Remece Chen</p> <p>Tel : 65 6530 8708 / 65 6530 4988 / 65 6530 5956</p> <p>AngelineTeo@ocbc.com / waikaylam@ocbc.com / remeechen@ocbc.com</p> <p>Fax : +65 6536 9327</p>	<p>Name of Currency: USD</p> <p>Account Holding Bank: JP Morgan Chase Bank, NY</p> <p>City: New York, USA</p> <p>SWIFT Address: CHASUS33</p> <p>Beneficiary: OCBC Singapore</p> <p>Reference: WCM – PT Hoegh LNG Lampung (Attention: Kathy Ho / Lam Wai Kay)</p>	13,631,779.94

	<p>Administrative correspondences</p> <p>Address: 65 Chulia Street OCBC Centre #10-00 Singapore 049513</p> <p>Kathy Ho / Kelvin Ang / Nirmala / Sally Ong / Evelyn Wong</p> <p>Tel : 6530 1595 / 6538 1111 Service Code 328 (Option 2 for Loans)</p> <p>homlkathy@ocbc.com / BBCSCSyndication@ocbc.com</p> <p>Fax : +65 6536 6449 / +65 6535 6990</p>		
Standard Chartered Bank (Singapore) Limited	<p>Standard Chartered Bank (Singapore) Limited</p> <p><u>Credit Correspondences</u></p> <p>Standard Chartered Bank (Singapore) Limited</p> <p>Address: 8 Marina Boulevard, Marina Bay Financial Centre, 26F, Singapore 018981</p> <p>Attn: Ross Bennett</p> <p>Tel: +65 65964015</p> <p>Fax: +65 66349568</p> <p>Email: ross.bennett@sc.com</p> <p><u>Admin Correspondences</u></p> <p>Address: 8 Marina Boulevard, Marina Bay Financial Centre, 26F, Singapore 018981</p> <p>Attn: Ross Bennett</p> <p>Tel: +65 65964015</p> <p>Fax: +65 66349568</p> <p>Email: ross.bennett@sc.com</p>	<p>Standard Chartered Bank, New York</p> <p>Swift: SCBLUS33</p> <p>Account No.: 3582-088503-001 (CHIPS UID 057220)</p> <p>Account Name: Standard Chartered Bank, Singapore</p> <p>SWIFT Address: SCBSGSG</p> <p>Reference: Hoegh LNG Lampung (Attn: Ross Bennett)</p>	13,631,779.96
TOTAL			68,158,899.72

The Hedging Banks

Name	Office, address, fax number and attention details for notices and account details for payments
<p>MUFG Bank, Ltd</p>	<p><u>Administrative / Credit Contacts</u></p> <p>MUFG Bank Ltd., Jakarta Branch Address: Trinity Tower 6-9 Fl. Jl. HR Rasuna Said Kav. C22 Blok IIB Jakarta 12940, Indonesia</p> <p>Attn: Nurhayani Purwitasari/Rumata Rennyati/Rini Lestari/Rachel Anasthasia Siwabessy/William Ganis/Muhamad Ardiansyah</p> <p>Tel: (62-21) 2553 8369 ext. 3630 / (62-21) 2553 8369 ext. 3647/ (62-21) 2553 8369 ext. 3643 / (62-21) 2553 8369 ext. 3609 / (62-21) 3049 9306 ext. 2106/ (62-21) 3049 9306 ext. 2154</p> <p>Fax: (62-21) 573 5724 / (62-21) 570 6184</p> <p>Email:</p> <p>Nurhayani_Purwitasari@id.mufg.jp rumata_rennyati@id.mufg.jp rini_lestari@id.mufg.jp rachel_anasthasia_siwabessy@id.mufg.jp william_ganis@id.mufg.jp muhamad_ardiansyah@id.mufg.jp</p> <p><u>Credit Contacts</u></p> <p>MUFG Bank Ltd., Singapore Branch Address: 7 Straits View, #23-01 Marina One East Tower, Singapore 018936</p> <p>Attn: Joanna Swee / Kelvin Chew / Chin Zhuo Song / Arthur Tay</p> <p>Tel: +65 6918 4770 / +65 6918 3496 / +65 6918 4717 / +65 6918 4775</p> <p>Fax: +65 6918 4446</p> <p>Email:</p> <p>joanna_swee@sg.mufg.jp kelvin_chew@sg.mufg.jp zhuosong_chin@sg.mufg.jp arthur_tay@sg.mufg.jp</p> <p><u>Account Payment Details</u></p> <p>Beneficiary Bank: MUFG Bank, Ltd, New York Branch</p> <p>Swift No.: BOTKUS33</p> <p>Country Payable: Indonesia</p> <p>Beneficiary Details: MUFG Bank, Ltd, Jakarta Branch</p> <p>Account number.: USD acc. : 536 - 390317</p> <p>IDR acc. : 516 - 390303</p> <p>Payment Details: Fee / Interest / Principal Payments of PT Hoegh LNG Lampung</p>
<p>Korean Development Bank</p>	<p>Korean Development Bank Trading Center</p>

	<p>Address: 14, Eunhaeng-ro, Youngdeungpo-gu, Seoul 150-973, Korea Attention: Han-June JO / Ki-Hoon KIM Tel: +82- 2-787-6983 / +82-2-787-7302 Fax: +82-2-787-7397 Email: giuni@kdb.co.kr /kim_kihoon@kdb.co.kr</p>
Standard Chartered Bank (Singapore) Limited	<p>Standard Chartered Bank (Singapore) Limited Address: 8 Marina Boulevard, #27-01 Marina Bay Financial Centre, Singapore 018981 Attention: Alok Raturi Tel: +65 65578162 Fax: +65 66349531 Email:Alok.Raturi@sc.com</p>
DBS Bank Ltd	<p>DBS Bank <u>Credit Correspondences</u> Address: 12 Marina Boulevard Level 45 DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982 Attn: Berna Okten Tel: +(65) 6878 2073 Fax: +(65) 6224 7044 Email: bernaokten@dbs.com <u>Admin Correspondences</u> Address: 12 Marina Boulevard Level 45 DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982 Attn: Tham Choi Ling / John Lim Tel: +(65) 6878 8634 / 4707 Fax: +(65) 6224 7044 Email: choiling@dbs.com johnl@dbs.com</p>
Oversea-Chinese Banking Corporation Limited	<p><u>Credit Correspondences</u> Address: 65 Chulia Street OCBC Centre #10-00 Singapore 049513 Angeline Teo / Lam Wai Kay / Reme Chen Tel : 65 6530 8708 / 65 6530 4988 / 65 6530 5956 AngelineTeo@ocbc.com / waikaylam@ocbc.com / remeechen@ocbc.com Fax : 65 6536 9327</p>

	<p><u>Admin Correspondences</u></p> <p>Address: 65 Chulia Street OCBC Centre #10-00 Singapore 049513</p> <p>Benny Sim (Trade settlement) / Lisa Ng (Trade advice and confirmation) / Wayne Yuen (Trade advice and confirmation) / Lam Wai Kay / Remeec Chen</p> <p>Tel : 65 6318 7375 / 65 68505307 / 65 68505301 / 65 6530 4988 / 65 6530 5956</p> <p>SimTCBenny@ocbc.com / LisaNg@ocbc.com / YuenJinWayne@ocbc.com / waikaylam@ocbc.com / remeechen@ocbc.com</p> <p>Fax : 65 6830 7975 (Trade settlement) / 65 6830 7974 (Trade advice and Confirmation) / 65 6536 9327 (Credit)</p>
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The Facility Agent

Name	Standard Chartered Bank
Address	6th Floor, 1 Basinghall Avenue, London. EC2V 5DD
Fax Number	-
Attention	Paul Thompson
Telephone number	+44 020 7885 6651
Email address	loansagencyuk@sc.com
Account Details (USD)	<p>A/C with Bank: Standard Chartered Bank, New York (SCBLUS33)</p> <p>Beneficiary: Standard Chartered Bank, London (SCBLGB2L)</p> <p>Account No: 3582-088442-001</p> <p>Ref: Loans Agency / PT Hoegh / [Payment Reference]</p>

The Security Agent

Name	Standard Chartered Bank
Address	6th Floor, 1 Basinghall Avenue, London. EC2V 5DD
Fax Number	-
Attention	Paul Thompson
Telephone number	+44 020 7885 6651
Email address	loansagencyuk@sc.com
Account Details (USD)	A/C with Bank: Standard Chartered Bank, New York (SCBLUS33) Beneficiary: Standard Chartered Bank, London (SCBLGB2L) Account No: 3582-088442-001 Ref: Loans Agency / PT Hoegh / [Payment Reference]

The K-Sure Agent

Name	Standard Chartered Bank
Address	6th Floor, 1 Basinghall Avenue, London. EC2V 5DD
Fax Number	-
Attention	Paul Thompson
Telephone number	+44 020 7885 6651
Email address	loansagencyuk@sc.com
Account Details (USD)	A/C with Bank: Standard Chartered Bank, New York (SCBLUS33) Beneficiary: Standard Chartered Bank, London (SCBLGB2L) Account No: 3582-088442-001 Ref: Loans Agency / PT Hoegh / [Payment Reference]

The Offshore Account Bank

Name	Standard Chartered Bank
Address	Addressed to: Securities Services Manager 7 Changi Business Crescent, Level 3, Singapore 486028
Fax Number	+65 63051760
Attention	Steven Truong / Murad Abdul
Telephone number	+65 65962549, +65 65961164
Email address	-
Account Details (USD)	Pay to: Standard Chartered Bank Account Number: 3582-088503-001 Account Bank / Account name: Standard Chartered Bank, New York (SWIFT Code: SCBLUS33) Favouring: Standard Chartered Bank, Singapore (SWIFT Code: SCBLSGSG) Quoting Ref: (in respect of the Offshore Account Bank Fee PT Hoegh LNG Lampung) Attn: SEC SVS – Steven Truong/Murad Abdul

The Onshore Account Bank

Name	Standard Chartered Bank, Jakarta Branch
Address	Securities Services, Menara Standard Chartered Bank, Jl. Prof. DR. Satrio, No. 164 Jakarta 12930
Fax Number	+62 21 571 9671
Attention	Muhammad Rizki Samhudi – Head of Corporate Action Securities Services Operation
Telephone number	+62 21 255 50205
Email address	M.Rizki.Samhudi@sc.com
Account Details (USD)	Pay to: Standard Chartered Bank Account Number: 3582-088517-001 Account Bank / Account name: Standard Chartered Bank, New York (SWIFT Code: SCBLUS33) Favouring: Standard Chartered Bank, Jakarta (Securities Services) Quoting Ref: (in respect of the Onshore Account Bank Fee PT Hoegh LNG Lampung) Attn: SEC SVS – Reni Astuti

Schedule 2
Vessel information

Part 1
Description of the Vessel

Name	"PGN FSRU Lampung"
Gross Tons	109,671
Net Tons	36,732
Type	Ship Type 2G(-163oC, 500kg/m3, 70kPa)
Length overall	282 M
Breadth moulded	46 M
Depth moulded	19.97 M
Storage capacity	170,000 CBM

Part 2
Vessel Information

Builder:	Hyundai Heavy Industries Co, Ltd
Builder's registered office:	1. Jeonha-Dong, Gong-Gu, Ulsan, Korea
Date and description of Building Contract:	Building contract dated 10 June 2011 between the Builder and the Sponsor as novated to the Borrower pursuant to a novation agreement dated 22 July 2013
Flag State	Indonesia
Charter description:	Charter contract dated 25 January 2012 (the Original Charter) between PT Perusahaan Gas Negara (Persero) Tbk (as original charterer) and Hoegh LNG Ltd, as amended and restated by an amendment and restatement agreement dated 17 October 2012 and as novated to the Borrower pursuant to the Charter Novation Agreement (Borrower) and to the Charterer pursuant to the Charter Novation Agreement (Charterer)
Charter Novation Agreement (Borrower):	Novation agreement dated 18 September 2013 made between the Borrower, Hoegh LNG Ltd and the Original Charterer, pursuant to which the rights and obligations of Hoegh LNG Ltd under the Original Charter were novated in favour of the Borrower
Charter Novation Agreement (Charterer):	Novation agreement dated 21 February 2014 made between the Borrower, the Original Charterer and the Charterer,

	pursuant to which the rights and obligations of the Original Charterer under the Original Charter (as novated by the Charter Novation Agreement (Borrower)) were novated in favour of the Charterer
Charter Guarantee:	Guarantee dated 21 February 2014 issued by the Charter Guarantor in favour of the Borrower
Charterer:	PT PGN LNG Indonesia
Charter Guarantor / Original Charterer:	PT Perusahaan Gas Negara (Persero) Tbk
Classification:	+1A1, Tanker for Liquefied Gas, Ship type 2G(-163oC, 500kg/m ³ , 70kPa, NAUTICUS(Newbuilding), REGAS-2, E0, NAUT-OC, CLEAN, BIS, CSA-FLS2, PLUS, COAT-PSPC(B), Recyclable, GAS FUELLED, TMON
Classification Society:	Det Norske Veritas
Refund Guarantor	Kookmin Bank Republic of Korea
Refund Guarantor's registered office	9-1 2-Ga, Namdaemun-Ro, Jung-Gu Seoul, 100-703, Korea
Refund Guarantee	Refund guarantee dated 26 July 2013 with number M076Q1307XD00071 issued by the Refund Guarantor in favour of the Borrower in respect of the Builder's obligations under the Building Contract

Part 3 Mooring Information

Mooring EPC Contractor:	SOFEC, Inc.
Mooring EPC Contractor's registered office:	14741 Yorktown Plaza Drive, Houston, Texas, 77040
Date and description of Mooring EPC Contract:	Contract dated 16 November 2012 made between the Mooring EPC Contractor and the Sponsor to establish the minimum technical requirements to be met during the operation, as well as to supply data for the contractual requirements towards design, purchasing of equipment, construction/fabrication and installation of the tower yoke mooring system for the safe mooring and operation of FSRU and feeder vessel LNGC, to be installed offshore Labuhan Maringgai, Indonesia for the full Design Service Life of 20 years, to be novated to the Borrower

Schedule 3 Conditions precedent

Part 1 Initial Conditions Precedent

1 Constitutional Documents and corporate authorities

In respect of each Obligor and the Sponsor which is, or is to be by the date of the first Utilisation, a party to a Finance Document and each Indonesian Shareholder (each a Relevant Party):

- (a) a copy certified by (i) a duly authorised officer and/or the company secretary of the relevant person or (ii) in the case of the Borrower and each Indonesian Shareholder, an authorised director of the Borrower and the relevant Indonesian Shareholder in accordance with its articles of association respectively to be a true, complete and up-to-date copy, of the Constitutional Documents of that person or equivalent documents in respect of that person;
- (b) a copy, certified by (i) a duly authorised officer and/or the company secretary of the relevant person or (ii) in the case of the Borrower and each Indonesian Shareholder, an authorised director of the Borrower and the relevant Indonesian Shareholder in accordance with its articles of association respectively to be a true copy, and as being in full force and effect and not amended or rescinded, of resolutions of the board of directors or governors (or of a committee of the board of directors or governors or an analogous management body) of that person:
 - (i) approving the entering into by the Relevant Party of the Transaction Documents to which that person is (or is to be by the date of the first Utilisation) party (the **Relevant Transaction Documents**);
 - (ii) authorising the execution by that Relevant Party of such of the Relevant Transaction Documents; and
 - (iii) authorising an individual or individuals to sign and deliver on behalf of that person such of the Relevant Transaction Documents;
- (c) if required by that Relevant Party's Constitutional Documents or applicable law, a copy of a resolution signed by all (or requisite number of) the holders of the issued shares in that Relevant Party, approving the terms of, and the transactions contemplated by, the Relevant Transaction Documents;
- (d) a copy certified by (i) a duly authorised officer and/or the company secretary of that person or (ii) in the case of the Borrower and each Indonesian Shareholder, an authorised director of the Borrower and each Indonesian Shareholder in accordance with its articles of association respectively to be a true copy, and as being in full force and effect and not revoked or withdrawn, of any power of attorney issued by that person pursuant to the said resolutions;
- (e) a certificate of incumbency with a list of those signatories of the applicable party that have executed or will execute (and who are authorised) the Relevant Transaction Documents together with specimen signatures or attaching copies of documents with specimen signatures; and
- (f) a copy of a resolution of the board of commissioners of the Borrower and each Indonesian Shareholder, approving the terms of, and the transaction contemplated by, the Transaction Documents to which the Borrower and each Indonesian Shareholder is a party.

2 Consents

A certificate from the Borrower listing all material Consents necessary for ownership and operation of the FSRU in Indonesia in accordance with the Charter and, in relation to each such Consent, specifying whether that Consent is required to be in place by Delivery or by Final Acceptance.

3 Finance Documents

- (a) An original counterpart of this Agreement and each Fee Letter duly executed and delivered by the Borrower.
- (b) Each Subordination Deed required under this Agreement to have been entered into by the date of the first Utilisation and all documents required to be delivered pursuant thereto duly executed by the Obligors who are party thereto.
- (c) An original of the following Original Security Documents:
 - (i) the Guarantee;
 - (ii) [intentionally blank];
 - (iii) the Security Assignment;
 - (iv) the Project Agreements Assignment;
 - (v) the Account Security;
 - (vi) the Sponsor's Assignment
 - (vii) the Supervisor Undertaking;
 - (viii) the Shares Security;
 - (ix) the Letter of Quiet Enjoyment;
 - (x) the Hedging Security;
 - (xi) the Fiduciary Assignment of Tangible Assets; and
 - (xii) the Fiduciary Assignment of Receivables,and an original of each notice of assignment and acknowledgement required thereunder each duly executed by each of the relevant parties thereto.
- (d) Agreed forms of each of the other Finance Documents, executed copies of which are to be provided under Part 2 and Part 3 of this Schedule 3.
- (e) Documentary evidence that the Shares Security in respect of each Indonesian Shareholder, the Fiduciary Assignment of Tangible Assets and the Fiduciary Assignment of Receivables has been duly registered with the Fiduciary Registration Registry (as evidenced by the receipt from the Fiduciary Registration Office accepting the registration thereof).
- (f) Documentary evidence that the acknowledgments required under the Fiduciary Assignment of Receivables have been obtained from relevant counterparties.
- (g) Documentary evidence that all filings and registrations in relation to the Finance Documents that have been entered into by the date of the first Utilisation and that are required and capable to be made under applicable laws by the Obligors to have been made by the date of the first Utilisation, including the reports of: (i) the Borrower's offshore loan

plan that covers the offshore loan Facilities under this Agreement; and (ii) the execution of this Agreement to Bank Indonesia as required under Bank Indonesia Regulation No. 14/21/PBI/2012 have been made.

- (h) Documentary evidence that the report of the Borrower's offshore loan under this Agreement at the latest on the 10th day following the date of the execution of this Agreement to the Team for Coordination of Management of Offshore Commercial Loans (*Tim Koordinasi Pengelolaan Pinjaman Komersial Luar Negeri*) and the Ministry of Finance has been made.
- (i) The original shares certificate(s) evidencing each Shareholder's percentage share ownership in the Borrower.
- (j) The certified true copy of the share register of the Borrower that provides the registration of the Shareholders' share ownership in the Borrower and the Shares Security in respect of the Singapore Shareholder.

4 Project Agreements

- (a) A copy, certified as a true copy by a duly authorised signatory of the Borrower, of:
 - (i) the Charter (including the Charter Novation Agreement);
 - (ii) the Umbrella Agreement;
 - (iii) the Consortium Agreement;
 - (iv) any Charter Guarantee;
 - (v) the Building Contract (including the Building Contract Novation Agreement);
 - (vi) Refund Guarantee;
 - (vii) the Mooring EPC Contract (including the Mooring EPC Contract Novation Agreement);
 - (viii) the Modec Guarantee;
 - (ix) the EPCIC Agreement;
 - (x) the Shareholders Agreement;
 - (xi) the Equity Loan Agreements;
 - (xii) any Subordinated Loan Agreements;
 - (xiii) the Promissory Notes,

in each case duly executed by the parties thereto and, if copies have not been, or if not substantially in the form of a draft, delivered to the Mandated Lead Arrangers prior to the date of this Agreement, in form and substance satisfactory to the Lenders;

- (b) A certificate from the Borrower confirming that each of the Project Agreements delivered to the Facility Agent pursuant to paragraph (a) above are true, complete and accurate copies of such documents and all amendments and supplements to them as at the date of the relevant Utilisation Request have been delivered to the Facility Agent and all such documents remain in full force and effect on such date.
- (c) Evidence as to the due incorporation of each of the Obligors to the Material Project Agreements delivered pursuant to paragraph (a) above, its power and authority to enter

into and perform the Material Project Agreement to which it is a party and all other documents and instruments to give effect to the same, and evidence of the authority of the signatories of the other parties to such Material Project Agreements.

- (d) A legal due diligence report of the applicable Material Project Agreements in the form provided to the Mandated Lead Arrangers prior to the date of this Agreement.

5 Legal opinions

Legal opinions from:

- (a) Susandarini & Partners, Indonesian counsel to the Lenders in respect of the Borrower and each Indonesian Shareholder, the execution of the Finance Documents to which that person is a party and the validity and enforceability of such Finance Documents as a matter of Indonesian law;
- (b) Norton Rose Fulbright (Asia) LLP, English counsel to the Lenders in respect of the validity and enforceability of the Finance Documents as a matter of English law;
- (c) Norton Rose Fulbright (Asia) LLP, Singapore counsel to the Lenders in respect of the Singapore Shareholder, the execution of the Finance Documents to which that person is a party and the validity and enforceability of the Finance Documents as a matter of Singapore law;
- (d) Lee & Ko, Korean counsel to the Lenders in respect of the validity and enforceability of the K-sure Policy and the Refund Guarantee as a matter of Korean law; and
- (e) Conyers Dill & Pearman, Bermuda counsel to the Lenders in respect of the Guarantor and the Sponsor and the execution of the Finance Documents to which that person is a party and the validity and enforceability of such Finance Documents as a matter of Bermuda law;

in each case addressed to the Security Agent and the Facility Agent and substantially in the form provided to the Mandated Lead Arrangers prior to the date of this Agreement).

6 Accounts and financial information

- (a) The Original Financial Statements.
- (b) Evidence that each of the Project Accounts have been opened and that all necessary bank mandates and signature forms have been delivered to the relevant Account Bank.
- (c) A certificate from a duly authorised signatory of the Borrower confirming details of the total Project Costs incurred.
- (d) An updated copy of the Financial Model, confirming, inter alia:
 - (i) the Project Cost incurred and forecast to be incurred to achieve Final Acceptance; and
 - (ii) that there is no forecast Cost Overrun or shortfall in funding to achieve Final Acceptance by the earlier of (i) the Cancellation Date and (ii) 18 March 2015.

7 Technical Adviser

Receipt by the Facility Agent of the Due Diligence Report and the Gap Analysis Report in the form approved by the Mandated Lead Arrangers prior to the date of this Agreement.

8 "Know Your Customer" Requirements

Documentation and/or evidence satisfying the Lenders' "know your customers" requirements which have been notified to the Borrower.

9 K-sure Policy

- (a) Evidence acceptable to the Agents that the K-sure Policy:
 - (i) has been issued;
 - (ii) is in full force and effect; and
 - (iii) that the K-sure Premium has been or will, on the first Utilisation Date, be paid in full either by way of Sponsor Funding or from the proceeds of the first Commercial Facility Loan to be advanced to the Borrower and the K-sure Agent has not received notice or, following request, any confirmation from K-sure that the K-sure Policy:
 - (A) has been terminated;
 - (B) has been breached; or
 - (C) is the subject of any arbitration or legal proceedings.

10 Fees

Evidence acceptable to the Facility Agent that all fees and expenses due to the Finance Parties from the Borrower (including the fees of the Insurance Advisor and the Facility Agent's legal counsel) and any applicable commitment commission payable on the first Utilisation Date have been, or will, on the first Utilisation Date, be paid in full.

11 Project Information

- (a) A copy of all invoices received by the Borrower or the Sponsor from the Builder under the Building Contract and evidence that such invoices have been fully paid to the Builder pursuant to the terms of the Building Contract;
- (b) Where applicable, a copy of the certificates from the relevant classification society confirming the facts set out in the Builder's invoices referred to in paragraph (a) above; and
- (c) if the Facility Agent so requires, in respect of any of the documents referred to above in this paragraph 11 that are not in English, a certified English translation prepared by a translator approved by the Facility Agent.

12 Insurance/Reinsurance

A final opinion in form and content satisfactory to the Lenders from the Insurance Advisor, as to the adequacy of the Builder's Risk Insurances and the planned Insurances and Reinsurances in respect of the Vessel.

13 Environment and social

A copy of the Environmental Impact Assessment prepared by the Charterer in the form provided to the Mandated Lead Arrangers prior to the date of this Agreement.

14 Further conditions

Such further opinions or evidence as may be reasonably required by the Facility Agent in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document and notified in writing to the Borrower in advance of being required.

Part 2A
Conditions Precedent to the Utilisation on Delivery

1 Constitutional Documents and corporate authorities

Confirmation from a duly authorised officer and/or the company secretary of each Obligor that there has been no change in the Constitutional Documents of the relevant person since the date on which a certified copy thereof was provided to the Facility Agent or, as the case may be, a copy certified by (i) a duly authorised officer and/or the company secretary of the relevant person or (ii) in the case of the Borrower, an authorized director of the Borrower in accordance with its articles of association of any amendments thereto and in respect of the Finance Documents to be entered into by that Obligor which are specified in Part 2 and Part 3 of this Schedule either a confirmation that the board resolutions, powers of attorney and other corporate authorisations referred to in paragraph 1 Part 1 of this Schedule 3 remain unchanged and in full force and effect in relation to those Finance Documents or to the extent applicable new board resolutions, powers of attorney and other corporate authorisations in relation to Finance Documents equivalent to those required to be provided pursuant to paragraph 1 Part 1 of this Schedule 3 or required for issuance of any legal opinion referred to in this Part 2

2 Finance Documents

(a) An original of:

- (i) the Fiduciary Assignment of Insurances;
- (ii) the Insurance Assignment;
- (iii) the Reinsurance Fiduciary Assignment;
- (iv) the O&M Contractor Undertakings;
- (v) the Powers of Attorney (attested, notarised, legalised and delivered to the Lenders' Indonesian legal counsel for the purpose of registration, as necessary) duly executed by the Borrower in favour of the Security Agent.
- (vi) to the extent required 22.14 (*Subordinated Loans*) and not already entered into, a Subordination Deed in respect of any Indebtedness owed by the Borrower under any Subordinated Loan or Promissory Note.

(b) Documentary evidence that the Fiduciary Assignment of Insurances and the Reinsurance Fiduciary Assignment have been duly registered with the Fiduciary Registration Office (as evidenced by the receipt from the Fiduciary Registration Office accepting the registration thereof).

3 Project Agreements

(a) A copy, certified as a true copy by a duly authorised signatory of the Borrower, of:

- (i) any Builder's Performance L/C issued to the Borrower;
- (ii) the O&M Contracts;
- (iii) the Consortium Agreement Novation Agreement; and
- (iv) the Umbrella Novation Agreement.

(b) A certificate from the Borrower confirming that each of the Material Project Agreements delivered to the Facility Agent pursuant to Part 1 of this Schedule and paragraph (b) above are true, complete and accurate copies of such documents and all amendments and

supplements to them as at the date of the relevant Utilisation Request have been delivered to the Facility Agent and all such documents remain in full force and effect on such date.

- (c) Evidence as to the due incorporation of each of the Obligors to the Material Project Agreements delivered pursuant to paragraph (a) above, its power and authority to enter into and perform the Material Project Agreement to which it is a party and all other documents and instruments to give effect to the same, and evidence of the authority of the signatories of the other parties to such Material Project Agreements.
- (d) To the extent not already provided to the Facility Agent, a certified copy of any Sponsor Loan Agreement and/or any Promissory Note which will be in existence on the Utilisation Date.

4 Legal Opinions

- (a) Legal opinions from:
 - (i) Susandarini & Partners, Indonesian counsel to the Lenders in respect of the Borrower and any Insurer, the execution of the Finance Documents specified in Part 2 of this Schedule to which that person is a party and the validity and enforceability of such Finance Documents as a matter of Indonesian law; and
 - (ii) Norton Rose Fulbright (Asia) LLP, English counsel to the Lenders in respect of the validity and enforceability of the Finance Documents specified in Part 2 of this Schedule as a matter of English law; and
 - (iii) any other legal advisers to the Lenders in any applicable jurisdiction in respect of each Obligor which is or will be a party to a Finance Document on the relevant Utilisation Date,

and in each case addressed to the Security Agent and the Facility Agent and substantially in the form provided to the Mandated Lead Arrangers prior to the date of the Utilisation Request.

- (b) Evidence satisfactory to the Lenders that the terms and conditions of the legal opinions received under paragraph 5 of Part 1 of Schedule 3 need not be altered or modified in any way which is material in the opinion of the Facility Agent or, to the extent they do and the Facility Agent so requires, have been modified and updated as the case may be.

5 Construction Matters

A certificate from the Borrower confirming that:

- (a) neither the Sponsor nor the Builder have, nor will have from the relevant Utilisation Date following payment of the Delivery Instalment to the Builder, any lien or other right to detain and/or possess the Vessel; and
- (b) all costs, fees and expenses payable by the Borrower in connection with the Building Contract Documents have been paid in full or will be paid in full on the relevant Utilisation Date on terms acceptable to the Lenders (and that there are no monies outstanding in respect of the Building Contract Documents).

6 Insurances/Reinsurances

- (a) Evidence that the insurance and reinsurance obligations of the Obligors under the Finance Documents and under the Charter have been complied with and that the Vessel will be on the Delivery Date insured in accordance with the terms of the Finance Documents and the Charter.

- (b) Receipt by the Facility Agent of, in respect of the Vessel, letters of undertaking from the insurers/reinsurers and the mutual association or club with which the protection and liability insurances are placed in respect of the Vessel or evidence satisfactory to the Facility Agent that these documents will be provided promptly after the Delivery Date upon the insurers receiving the relevant notices.
- (c) Receipt by the Facility Agent of certified true copies of the insurance and reinsurance policies in respect of the insurance and reinsurance cover for the Vessel required to be in place under this Agreement on Delivery and list of insurers and reinsurers of the Vessel under such policies.
- (d) Evidence that all premia and calls in respect of Insurances and Reinsurances in respect of the Vessel required to be in place under this Agreement on Delivery which have fallen due have been paid or will be paid on the Delivery Date.
- (e) Evidence that the insurers of the Hull and Machinery and marine risks in respect of the Vessel under the relevant policy(s) referred to above have agreed that they have no right of subrogation against the Charterer.
- (f) Evidence that all fees and expenses required to be paid by the Borrower pursuant to clause 27.5 (*Mortgagee's insurance*) has been paid in full.
- (g) A report from the Insurance Consultant, as to the compliance of the Insurances and Reinsurances in respect of the Vessel and the Mooring with the requirements under this Agreement and the Charter.
- (h) Such evidence as the Facility Agent may reasonably require as to the due incorporation of the Insurer, its power and authority to enter into and perform the Reinsurance Fiduciary Assignment and the authorisation of its entry into the Reinsurance Fiduciary Assignment.

7 Technical Adviser

A report in form and content satisfactory to the Lenders from the Technical Adviser, as to the adequacy of construction of the Vessel in accordance with the Agreed Scope of Work.

8 Vessel conditions and construction matters

- (a) Vessel conditions
 - (i) A copy of the Environmental Management Plan.
 - (i) Evidence that the Vessel is classed with the relevant Classification free of all overdue conditions of the relevant Classification Society which have not expired (in the form of a copy of the provisional Classification Certificate for the Vessel issued by the Classification Society upon (or just prior to) Delivery).
- (b) In respect of the Vessel, copies of (if so requested by the Facility Agent) any certificates issued under the ISM Code and the ISPS Code required to be observed by the Vessel.

9 Fees and expenses

Evidence that all fees and expenses due to the Finance Parties (including the fees of the Insurance Consultant and the Facility Agent's legal advisers) and any applicable commitment commission payable on the Utilisation Date for Delivery have been paid in full or will be paid on the Utilisation Date for Delivery.

10 K-sure Policy

- (a) Evidence acceptable to the Agents that the K-sure Policy:

- (i) has been issued;
- (ii) is in full force and effect; and
- (iii) that the K-sure Premium has been or will, on the first Utilisation Date, be paid in full either by way of Sponsor Funding or from the proceeds of the first Commercial Facility Loan to be advanced to the Borrower and the K-sure Agent has not received notice or, following request, any confirmation from K-sure that the K-sure Policy:
 - (A) has been terminated;
 - (B) has been breached; or
 - (C) is the subject of any arbitration or legal proceedings.

11 Further conditions

Such further opinions or evidence as may be reasonably required by the Facility Agent in connection with the entry into and performance of the transactions contemplated by any Finance Document referred to in Part 2 of this Schedule or for the validity and enforceability of any such Finance Document and notified in writing to the Borrower in advance of being required.

Part 2B

Conditions Precedent to Release of Delivery Instalment

1 Protocol of Delivery and Acceptance

A certified copy of the Protocol of Delivery and Acceptance of the Vessel (as defined in the Building Contract) signed by the Builder and the Borrower.

2 Project Information

A certificate from the Borrower confirming that:

- (a) all material Consents required to be obtained by Delivery (as referred to in the list provided to the Facility Agent pursuant to paragraph 2 of Part 1 of this Schedule has been given, issued, made or acquired and remain in full force and effect or, as the case may be, that such Consents obtained prior to the Utilisation Date on Delivery are unamended and remain in full force and effect; and
- (b) the Charterer has not exercised the Charterer's Purchase Option.

3 Fees and expenses

Evidence that all fees and expenses due to the Finance Parties (including the fees of the Insurance Consultant and the Facility Agent's legal advisers) and any applicable commitment commission payable on the Delivery Date have been paid in full.

Part 3
Conditions subsequent

1 Registration of the Vessel and Mortgage

- (a) An original of the Grosse Akte Pendaftaran Kapal to be provided no later than ten (10) Business Days after the Delivery Date.
- (b) No later than one (1) Business Days after the later of (i) the Delivery Date and (ii) the date of issuance of the Grosse Akte Pendaftaran Kapal evidence that the Borrower has submitted an application for registration of the Mortgage with the officials of the Directorate General of Sea Communication of the Department of Communication of the Republic of Indonesia.
- (c) No later than five (5) Business Days after the later of (i) the Delivery Date and (ii) the date of issuance of the Grosse Akte Pendaftaran Kapal evidence that the Mortgage has been executed in the presence of officials of the Directorate General of Sea Communication of the Department of Communication of the Republic of Indonesia and submitted for registration against the Vessel as a first priority Indonesian ship mortgage.
- (d) An original of the Gross Akta Hipotek to be provided no later than thirty (30) days after the date of execution of the Mortgage evidencing that the Mortgage has been duly registered against the Vessel as a valid first priority Indonesian ship mortgage with the Directorate General of Sea Communication of the Department of Communication of the Republic of Indonesia in accordance with the laws of Indonesia as evidenced by the issuance of Gross Akta Hipotek Pertama.
- (e) Documentary evidence to be provided no later than the earlier of (i) twenty (20) Business Days after the later of (A) the Delivery Date and (B) the date of issuance of the Grosse Akte Pendaftaran Kapal and (ii) the issuance of Notice of Readiness (as defined in the Charter) that the Borrower possesses a SIUPAL or other relevant license required under Indonesian laws/regulations for the purpose of owning the Vessel.
- (f) No later than five (5) Business Days after the Delivery Date an original of the Protocol of Delivery and Acceptance of the Vessel (as defined in the Building Contract) signed by the Builder and the Borrower.

2 Project Agreements

- (a) No later than 31 December 2013, a copy, certified as a true copy by a duly authorised signatory of the Borrower, of the Mooring Installation Contract.
- (b) Promptly upon receipt by the Borrower and no later than seven Business Days after Final Acceptance, a copy, certified as a true copy by a duly authorised signatory of the Borrower, of the PGN L/C
- (c) Evidence as to the due incorporation of each of the Obligors to the Material Project Agreements delivered pursuant to paragraphs (a) and (b) above, its power and authority to enter into and perform the Material Project Agreement to which it is a party and all other documents and instruments to give effect to the same, and evidence of the authority of the signatories of the other parties to such Material Project Agreements.

3 Fiduciary Assignments

No later than twenty (20) days after the Delivery Date:

- (a) The original certificates of each of the Insurance Fiduciary Assignment, the Reinsurance Fiduciary Assignment, the Share Security in respect of each Indonesian Shareholder, the

Fiduciary Assignment of Tangible Assets and the Fiduciary Assignment of Receivables, duly issued by the Fiduciary Registration Office;

- (b) the notices required under the Insurance Fiduciary Assignment and the Reinsurance Fiduciary Assignment have been sent to relevant counterparties; and
- (c) any acknowledgments required under the Insurance Fiduciary Assignment and the Reinsurance Fiduciary Assignment have been obtained from relevant counterparties.
- (d) The certified true copy of the share register of the Borrower that provides the registration of the Shareholders' share ownership in the Borrower and the Shares Security in respect of each Indonesian Shareholder

4 Sponsor

No later than three (3) Business Days following the first Utilisation, a certificate signed by an authorised signatory of the Sponsor and the Borrower that the Sponsor has no liabilities whatsoever outstanding from the Borrower in respect of any Promissory Note or evidence that the Sponsor has entered into or acceded to a Subordination Deed.

5 Classification

No later than the Final Acceptance Date, the form of a copy of the Classification Certificate for the Vessel evidencing that the Vessel is classed with the relevant Classification Society free of all overdue conditions of the relevant Classification Society which have not expired.

6 Execution of Bahasa versions

The documents referred to in clause 22.10 (*Translations*) by the date referred to such clause.

7 Hedging

No later than three (3) months after the date of this Agreement, a copy of the duly executed Hedging Master Agreements required to have been entered into by such date in accordance with clause 31.1(a).

8 Signing Authority

No later than 14 days after the first Utilisation Date, the Borrower shall provide to the Lenders a power of attorney confirming that Mr. Mochammad Ali Suharsono, President Director of PT Rekayasa Industri has authority to execute the Mooring Installation Contract or confirmation acceptable to Korea Development Bank from the Borrower's Indonesian legal counsel that a power of attorney is not required and that Mr Mochammad Ali Suharsono is an authorised signatory of PT Rekayasa Industri.

9 Charter Novation Agreement (Charterer)

No later than 14 days after the first Utilisation Date, a legal opinion from Oentoeng Suria & Partners (or another legal counsel approved by the Facility Agent in substantially the same form as the OSP Legal Opinion or such other form satisfactory to the Facility Agent acting reasonably and upon the advice of its legal counsel) in respect of the due incorporation of the new Charterer and the execution of the Charter Novation Agreement (Charterer) by the new Charterer and the Original Charterer.

**Schedule 4
Utilisation Requests**

Utilisation Request for a Loan

From: PT HOEGH LNG LAMPUNG

To: [●]

Dated: [●] 2013

Dear Sirs

**\$237,100,000 Term Loan Facility Agreement dated 12 September 2013 (as supplemented,
amended and restated from time to time, including by an amendment and restatement
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 utilise the [Commercial] [K-Sure] Facility on the following terms:

Facility:	[Commercial] [K-Sure]
Proposed Utilisation Date:	[●] (or, if that is not a Business Day, the next Business Day)
Loan amount:	[\$[●]]
- 3 We confirm that:
 - (a) each condition specified in clause 4.5 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request and hereby make the certification referred to therein.
 - (b) at the date of this Utilisation Request and following the proposed Utilisation the ratio of the aggregate Loans outstanding as at the Utilisation Date to Sponsor Funding does not exceed 75:25.
 - (c) there is no forecast shortfall in funding in excess of \$5,000,000 to achieve Delivery by the Last Availability Date and Final Acceptance by the earlier of (i) the Cancellation Date and (ii) 18 March 2015;
 - (d) there is no forecast delay in achieving Delivery and/or Final Acceptance on or prior to such dates, respectively; and
 - (e) [insert details of the extent of any Cost Overrun or confirmation that there is no Cost Overrun].
- 4 The purpose of this Loan is [*specify purpose complying with clause 3 of the Agreement*] and its proceeds should be credited to the following account(s) in the following amounts:
 - (a) an amount of \$[●] shall be paid to [●] [*specify relevant account of the Borrower*]; and
 - (b) an amount of \$[●] shall be paid to [●].

5 We request that the first Interest Period for the Loan be [●] months.

6 This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
PT HOEGH LNG LAMPUNG

**Schedule 5
Selection Notice**

From: PT HOEGH LNG LAMPUNG

To: [●]

Dated: [●]

Dear Sirs

\$237,100,000 Term Loan Facility Agreement dated 12 September 2013 (as supplemented, amended and restated from time to time, including by an amendment and restatement agreement dated [●] 2021) (the Agreement)

PT HOEGH LNG LAMPUNG (the Borrower)

- 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 [1][3] months.
- 3 This Selection Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
PT HOEGH LNG LAMPUNG

Schedule 6
[Intentionally blank]

Schedule 7
Form of Transfer Certificate

To: [●]

From: [The Existing Lender] (the Existing Lender) and [The New Lender] (the New Lender)

Dated: [●]

\$237,100,000 Term Loan Facility Agreement dated 12 September 2013 (as supplemented, amended and restated from time to time, including by an amendment and restatement agreement dated [●] 2021) (the Agreement)

PT HOEGH LNG LAMPUNG

- 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 34.5 (*Procedure for transfer*):
 - (a) The Existing Lender and the New Lender agree to the Existing Lender assigning to the New Lender all or part of the Existing Lender's Commitment rights and assuming the Existing Lender's obligations referred to in the Schedule in accordance with clause 34.5 (*Procedure for transfer*) and the Existing Lender assigns and agrees to assign such rights to the New Lender with effect from the Transfer Date.
 - (b) The proposed Transfer Date is [●].
 - (c) The Facility Office and address, email address, fax number and attention details for notices of the New Lender for the purposes of clause 43.2 (*Addresses*) are set out in the Schedule.
- 3 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in clause 34.4(c).
- 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.

This Transfer Certificate and any non-contractual obligations connected with it are governed by English law.

Schedule 8
Form of Compliance Certificate

To: Standard Chartered Bank as **Facility Agent**
From: [PT Hoegh LNG Lampung][Hoegh LNG Partners LP]
Dated: [●]

Dear Sirs

\$237,100,000 Term Loan Facility Agreement dated 12 September 2013 (as supplemented, amended and restated from time to time, including by an amendment and restatement agreement dated [●] 2021) (the Agreement)

PT HOEGH LNG LAMPUNG (the Borrower)

- 1 I/We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- 2 I/We confirm that:
- 3 *[Note: insert required financial covenant confirmations.]*
- 4 ¹[I/We confirm that we are not aware that any Default is continuing.] *[If this statement cannot be made, the certificate should identify any Default that the Borrower is aware is continuing and the steps, if any, the Borrower is aware being taken to remedy it.]*

Signed by:

.....

[Finance Director]

[●]

.....

[Chief Financial Officer]

¹ To be included in the Borrower's Compliance Certificate only

Schedule 9
Form of Market Disruption Notification

To: Standard Chartered Bank as **Facility Agent**

From: [Lender]

Dated: [●]

Dear Sirs

\$237,100,000 Term Loan Facility Agreement dated 12 September 2013 (as supplemented, amended and restated from time to time, including by an amendment and restatement agreement dated [●] 2021) (the Agreement)

PT HOEGH LNG LAMPUNG

1 We refer to the Agreement. This is a Market Disruption Notification. Terms defined in the Agreement have the same meaning when used in this Market Disruption Notification unless given a different meaning in this Market Disruption Notification.

2 We hereby notify you that, in relation to our participation in the Loan referred to below and the Interest Period referred to below, the cost to us of obtaining a matching deposit (or matching deposits) in the Interbank Market would be in excess of LIBOR:

Loan (currency and amount): \$[●]

Interest Period: [●] months commencing on [●]

Cost of funds: [●]

3 We request that, as soon as practicable, you inform the other Lenders that you have received a Market Disruption Notification in respect of the Loan and Interest Period referred to in paragraph 2 above, without stating our name or the amount or percentage of our participation. However, we acknowledge that you shall be under no liability for any act or omission in this respect.

Yours faithfully

.....

authorised signatory for

[name of relevant Lender]

**Schedule 10
Form of Project Budget Statement**

FSRU [●]

PROJECT BUDGET STATEMENT

XXX

Projected Annual Availability: []

		YEAR												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Revenue	1 Capital Element													
	2 Operating Cost Element													
	3 Tax Element													
	TOTAL REVENUE													

(1) includes

Manning Costs

Maintenance and Repair Cost

Consumables and Stores Cost

Insurance Cost

Miscellaneous Costs

Management and Operational Costs

Schedule 11
Repayment Schedules

Repayment Date	Month	K-Sure Facility Repayment Schedule	Commercial Facility Repayment Schedule
Start Date	0	-	-
1st Repayment Date	3	9,993,629.78	2,671,948.72
2nd Repayment Date	6	3,721,549.50	1,044,029.00
3rd Repayment Date	9	3,721,459.50	1,044,029.00
4th Repayment Date	12	3,721,639.50	1,044,029.00
5th Repayment Date	15	3,721,549.50	1,044,029.00
6th Repayment Date	18	3,721,549.50	1,044,029.00
7th Repayment Date	21	3,721,559.50	1,044,029.00
8th Repayment Date	24	3,721,549.50	1,044,029.00
9th Repayment Date	27	3,721,549.50	1,044,029.00
10th Repayment Date	30	3,721,549.50	1,044,029.00
11th Repayment Date	33	3,721,549.50	1,044,029.00
12th Repayment Date	36	3,721,549.50	1,044,029.00
13th Repayment Date	39	3,721,549.50	1,044,029.00
14th Repayment Date	42	3,721,549.50	1,044,029.00
15th Repayment Date	45	3,721,549.50	1,044,029.00
16th Repayment Date	48	3,721,549.50	1,044,029.00
17th Repayment Date	51	3,721,549.50	1,044,029.00
18th Repayment Date	54	3,721,549.50	1,044,029.00
19th Repayment Date	57	3,721,549.50	1,044,029.00
20th Repayment Date	60	3,721,549.50	1,044,029.00
21st Repayment Date	63	3,721,549.50	1,044,029.00
22nd Repayment Date	66	3,721,549.50	1,044,029.00
23rd Repayment Date	69	3,721,549.50	1,044,029.00
24th Repayment Date	72	3,721,549.50	1,044,029.00

25th Repayment Date	75	3,721,549.50	1,044,029.00
26th Repayment Date	78	3,721,549.50	1,044,029.00
27th Repayment Date	81	3,721,549.50	1,044,029.00
28th Repayment Date	84	3,721,549.50	1,044,029.00
29th Repayment Date	87	3,721,549.50	815,992.49
30th Repayment Date	90	3,721,549.50	815,992.49
31st Repayment Date	93	3,721,549.50	815,992.49
32nd Repayment Date	96	3,721,549.50	815,992.49
33rd Repayment Date	99	3,721,549.50	815,992.49
34th Repayment Date	102	3,721,549.50	815,992.49
35th Repayment Date	105	3,721,549.50	815,992.49
36th Repayment Date	108	3,721,549.50	815,992.49
37th Repayment Date	111	3,721,549.50	815,992.49
38th Repayment Date	114	3,721,549.50	815,992.49
39th Repayment Date	117	3,721,549.50	815,992.49
40th Repayment Date	120	3,721,549.50	815,992.49
41st Repayment Date	123	3,721,549.50	815,992.49
42nd Repayment Date	126	3,721,549.50	815,992.49
43rd Repayment Date	129	3,721,549.50	815,992.49
44th Repayment Date	132	3,721,549.50	815,992.49
45th Repayment Date	135	3,721,549.50	815,992.49
46th Repayment Date	138	3,721,549.50	815,992.49
47th Repayment Date	141	1,171,008.72	815,992.49

Schedule 12
[Intentionally blank]

Schedule 13
[Intentionally blank]

Schedule 14
List of Translated Documents

- 1 This Agreement;
- 2 Fee Letters;
- 3 Security Assignment;
- 4 Account Security;
- 5 Insurance Assignment;
- 6 Hedging Security;
- 7 O&M Contractor Undertaking (if issued by a party incorporated in Indonesia)
- 8 Supervisor Undertaking (if issued by a party incorporated in Indonesia)
- 9 Letter of Quiet Enjoyment;
- 10 Powers of Attorney;
- 11 Project Agreements Assignment;
- 12 Subordination Deed;
- 13 Intercreditor Deed;
- 14 Subordinated Loan Agreement;
- 15 Promissory Notes;
- 16 Utilisation Request;
- 17 Charter
- 18 Charter Novation Agreement;
- 19 any Charter Guarantee
- 20 Building Contract Novation Agreement;
- 21 Mooring EPC Contract Novation Agreement;
- 22 Umbrella Agreement;
- 23 Umbrella Novation Agreement;
- 24 Consortium Agreement;
- 25 Consortium Agreement Novation Agreement;
- 26 Mooring Installation Contract;
- 27 Supervision Agreement;
- 28 Master Maintenance Agreement;

29 Master Parts Agreement; and

30 Technical Services Agreement.

Schedule 15
Form of Accession Deed

THIS ACCESSION DEED is dated [●] and made between

- (1) The parties currently party to the facility agreement referred to below (the **Existing Parties**); [and]
- (2) [[●] (the **Accession Party**); [and]]
- (3) [[●] (the **Transferor**).]

IT IS AGREED that:

- 1 This Accession Deed relates to a facility agreement deed dated *[date]* (as amended and in force from time to time, the **Facility Agreement**) made between *[specify parties]*. Words and expressions defined in, or to be construed in accordance with, the Facility Agreement shall have the same meanings and construction when used in this Accession Deed.
 - 2 [The Accession Party [has entered into a Hedging Master Agreement] [or] [become a Lender] *[specify other relevant action]* full particulars of which are set out in the schedule to this Accession Deed and confirms that it has supplied the Facility Agent with a copy of *[specify all relevant agreements or documents]*.
- OR
- [The Transferor has transferred to the Accession Party [all] [part] of *[specify property or rights being transferred]* (the **Transferred Interests**) details of which are set out in the schedule to this Accession Deed].
- 3 The parties to this Accession Deed agree and acknowledge that the rights and obligations of the Accession Party in relation to the Transferred Interests are subject to the terms and conditions of the Facility Agreement.
 - 4 [The Transferor transfers the Transferred Interests to the Accession Party by signature of this Accession Deed and the Facility Agent and the K-sure Agent accepts such transfer on behalf of the Existing Parties for the purposes of clause [●] of the Facility Agreement.]
 - 5 The Accession Party undertakes with effect from the date of this Accession Deed to observe and perform the terms and obligations set out in the Facility Agreement relative to *[specify relevant capacity]* all of which shall be binding on the Accession Party as if it were originally included in the term[s] *[specify relevant definition(s) relating to capacity of Accession Party]*.
 - 6 The Existing Parties undertake to the Accession Party that they will observe and perform the terms and conditions set out in the Facility Agreement all of which shall remain binding on the Existing Parties relative to the *[specify relevant capacity]* as if it were originally included in the term[s] *[specify definition related to capacity of Accession Party]*.
 - 7 This Accession Deed and the rights and obligations of the parties under this Accession Deed are governed by and shall be construed in accordance with English law.
 - 8 The provisions of clauses [●] in the Facility Agreement shall be incorporated in this Accession Deed.

Schedule 16
[Intentionally blank]

Schedule 17
Technical Adviser's Scope of Work

Gap Analysis Report

- 1 Review on the Lease Operation and Maintenance Agreement, Mooring EPC contract, shipbuilding contract, EPCIC and other material equipment supply contracts and/or Purchase Orders.
- 2 Perform a high level review of previous technical advisor's technical evaluation findings to identify any gaps or residual risks that still need to be considered by the project.
- 3 Detailed evaluation of each phase of the Project from construction, Owners Acceptance Testing, Hook-up/Commissioning, Charter Acceptance Testing and subsequent operations and maintenance. The evaluation shall include:
 - (a) Review Project schedule, based on current progress of the project and identify the critical path(s) and adequacy of delivery dates to meet the Project schedule. To the extent information is available, comment on the construction and completion schedule of the undersea pipeline that will connect the mooring to shore being undertaken by PT Rekayasa Industri;
 - (b) Review of interfaces between the Project and other components of the LNG Terminal;
 - (c) Review of key risks in each phase to successful completion and potential mitigants to deal with identified issues;
 - (d) (Note - review of operating and maintenance arrangements is excluded from this CTR.);
 - (e) Perform a high level assessment of previous technical advisor's review the Health, Safety and Environmental policies established for the Project to identify any gaps or residual risks that still need to be considered by the project.
 - (f) Recommendations on suitable mitigants to the identified risks, to reduce the risk to an as low as reasonably practicable basis.
- 4 Review of the project management organization, project management tools, controls, duties and responsibilities as organised by Hoegh LNG for the Project.
- 5 Review the Project budget & contingencies including the basis for establishing the budget and the feasibility of the budget.
- 6 Perform a high level assessment of previous technical advisor's technical review to identify any residual technology risks to this project; providing, where necessary, commentary on the level of risks, mitigants in place and the sufficiency of the mitigants to reduce identified risks to an as low as reasonably practical basis.
- 7 Perform a high level assessment of previous technical advisor's review and provide any supplementary comments on performance guarantees, liquidated damages and warranties provided under the project agreements. This will be reviewed and the impact on the overall risk profile of the project and contract assessed.
- 8 Working together with Lenders' Legal Counsel to ensure that the technical and operating covenants in the facility documents are aligned with construction, delivery and operating requirements under the Lease Operation and Maintenance Agreement.
- 9 Advise on other technical related matters, reasonably requested by Lenders
- 10 Attend clarification meetings with lenders as required

- 11 Prepare a Technical Due Diligence Draft Report prior to signing of facility agreement. This report will consolidate the supplemental ITA scope of work (**Gap Analysis**) and additional analysis results and findings; where relevant, reference will be made to the previous technical advisor's Interim Report.²

Construction Monitoring Report

- 1 Perform monthly (for highlighting to the Lenders any red flag issues) and quarterly (for the purposes of preparing a report **Quarterly Report**) reviews of the Project Progress Reports (construction of the FSRU, Mooring and pipeline (to the extent information is made available by PGN)) until sailaway and acceptance of the FSRU. These reviews will consider any key risks or issues identified in the Technical Due Diligence, as well as identifying any impacts to achieving the planned project schedule, budgeted project cost and comment on any technical issues arising on the Project.
- 2 At the request of lenders (subject to the provisions of the Facility Agreement), to conduct site inspections at the shipyard and/or the Project site in Indonesia.
- 3 Each Quarterly Report shall include the following sections
 - Commentary on individual project area (including HHI, SOFEC, pipeline, installation and DNV) and overall progress achieved versus planned - focus on overall progress status and key milestones/ activities, including interface issues
 - Budget status review including contingency allocation and variation status
 - Schedule forecast commentary/ observations
 - Project organisation - by exception reporting on planned recruitment and additional resource requirements
 - Specific observations on key risk areas and period specific LTA monitoring topics
 - Update of LTA risk register/ matrix and LTA monitoring action list
 - Recommendations and observations on additional risk mitigation or progress recovery measures

Delivery and Acceptance Review

Review of the Borrower's reports on Owners Acceptance Tests conducted for Sailaway of the FSRU from the shipyard and review on the commissioning and acceptance of the FSRU (or if applicable an assessment of the other items referred to in the definition of Completion Guarantee Release Report) on behalf of Lenders to prepare a Completion Guarantee Release Report, when requested by the Borrower. Technical Advisor can be required to prepare more than one such report, subject to Borrower and Technical Advisor agreeing costs of such report.

Completion Guarantee Release Report means a report from the Technical Advisor confirming that any of the following applies:

- (a) in the event of Final Acceptance following satisfaction of the NoR Conditions and the Final Acceptance Test under the Charter, the FSRU has continued to meet the Operational Minimum Requirements (as defined in the Charter) and continued to comply with the Warranty Performance Requirement (as defined in the Charter), in each case to a sufficient extent to permit the Borrower to maintain the Debt Service Coverage Ratio as required by

² For the avoidance of doubt Interim Report, Gap Analysis Report and Due Diligence Report have been completed prior to signing.

clause 21.1 (*Borrower financial covenants*) throughout any continuous period of 90 days after the Final Acceptance Date; or

- (b) in the case of Deemed Acceptance, the FSRU has continued to meet the Operational Minimum Requirements (as defined in the Charter) and continued to comply with the Warranty Performance Requirement (as defined in the Charter), in each case, to a sufficient extent to permit the Borrower to maintain the Debt Service Coverage Ratio as required by clause 21.1 (*Borrower financial covenants*) throughout any continuous period of 90 days after Deemed Acceptance; and at any time after Deemed Acceptance:
- (i) the FSRU satisfied all the AMR Requirements; or
 - (ii) in the event that an AMR Requirement was not satisfied, and there was not a reasonable opportunity (including by the supply of LNG and the nomination of regasified LNG by the Charterer) or it was agreed in consultation with the Technical Advisor that it was not reasonably practicable to determine whether the FSRU could satisfy that AMR Requirement, then as a minimum requirement the FSRU has demonstrated that:
 - (A) for LNG transfer, storage and cargo handling systems:
 - (I) the FSRU is capable of ship to ship transfer of LNG in accordance with the Charter; and
 - (II) the LNG cargo storage and handling systems have been fully tested and accepted under the Building Contract;
 - (B) for regasification and export systems:
 - (I) each of the 3 LNG trains is capable of achieving its name plate capacity at 120MMscf per day, together with evidence that it is capable of ramping down to a minimum send-out rate of 45MMscf per day; or
 - (II) if the system testing is limited (e.g. by LNG supply or gas export limitations) by the Charterer preventing the running of the trains to full capacity, each of the 3 LNG trains is capable of regasifying LNG at a rate of at least 45MMscf per day; or
- (c) in the case of Deemed Acceptance, to the extent that the requirements of paragraph (b) have not been satisfied, the Technical Advisor has assessed the performance of any untested or partially tested part of the FSRU, and is of the opinion that the FSRU is likely to be capable of satisfying the applicable Warranty Performance Requirements (as defined in the Charter) based on the results of operations and testing of the FSRU, including during vendor factory acceptance testing, sea trials and gas trials performed under the Building Contract and acceptance testing performed under the Charter.

For the purposes of this definition, an **AMR Requirement** means any of paragraphs 1(b), 1(c), 1(d), 1(f), 1(g), 1(h) and 1(i) of the Part A of Schedule 2 of the Charter.

Project Progress Reports means the monthly report prepared by the Borrower until Final Acceptance, within 3 weeks of the end of each month, on the progress of all elements of the FSRU and Mooring and (to the extent information is made available by PGN) pipeline construction. The report should include sufficient details on

- Progress summary narrative on all areas of project
- Progress/ schedule status analysis (including S curves)
- Budget expenditure versus budget (including S curves)

- Any concerns regarding Class status
- Main interface actions, activities, milestones and key activity progress tracking/ forecasting (e.g. TSS release to HHI)
- Main milestones planned and achieved for period
- Any main areas of concern
- Key risk management activities against risk register

Schedule 18
Form of instruction to Account Banks

Part 1: Borrower Withdrawal Instruction

To: Standard Chartered Bank
as Account Bank
cc: Standard Chartered Bank
as Facility Agent
From: PT Hoegh LNG Lampung
as Borrower
Dated: [●] Time: [●]

Dear Sirs

\$237,100,000 Term Loan Facility Agreement dated 12 September 2013 (as supplemented, amended and restated from time to time, including by an amendment and restatement agreement dated [●] 2021) (the Agreement)

- 1 We refer to the Agreement. This is a Borrower Withdrawal Request.
- 2 We confirm that [insert details of purpose of required withdrawals].
- 3 In accordance with clause [●] of the Facility Agreement, we instruct you to withdraw monies from the [*specify relevant Project Account (account no. [●])*] and apply such monies in the order as set out below:

S.No.	Currency	Amount	Payee	Payee account details: account holder's name:	Account No	Bank Name	Bank Address	SWIFT Code:	Reference:

- 4 This withdrawal instruction is irrevocable.

5 We hereby represent and warrant that this withdrawal instruction is in compliance with clause 28 (*Project Accounts, Receivables and Insurance Proceeds*) of the Facility Agreement.

Yours faithfully

.....

for and on behalf of
PT Hoegh LNG Lampung as Borrower

Part 2: Facility Agent Withdrawal Instruction

To: Standard Chartered Bank
as Account Bank

From: Standard Chartered Bank
as Facility Agent

and: PT Hoegh LNG Lampung
as Borrower

Dated: [●]

Time: [●]

Dear Sirs

\$237,100,000 Term Loan Facility Agreement dated 12 September 2013 (as supplemented, amended and restated from time to time, including by an amendment and restatement agreement dated [●] 2021) (the Agreement)

- 1 We refer to the Agreement. This is a Facility Agent Withdrawal Request.
- 2 We confirm that [insert details of purpose of required withdrawals].
- 3 In accordance with clause [●] of the Facility Agreement, we instruct you to withdraw monies from the [*specify relevant Project Account (account no. [●])*] and apply such monies in the order as set out below:

S.No.	Currency	Amount	Payee	Payee account details: account holder's name:	Account No	Bank Name	Bank Address	SWIFT Code:	Reference:

- 4 This withdrawal instruction is irrevocable.

5 We hereby represent and warrant that this withdrawal instruction is in compliance with clause 28 (*Project Accounts, Receivables and Insurance Proceeds*) of the Facility Agreement.

Yours faithfully

.....

for and on behalf of
PT Hoegh LNG Lampung as Borrower

COUNTERSIGNATURE OF FACILITY AGENT REQUIRED

.....

for and on behalf of
Standard Chartered Bank as Facility Agent

Schedule 19 Account Banks provisions

1 Operation of the Project Accounts

1.1 Instructions to Account Banks and compliance with directions

The Facility Agent and the Borrower agree to give to the Account Banks all directions necessary to enable each Account Bank to operate the relevant Projects Accounts in accordance with the terms of the Finance Documents. The Account Banks shall comply with any instruction delivered to the Account Bank in accordance with clause 28 (*Project Accounts*) to debit the Project Accounts but only if the relevant instruction (i) is in respect of a specified sum of money; (ii) is in writing or, in the case of a transfer of funds by electronic transmission, is evidenced in accordance with the relevant Account Bank's normal banking practice for such transfers; and (iii) complies with the form of instruction to Account Bank set out in Schedule 18.

1.2 Payments to be made out of Singapore (for the Offshore Account Bank) and Indonesia (for the Onshore Account Bank) only

All payments out of the Accounts shall be made by the Account Banks in Singapore (for the Offshore Account Bank) and Indonesia (for the Onshore Account Bank) only and the Account Banks are not permitted to make any payments out of the Accounts in any other jurisdiction for any reason whatsoever.

1.3 Conflicting instructions

In the case of any conflict between any instructions given to an Account Bank by the Facility Agent and any other person the instructions of the Facility Agent will prevail.

1.4 No overdraft, insufficient moneys

Amounts shall only be withdrawn from the Project Accounts to the extent such withdrawal does not cause the Project Accounts to have a negative balance and the Account Banks shall not have any obligation to monitor the Project Accounts for this purpose or incur any liability whatsoever from any non-distribution in such circumstances.

1.5 Authorised signatories, call-back contacts

Each of the Facility Agent and the Borrower shall provide a list of authorised signatories and call-back contacts to each Account Bank on or prior to the first Utilisation. Each of the Facility Agent and the Borrower undertakes to give each Account Bank five (5) clear Business Days' notice in writing of any amendment to their authorised signatories or call-back contacts.

2 Reliance and Assumptions by Account Banks

2.1 Right to rely on communications

Each of the Account Banks may rely on:

- (a) any communication or document reasonably believed by it to be genuine (even if such communication or document is later reversed, modified, set aside or vacated); and/or
- (b) any document of any kind prima facie properly executed and submitted by any person whom the relevant Account Bank has reasonable grounds to believe is entitled to execute and submit such document in relation to any matter arising under

or in connection with this Agreement (even if such document is later reversed, modified, set aside or vacated).

2.2 Right to consult and rely on professional advisers

Each of the Account Banks may, at the reasonable expense of the Borrower, consult legal counsel or professional advisers over any question as to the provisions of this Agreement, its rights, obligations and/or its duties. Each of the Account Banks may rely on and act pursuant to the advice of its counsel or other professional advisers with respect to any matter (whether or not contentious) relating to this Agreement and shall not be liable for any action taken or omitted by it in good faith in accordance with such advice.

2.3 Right to assume no breach of obligations under the Account Agreement

Each of the Account Banks can assume that no other party to this Agreement is in breach of its obligations hereunder unless the relevant Account Bank has actual notice to the contrary in its capacity as account bank.

2.4 Right to assume all conditions to payment met

Each of the Account Banks may assume that all conditions for the making of any payment out of the amounts standing to the credit of the Project Accounts held with it which are specified in any instruction from the Borrower or the Facility Agent have been satisfied, unless the relevant Account Bank has actual notice to the contrary in its capacity as account bank.

3 Expenses

3.1 Account Banks' right of lien

The Borrower is liable for payment of any fees, expenses and other sums payable to the Account Banks pursuant to this Agreement. The Account Banks may debit any amounts due to it in respect of the operation of the relevant Project Accounts and shall be entitled to retain that proportion of the amounts standing to the credit of the Revenue Accounts (or either of them) equal to any unpaid fees and other charges due to the Account Banks (or either of them) under this Agreement (in respect of any Project Account) until all such fees and charges have been paid in full.

4 No Duty or Obligation

4.1 No implied duties or obligations

The Account Banks shall be obliged to perform only such duties as are set out in the Finance Documents and no implied duties or obligations shall be read into this Agreement against either of the Account Banks.

4.2 No duty or obligation greater than that owed to general banking customers

Neither of the Account Banks shall be under any duty or obligation to give the amounts held by it hereunder any greater degree of care than it gives to amounts held for its general banking customers.

4.3 No duty or obligation to make payments

Neither of the Account Banks shall be obliged to make any payment or otherwise to act on any request or instruction notified to it under this Agreement if:

- (a) it is unable to verify any signature pursuant to any request or instruction against the specimen signature provided for the relevant authorised signatory; or

- (b) it is unable to validate the authenticity of the request by telephoning a call-back contact as provided to it pursuant to paragraph 1.4 above; or
- (c) if, in the relevant Account Bank's reasonable opinion, it conflicts with any provision of this Agreement or otherwise does not comply with the requirements of this Agreement.

4.4 No duty or obligation to ensure accuracy of any communication

Neither of the Account Banks is under no duty or obligation to ensure that any certificate, consent, notice, instruction or other communication which is or appears to be given by the Facility Agent in accordance with this Agreement is accurate, correct or duly authorised and shall be entitled to act in reliance without further enquiry upon any such certificate, consent, notice, instruction or other communication and shall not be under any duty or obligation to verify the accuracy or correctness of any statements made therein (even if such certificate, consent, notice, instruction or other communication is later reversed, modified, set aside or vacated).

4.5 No duty or obligation to take any action which may be illegal

Notwithstanding any other provision of any Finance Document to the contrary, neither of the Account Banks is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law and neither of the Account Banks shall be liable for any failure to carry out any or all of its obligations under this Agreement where performance of any such duty or obligation would be in breach of any law or other regulation.

4.6 No duty to be bound by terms of settlement without consent

In the event that the terms of a settlement of any dispute involving the Borrower results in an increase, extension, modification or other variation of the duties, obligations or liabilities of either Account Bank contemplated by this Agreement, then such variation shall only be effective where, and to the extent, the relevant Account Bank has given its written consent to be bound thereby.

4.7 No duty or obligation to ensure that funds used for proper purpose

Neither of the Account Banks is under a duty or obligation to ensure that any funds withdrawn from the Project Accounts are actually applied for the purpose for which they are withdrawn.

5 Limitation of Liability

5.1 General exclusion of liability

Neither of the Account Banks shall be liable to any person or entity for any loss, liability, claim, action, damages or expenses arising out of or in connection with anything done or omitted to be done by it pursuant to and in accordance with the provisions of this Agreement save as are caused by its own gross negligence or wilful misconduct.

5.2 No liability where withdrawal wrongly made in good faith

Neither of the Account Banks is responsible or liable to the Borrower or the Contractors for any withdrawal wrongly made, if the relevant Account Bank acted in good faith in relation to that withdrawal.

5.3 No liability for consequential loss, etc.

Notwithstanding the foregoing, under no circumstances will either of the Account Banks be liable to any party whether in contract, tort or otherwise, for any consequential loss (including, but not limited to, loss of business, goodwill, opportunity or profit) even if advised of the possibility of such loss or damage.

5.4 No liability for events of force majeure

In no event shall either of the Account Banks be liable for any Losses suffered due to a Force Majeure event (as each such expression is defined below).

Losses means any losses, damages, demands, claims, liabilities, costs (including legal costs) and expenses of any kind (including any direct, indirect or consequential losses, loss of profit, loss of goodwill and loss of reputation) whether or not they were foreseeable or likely to occur.

Force Majeure means any:

- (a) flood, storm, earthquake or other natural event;
- (b) war, hostilities, terrorism, revolution, riot or civil disorder;
- (c) strike, lockout or other industrial action;
- (d) change in any law or any change in the interpretation or enforcement of any law;
- (e) act or order of any Authority;
- (f) order of any court or other judicial body;
- (g) restriction or impending restriction on the availability, convertibility, credit or transferability of any currency;
- (h) computer system malfunction or failure (regardless of cause) or any third party interference with a computer system;
- (i) error, failure, interruption, delay or non-availability of any goods or services supplied to the Borrower or the relevant Account Bank by a third party; or
- (j) other circumstance beyond the reasonable control of the relevant Account Bank.

6 Indemnity

The Borrower (and, to the extent that the relevant Account Bank has not been reimbursed by the Borrower pursuant to a Finance Document, the Lenders) shall indemnify and keep indemnified each of the Account Banks and its directors, officers, agents and employees (each an **Indemnified Party**) and hold each of them harmless from and against any and all losses, liabilities, claims, charges, actions, demands, damages, fees, costs and expenses (including, without limitation, fees and disbursements of the Indemnified Party's counsel) arising out of or in connection with (a) its appointment as an Account Bank under, and its performance of, the Finance Documents including, but not limited to, the reliance by such Account Bank on any instruction, and (b) the exercise of its rights and powers as an Account Bank under, or the enforcement of any provision of, the Finance Documents, save as are caused by its (or their) own gross negligence or wilful misconduct.

The indemnities in this paragraph 6 shall survive the termination of this Agreement, or the resignation or removal of the relevant Account Bank.

7 Disclosure and Publicity

7.1 Publicity

No material in any language which mentions either of the Account Bank's names or the rights, powers or duties of the Account Banks may be issued by either of the other Parties or on their behalf without the prior written consent of the relevant Account Bank.

8 Resignation of Account Banks

8.1 Account Banks' right of resignation

An Account Bank may resign and be discharged from its duties or obligations under this Agreement at any time by giving sixty (60) Business Days' notice in writing of such resignation.

8.2 Procedure for nominating replacement Account Bank

The Borrower and the Facility Agent will within 15 Business Days of receipt of the relevant Account Bank's resignation notice, jointly nominate and inform the relevant Account Bank in writing of a replacement Account Bank (together with details of the accounts into which the funds standing to the credit of the Project Accounts will be transferred). If the relevant Account Bank does not receive any nomination notice within such period, such Account Bank will nominate another bank or financial institution of international standing and repute before resigning and being discharged from its duties and obligations under this Agreement and any such nomination and resulting appointment of a replacement Account Bank will be binding upon the Parties. The Parties will forthwith take all necessary steps to novate this Agreement to the replacement Account Bank, discharge the relevant Account Bank from its obligations under this Agreement and make such other changes to this Agreement and the other Finance Documents (including entering into replacement Account Security) as shall be required to reflect the replacement of the relevant Account Bank.

8.3 Fees and expenses relating to replacement of Account Banks

The Borrower will pay to the relevant Account Bank any fees due and owing to such Account Bank, plus any costs and expenses such Account Bank and the other Finance Parties will reasonably incur in connection with the transfer of the Project Accounts to the replacement account bank and the novation of, and amendments to, the Finance Documents referred to in paragraph 8.2 above. No compensation or fees paid to the relevant Account Bank hereunder will be refundable notwithstanding the resignation, replacement or other termination of the appointment of such Account Bank for any reason whatsoever.

9 Termination

No later than thirty (30) days after the expiry of the Facility Period, the agreement contained in this Schedule 19 (*Account Bank provisions*) will automatically terminate and the Project Accounts will automatically be closed, provided that the Account Banks shall first transfer any balance standing to the credit of the Project Accounts to the order of the Borrower.

10 Governing Law

Notwithstanding that this Agreement is governed by English law, any deposits standing to the credit of the Project Accounts from time to time and all payments out of the Project Accounts are governed by the prevailing laws in effect in Singapore in the case of the Project Accounts with the Offshore Account Bank and Indonesia in the case of the Project Accounts with the Onshore Account Bank.

11 Miscellaneous

11.1 Monies held as banker; no trust

It is hereby acknowledged that all monies held by each Account Bank under the Finance Documents are held by it as banker. Nothing, whether by reason of any matter or thing contained in this Agreement or otherwise, constitutes either Account Bank or any of its officers, employees, partners, servants or agents as a trustee or fiduciary of any other person.

11.2 Succession and merger

Any legal entity into which either Account Bank is merged or converted or any legal entity resulting from any merger or conversion to which either Account Bank is a party shall, to the extent permitted by applicable law, be the successor to the relevant Account Bank without any further formality.

11.3 Ability to engage in other business; waiver of conflict

Each of the Borrower, the Facility Agent and the Security Agent acknowledges and agrees that (without objection), (i) each Account Bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of banking or other business and provide a broad range of financial services (including without limitation funding or advisory services and trading in debt and equity securities, both for its own account and the account of any client of the relevant Account Bank or of its Affiliates), (ii) each Account Bank may act in different capacities in relation to the transactions contemplated by the Finance Documents or otherwise, including as Facility Agent, Security Agent, Mandated Lead Arranger, Lender and Hedging Bank; and (iii) may, during the course of the contemplated transactions hereof or otherwise, be engaged in transactions and services with clients who may have conflicting interests to the Borrower, the Facility Agent and the Security Agent and/or other parties involved in the transactions contemplated in the Finance Documents.

11.4 Not required to risk own funds

Neither of the Account Banks shall be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any right, power or authority hereunder

Schedule 20 List of Approved Transferees

1. ABN AMRO Bank
2. Australia and New Zealand Banking Group Limited
3. Bank of China
4. Bayfront Infrastructure Capital
5. BNP Paribas
6. Cathay United Bank
7. Commonwealth Bank of Australia
8. China Construction Bank
9. Crédit Agricole Corporate and Investment Bank
10. Credit Industriel et Commercial
11. Clifford Capital
12. CTBC Bank
13. DBS Bank Limited
14. DNB Bank ASA
15. DZ Bank
16. E Sun Bank
17. Hong Kong Mortgage Corporation Limited
18. Hongkong and Shanghai Banking Corporation
19. Industrial and Commercial Bank of China
20. ING Bank N.V.
21. Intesa Sanpaolo Bank
22. The Korea Development Bank
23. MUFG Bank
24. Mizuho Bank, Ltd.
25. National Australian Bank
26. Natixis
27. OCBC Bank
28. Sinopac
29. Shinhan
30. Sumitomo Mitsui Trust Bank
31. Societe Generale
32. Standard Chartered Bank
33. Sumitomo Mitsui Banking Corporation
34. Taipei Fubon
35. United Overseas Bank
36. Woori Bank

SIGNATURES

THE BORROWER

PT HOEGH LNG LAMPUNG

By:

THE FACILITY AGENT

Standard Chartered Bank

By:

THE SECURITY AGENT

Standard Chartered Bank

By:

THE K-SURE AGENT

Standard Chartered Bank

By:

THE OFFSHORE ACCOUNT BANK

Standard Chartered Bank

By:

THE ONSHORE ACCOUNT BANK

Standard Chartered Bank, Jakarta Branch

By:

THE HEDGING BANKS

MUFG Bank, Ltd

By:

Standard Chartered Bank (Singapore) Limited

By:

DBS Bank Ltd

By:

Korea Development Bank

By:

The Oversea-Chinese Banking Corporation Limited

By:

THE COMMERCIAL LENDERS

DBS Bank Ltd

By:

Nordea Bank Abp, filial i Norge

By:

DNB Bank ASA

By:

ABN AMRO Bank N,V., Oslo Branch

By:

THE K-SURE LENDERS

MUFG Bank, Ltd

By:



Standard Chartered Bank (Singapore) Limited

By:

DBS Bank Ltd

By:

Korea Development Bank

By:

The Oversea-Chinese Banking Corporation Limited

By:

THE MANDATED LEAD ARRANGERS

Nordea Bank Abp, filial i Norge

By:

DNB Bank ASA

By:

ABN AMRO Bank N.V., Oslo Branch

By:

MUFG Bank, Ltd

By:

Standard Chartered Bank (Singapore) Limited

By:

DBS Bank Ltd

By:

Korea Development Bank

By:

The Oversea-Chinese Banking Corporation Limited

By:



Schedule 2 Commercial Lenders

The Exiting Commercial Lenders

1. MUFG Bank, Ltd.
2. DBS Bank Ltd
3. The Korea Development Bank
4. Oversea-Chinese Banking Corporation Limited
5. Standard Chartered Bank (Singapore) Limited
6. Bayfront Infrastructure Capital Pte. Ltd.

The New Commercial Lenders

1. DBS Bank Ltd
2. DNB Bank ASA
3. Nordea Bank Abp, filial i Norge
4. ABN AMRO Bank N.V., Oslo Branch

SIGNATURES

THE BORROWER

PT HOEGH LNG LAMPUNG

By: Irman Darmawan Rumadja
President Director

/s/ Irman Darmawan Rumadja

.....

THE GUARANTOR

HOEGH LNG PARTNERS LP

By: Håvard Furu
Attorney-in-Fact

/s/ Håvard Furu

.....

THE SINGAPORE SHAREHOLDER

HOEGH LNG LAMPUNG PTE. LTD.

By: Parthsarathi Jindal
Director and Attorney-in-Fact

/s/ Parthsarathi Jindal

.....

THE INDONESIAN SHAREHOLDER

PT BAHTERA DAYA UTAMA

By: Nurcahya Basuki
Director

/s/ Nurcahya Basuki

.....

THE O&M CONTRACTORS

HOEGH LNG SHIPPING SERVICES PTE. LTD.

By: Parthsarathi Jindal
Director and Attorney-in-Fact

/s/ Parthsarathi Jindal

.....

HOEGH LNG ASIA PTE. LTD.

By: Parthsarathi Jindal
Director and Attorney-in-Fact

/s/ Parthsarathi Jindal

HOEGH LNG AS

By: Thor Jørgen Guttormsen
General Manager

/s/ Thor Jørgen Guttormsen

THE FACILITY AGENT

(on behalf of itself and certain other Finance Parties)

Standard Chartered Bank

By: Paul Thompson

/s/ Paul Thompson

THE SECURITY AGENT

Standard Chartered Bank

By: Paul Thompson

/s/ Paul Thompson

THE K-SURE AGENT

(on behalf of itself and K-Sure)

Standard Chartered Bank

By: Paul Thompson

/s/ Paul Thompson

THE EXITING COMMERCIAL LENDERS

MUFG Bank, Ltd.

By: Joanna Swee
Director, Head of Portfolio Administration
Asian Investment Banking Division

/s/ Joanna Swee

DBS Bank Ltd

By: SVP Gideon Low

/s/ Gideon Low

The Korea Development Bank

By: Seungho Choi
General Manager

/s/ Seungho Choi

Oversea-Chinese Banking Corporation Limited

By: Lisa Fung
Head, Wholesale Corporate Marketing
OCBC Bank

/s/ Lisa Fung

Standard Chartered Bank (Singapore) Limited

By: Abhishek Badkul
Co-Head, Project & Export Finance, Asean and Australia

/s/ Abhishek Badkul

Bayfront Infrastructure Capital Pte. Ltd.

By: Edmund Lee Kwing Mun / Sophia Lim Siew Fay

/s/ Edmund Lee Kwing Mun /s/ Sophia Lim Siew Fay

THE NEW COMMERCIAL LENDERS

DBS Bank Ltd

By: SVP Gideon Low

/s/ Gideon Low

DNB Bank ASA

By: Einar Aaser
Senior Vice President
DNB Bank ASA

Maria Ruud Dingstad
Vice President
DNB Bank ASA

/s/ Einar Aaser /s/ Maria Ruud Dingstad

Nordea Bank Abp, filial i Norge

By: Sophie Polisen
Attorney-in-fact

/s/ Sophie Polisen

ABN AMRO Bank N.V., Oslo Branch

By: NA Dylishome

/s/ NA Dylishome

/s/ [signature illegible]

Dated	10 December	2021
	HÖEGH LNG PARTNERS LP	(1)
	as Guarantor	
	and	
	STANDARD CHARTERED BANK	(2)
	as Security Agent	
	STANDARD CHARTERED BANK	(3)
	as Facility Agent	
	STANDARD CHARTERED BANK	(4)
	as K-sure Agent	

GUARANTEE

Contents

Clause		Page
1	Interpretation	1
2	Guarantee	2
3	Liability as principal and independent debtor	2
4	Expenses	3
5	Reinstatement of obligation to pay	4
6	Payments	4
7	Interest	5
8	Subordination of rights of Guarantor	5
9	Enforcement	6
10	Representations and warranties	6
11	Undertakings	9
12	Currency indemnity	9
13	Set-off	9
14	Supplemental	10
15	Assignment	10
16	Notices	11
17	Governing law and arbitration	11

THIS GUARANTEE is made on 10 December 2021

BETWEEN:

- (1) **HÖEGH LNG PARTNERS LP** a limited partnership incorporated in the Republic of the Marshall Islands with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 and its principal office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda (the **Guarantor**) in favour of:
- (2) **STANDARD CHARTERED BANK** acting for the purpose of this Guarantee through its office at 6th Floor, 1 Basinghall Avenue, London. EC2V 5DD as security agent and trustee for and on behalf of the Finance Parties (as defined in the Facility Agreement referred to in recital below) (the **Security Agent**);
- (3) **STANDARD CHARTERED BANK** acting for the purpose of this Guarantee through its office at 6th Floor, 1 Basinghall Avenue, London. EC2V 5DD as facility agent for and on behalf of the Finance Parties (as defined in the Facility Agreement referred to in recital below) (the **Facility Agent**); and
- (4) **STANDARD CHARTERED BANK** acting for the purpose of this Guarantee through its office at 6th Floor, 1 Basinghall Avenue, London. EC2V 5DD (the **K-sure Agent**).

WHEREAS:

By an agreement dated 12 September 2013, as supplemented, amended and restated by a Side Letter dated 11 March 2014, a Second Side Letter dated 18 December 2014, a Third Side Letter dated 30 June 2015, a Fourth Side Letter dated 22 October 2015, a First Amendment and Restatement Agreement dated 29 September 2021 and an Amendment and Restatement Agreement dated 10 December 2021 (the **Second Amendment and Restatement Agreement**) (and as may be further amended from time to time) (the **Facility Agreement**) and made between, amongst others, (1) PT Hoegh LNG Lampung as borrower, (2) the financial institutions listed therein as lenders (the **Lenders**), (3) the financial institutions listed therein as hedging banks, (4) Standard Chartered Bank as facility agent, (5) Standard Chartered Bank as security agent, (6) Standard Chartered Bank as K-sure agent, (7) Standard Chartered Bank as offshore account bank, and (8) Standard Chartered Bank, Jakarta Branch as onshore account bank, the Lenders have agreed, upon and subject to the terms and conditions of the Facility Agreement, to make available to the Borrower certain loan facilities (the **Loan**).

IT IS AGREED as follows:

1 Interpretation

1.1 Defined expressions

Words and expressions defined in the Facility Agreement shall have the same meanings when used in this Guarantee unless otherwise defined herein or the context otherwise requires.

1.2 Construction of certain terms

In this Guarantee:

Effective Date has the meaning given to such expression in the Second Amendment and Restatement Agreement (as defined in the Recital).

Facility Agreement means the Facility Agreement referred to in the recital and includes any existing or future amendments or supplements, whether made with the Guarantor's consent or otherwise.

Original Financial Statements means the audited consolidated financial statements for the Guarantor for the financial year ended 31 December 2020.

1.3 Construction and interpretation provisions of Facility Agreement

Clauses 1.2 (*Construction*) and 1.3 (*Third party rights*) of the Facility Agreement apply, with any necessary modifications, to this Guarantee.

2 Guarantee

2.1 Guarantee

On and from the Effective Date, the Guarantor irrevocably and unconditionally:

- (a) guarantees to each Finance Party the due and punctual payment and discharge of all obligations from time to time incurred by the Borrower under the Finance Documents;
- (b) undertakes with each Finance Party that, whenever the Borrower does not pay or discharge any of its obligations under or in connection with the Finance Documents when they become due for payment or discharge, it will within five (5) Business Days of demand do so itself, as if it were the principal obligor; and
- (c) agrees that if any obligation guaranteed by it in this Guarantee is or becomes unenforceable, invalid or illegal it will as an independent and primary obligation indemnify each Finance Party (through the Security Agent) within five (5) Business Days of demand by the Security Agent on behalf of the relevant Finance Party against any cost, loss or liability that Finance Party incurs as a result of the 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 the Guarantor under this indemnity will not exceed the amount it would have had to pay under this clause 2.1 if the amount claimed had been recoverable on the basis of a guarantee.

2.2 No limit on number of demands

The Security Agent may serve more than one demand under clause 2.1 (*Guarantee*).

3 Liability as principal and independent debtor

3.1 Principal and independent debtor

The Guarantor shall be liable under this Guarantee as a principal and independent debtor and accordingly it shall not have, as regards this Guarantee, any of the rights or defences of a surety.

3.2 Waiver of defences

The obligations of the Guarantor under this Guarantee will not be affected by an act, omission, matter or thing (whether or not known to it or any Finance Party) which, but for this clause, would reduce, release or prejudice any of its obligations under this Guarantee including (without limitation):

- (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 other Obligor;
- (c) 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 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 Interest;

- (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 Interest 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;
- (g) any insolvency or similar proceedings; or
- (h) without limiting the generality of any of the above paragraphs, a bankruptcy of the Borrower, the introduction of any law resulting in the Borrower being discharged from liability under the Facility Agreement, or the Facility Agreement ceasing to operate (for example, by interest ceasing to accrue).

3.3 Immediate recourse

The Guarantor waives any right it may have of first requiring the Security Agent or any other Finance 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 before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

3.4 Appropriations

Until all amounts which may be or become payable by the Borrower under or in connection with the Finance Documents have been irrevocably and unconditionally discharged in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other money, security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in the manner and order it thinks fit (whether against those amounts or otherwise) and the Guarantor will not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any money received from the Guarantor or on account of the Guarantor's liability under this Deed.

4 Expenses

4.1 Costs of preservation of rights, enforcement etc

The Guarantor shall within five (5) Business Days of demand by the Security Agent, pay to the Security Agent, the amount of all costs and expenses (including fees, costs and expenses of legal advisers) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, this Guarantee.

4.2 Fees and expenses payable under Facility Agreement

Clause 4.1 (*Costs of preservation of rights, enforcement etc*) is without prejudice to the Guarantor's liabilities in respect of the Borrower's obligations under clause 18 (*Costs and expenses*) of the Facility Agreement and under similar provisions of other Finance Documents

and provided that neither the Guarantor nor the Borrower may be required to pay an amount of such costs and expenses that has already been paid by the Guarantor or the Borrower or otherwise recovered pursuant to the Finance Documents.

5 Reinstatement of obligation to pay

If any discharge, release or arrangement (whether in respect of the obligations of the Guarantor or any security for those obligations or otherwise) is made by the Security Agent in whole or in part on the faith 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 the Guarantor under this Guarantee will continue or be reinstated as if the discharge, release or arrangement had not occurred.

6 Payments

6.1 Method of payments

6.1.1 Any amount due under this Guarantee shall be paid:

- (a) in immediately available funds;
- (b) to such account (to be an account into which payments can be made in the relevant currency) as the Security Agent may from time to time notify to the Guarantor;
- (c) in full, without any form of set-off, cross-claim or condition; and
- (d) free and clear of any tax deduction except a tax deduction which the Guarantor is required by law to make.

6.1.2 No payment by the Guarantor (whether under a court order or otherwise) will discharge the obligations of the Guarantor unless and until the payment has been made in full to the account specified pursuant to clause 6.1.1(b) in the currency in which the obligation is payable. If an amount is paid in a currency other than the currency in which it was due and on conversion of that currency at a market rate of exchange, the amount of the payment falls short of the amount of the obligation concerned, the Security Agent will have a separate cause of action against the Guarantor for the shortfall.

6.1.3 Any certification or determination by the Security Agent of an amount payable by the Guarantor under this Guarantee is, in the absence of manifest error, prima facie evidence of that amount.

6.2 Currency of payments

- (a) Subject to clause (b) below, all payments for any sums due from the Guarantor shall be demanded and paid in dollars.
- (b) Each payment in respect of costs, expenses or Tax shall be demanded and made in the currency in which the cost, expenses or Tax is incurred.

6.3 Grossing-up for Tax

If the Guarantor is required by law to make a tax deduction from a payment due under this Guarantee to a Finance Party, the amount due to the Security Agent shall be increased by the amount necessary to ensure that the Security Agent and (if the payment is not due to the Security Agent for its own account) each of the Finance Parties beneficially interested in the payment receives and retains a net amount which, after the tax deduction, is equal to the full amount that it would otherwise have received, provided that if any Finance Party has become a Finance Party as a result of any assignment or transfer or appointment of a successor Agent or Security Agent the Guarantor will only be obliged to make a payment under this clause in

respect of such Finance Party to the same extent as it would have done had the transfer, assignment or appointment not occurred.

6.4 Claw-back of Tax Credit

- (a) If, following any such deduction or withholding as is referred to in clause 6.3 (*Grossing-up for Tax*) from any payment by the Guarantor, any Finance Party shall receive, utilise or be granted a credit against or remission for any Tax payable by it, that Finance Party shall, subject to the Guarantor having made any increased payment in accordance with clause 6.3 (*Grossing-up for Tax*) and to the extent that the relevant Finance Party can do so without prejudicing the retention of the amount of such credit or remission and without prejudice to the right of any Finance Party to obtain any such other relief or allowance which may be available to it, reimburse the Guarantor with such amount as that Finance Party determines to be the proportion of such credit or remission as will leave it (after such reimbursement) in no worse position than it would have been in had there been no such deduction or withholding from the payment by the Guarantor as aforesaid. Such reimbursement shall be made forthwith upon the relevant Finance Party certifying that the amount of such credit or remission has been received by it.
- (b) Nothing contained in this Guarantee shall oblige any Finance Party to rearrange its tax affairs or to disclose any information regarding its tax affairs and computations.

7 Interest

7.1 Accrual of interest

Any amount due under this Guarantee shall carry interest from the date on which such amount was due until it is actually paid (after, as well as before, judgment), unless interest on that same amount also accrues under the relevant Finance Document.

7.2 Calculation of interest

Interest under this Guarantee shall be calculated and accrue in the same way as interest under clause 10.3 (*Default interest*) of the Facility Agreement.

7.3 Guarantee extends to interest payable under Finance Documents

For the avoidance of doubt, it is confirmed that this Guarantee covers all interest payable under or in connection with the Finance Documents.

8 Subordination of rights of Guarantor

For as long as any Secured Obligations remain outstanding, the Guarantor agrees that, without the prior written consent of the Security Agent, it shall not exercise any rights it may have by reason of performance of any of its obligations under this Guarantee or any amount being payable, or liability arising, under this Guarantee:

- (a) to be indemnified by the Borrower;
- (b) to claim any contribution from any other guarantor of the Borrower's obligations under the Finance Documents;
- (c) to bring legal or other proceedings for an order requiring the Borrower to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under this Guarantee;
- (d) to claim, or in a bankruptcy of the Borrower or any other Obligor prove for, any amount payable to the Guarantor by the Borrower or any other Obligor, in respect of this Guarantee;

- (e) to take or enforce any Security Interest existing over any asset of the Borrower or any asset of any other Obligor which relates to the Project or otherwise issued in connection with this Guarantee;
- (f) to claim to set-off any such amount against any amount payable by the Guarantor to the Borrower; or
- (g) to claim any subrogation or other right in respect of the rights of the Finance Parties under any Finance Document or any sum received or recovered by any Finance Party under a Finance Document.

9 Enforcement

9.1 No requirement to commence proceedings against the Borrower

Neither the Security Agent nor any other Finance Party will need to commence any proceedings under, or enforce any Security Interest created by, the Facility Agreement or any other Finance Document and/or any Hedging Master Agreement before claiming or commencing proceedings under this Guarantee, irrespective of any law or any provision of a Finance Document to the contrary.

9.2 Conclusive evidence of certain matters

However, as against the Guarantor:

- (a) a final arbitration award against the Borrower in accordance with the provisions of the Facility Agreement; and
- (b) any statement or admission of the Borrower in connection with a Default or Event of Default,

shall be binding and conclusive as to all matters of fact and law to which it relates.

9.3 Application of funds

The Security Agent must apply any sum received or recovered under or by virtue of this Guarantee or any Security Interest connected with it immediately against the Obligations of the Borrower under the Finance Documents.

10 Representations and warranties

The Guarantor makes the representations and warranties in this clause 10 to the Security Agent at the times specified in clause 10.14.

10.1 Status

- (a) It is a limited partnership, duly formed and validly existing in good standing under the law of its jurisdiction of formation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.
- (c) The Board of Directors (as that term is defined in the Second Amended and Restated Agreement of Limited Partnership of the Guarantor dated 5 October 2017, as amended (the "**Partnership Agreement**") has been validly and properly constituted in accordance with the terms of the Partnership Agreement and the General Partner (as defined in the Partnership Agreement) has authorised the delegation of, and irrevocably delegated to the Board of Directors, all management powers over the affairs of the Partnership that it may now or hereafter possess under applicable law.

- (d) There is nothing in the Partnership Agreement (nor any document or transaction referred to, directly or indirectly, in the Partnership Agreement) that might adversely affect the validity and/or binding nature and/or enforceable nature of this Guarantee, at any time.

10.2 Binding obligations

Subject to any applicable Legal Reservation, the obligations expressed to be assumed by it in this Guarantee are legal, valid, binding and enforceable obligations.

10.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by this Guarantee do not and will not conflict with:

- (a) subject to any Legal Reservations, any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) in any material respect any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

10.4 Power and authority

- (a) It has the power to enter into, perform and deliver and comply with its obligations under, and has taken all necessary action to authorise its entry into, performance and delivery of, this Guarantee.
- (b) No limit on its powers will be exceeded as a result of the giving of guarantees or indemnities contemplated by this Guarantee.

10.5 Financial Statements

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) Its Original Financial Statements fairly represent its financial condition and operations during the relevant financial year to which they relate.

10.6 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of governing law of this Guarantee will be recognised and enforced in the Guarantor's Relevant Jurisdiction.
- (b) Subject to the Legal Reservations, any arbitration award obtained in relation to the Guarantor will be recognised and enforced in the Guarantor's Relevant Jurisdiction.

10.7 Information

- (a) Any Information is true and accurate in all material respects at the time it was given or made.
- (b) There were at the time any Information was given or provided no facts or circumstances or any other information which have not been disclosed to a Finance Party in writing and could make the Information incomplete, untrue, inaccurate or misleading in any material respect.
- (c) The Information did not at the time it was provided omit anything which could make that Information incomplete, untrue, inaccurate or misleading in any material respect.

- (d) All opinions, projections, forecasts, estimates or expressions of intention contained in the Information and prepared by the Guarantor and the assumptions on which they are based have been arrived at after due and careful enquiry and consideration and were believed to be reasonable by the person who provided that Information as at the date it was given or made.
- (e) For the purposes of this clause 10.7, Information means: any written information provided by the Guarantor to any of the Finance Parties in connection with the Transaction Documents or the transactions referred to in them, excluding any Information concerning any third party (which is not an Obligor or a member of the Høegh MLP Group) which was received and provided by the Guarantor in good faith and to the best of its knowledge and belief at the time it was given or provided.

10.8 No insolvency

No corporate action, legal proceeding or other procedure or step described in clause 32.9 (*Insolvency proceedings*) of the Facility Agreement or creditors' process described in clause 32.12 (*Creditors' process*) of the Facility Agreement has been taken or, to the knowledge of the Guarantor, threatened in relation to the Guarantor and none of the circumstances described in clause 32.8 (*Insolvency*) of the Facility Agreement applies to the Guarantor nor its General Partner (as defined in the Partnership Agreement referred to in Clause 10.1).

10.9 No filing, stamp taxes or announcements

Under the laws of the Guarantor's Relevant Jurisdiction it is not necessary this Guarantee be filed, recorded 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 this Guarantee except any filing, recording or enrolling or any tax or fee payable in relation to this Guarantee which is referred to in any legal opinion delivered to the Facility Agent under clause 4.1 (*Initial conditions precedent*) of the Facility Agreement and which will be made or paid promptly after the date of this Guarantee within any applicable period.

10.10 No proceedings pending or threatened

Other than as disclosed to the Finance Parties in the 2021 Disclosure Letters (as defined in the Second Amendment and Restatement Agreement), no litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency have (to the best of the Guarantor's knowledge and belief) been started or threatened against the Guarantor which, if adversely determined, would have or might reasonably be expected to have a Material Adverse Effect.

10.11 No breach of laws

- (a) The Guarantor is in compliance with all applicable laws and regulations to the extent that failure to do so has or might reasonably be expected to have a Material Adverse Effect.
- (b) No labour dispute is current or, to the best of the Guarantor's knowledge and belief, threatened against the Guarantor which might reasonably be expected to have a Material Adverse Effect.

10.12 Taxation

- (a) The Guarantor is not materially overdue in the payment of any amount in respect of Tax returns or materially overdue in the payment of any amount in respect of Tax save to the extent that (i) payment is being contested in good faith; (ii) adequate reserves are being maintained for those Taxes; and (iii) payment can be lawfully withheld and failure to pay these Taxes will not or could not reasonably be expected to result in the imposition of any penalty.

- (b) No claims or investigations are being, or is reasonably likely to be, made or conducted against the Guarantor with respect to Taxes such that a liability of, or claim against, the Guarantor is reasonably likely to arise for an amount for which adequate reserves are not being maintained and which has or is reasonably likely to have a Material Adverse Effect.

10.13 Shares

The Guarantor indirectly, legally and beneficially, owns at least forty nine per cent (49%) of the shares in the Borrower and has management control of the Borrower.

10.14 Repetition of representations and warranties

The representations and warranties in this clause 10 are made on the date of this Guarantee. On the dates of each Utilisation Request and on the first day of each Interest Period, the Guarantor shall be deemed to repeat the representations and warranties in clauses 10.1 to 10.7, as if made with reference to the facts and circumstances existing on such day

11 Undertakings

The Guarantor undertakes to comply with the undertakings specified as applying to it, as contained in clause 21 (*Financial covenants*) of the Facility Agreement, throughout the Facility Period.

12 Currency indemnity

In addition, clause 16.1 (*Currency indemnity*) of the Facility Agreement shall apply, with any necessary adaptations, in relation to this Guarantee.

13 Set-off

13.1 Application of credit balances

When an Event of Default has occurred and is continuing, each Finance Party at that time entitled to a payment under this Guarantee may without prior notice set off any matured obligation due from the Guarantor under this Guarantee (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Guarantor, 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. Any such amount set off shall be deemed for all purposes to have been paid by the Guarantor under this Guarantee and received by the relevant Finance Party (and if applicable by the Security Agent for the relevant Finance Party) in accordance with this Guarantee and applied in accordance with this Guarantee and the Facility Agreement and shall automatically reduce the Guarantor's liabilities hereunder accordingly.

13.2 Existing rights unaffected

No Finance Party shall be obliged to exercise any of its rights under clause 13.1 (*Application of credit balances*); and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which a Finance Party is entitled (whether under the general law or any document).

13.3 Sums deemed due to a Lender

For the purposes of this clause 13, a sum payable by the Guarantor to the Facility Agent and/or the Security Agent (as the case may be) for distribution to, or for the account of, a Lender shall be treated as a sum due to that Lender; and each Lender's proportion of a sum so payable for distribution to, or for the account of, the Lenders shall be treated as a sum due to that Lender, subject in each case to compliance with the provisions of clause 13.1.

14 Supplemental

14.1 Continuing guarantee

This Guarantee shall remain in force as a continuing security at all times and will, subject to clause 2, extend to the ultimate balance of sums payable by the Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

14.2 Rights cumulative, non-exclusive

The Security Agent's rights under and in connection with this Guarantee are cumulative, may be exercised as often as appears expedient and shall not be taken to exclude or limit any right or remedy conferred by law.

14.3 No impairment of rights under Guarantee

If the Security Agent omits to exercise, delays in exercising or invalidly exercises any of its rights under this Guarantee, that shall not impair that or any other right of the Security Agent under this Guarantee. A single or partial exercise of a right by the Security Agent will not preclude its further exercise.

14.4 Severability of provisions

If, at any time, any provision of this Guarantee is or subsequently becomes void, illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the voidability, legality, validity or enforceability of the remaining provisions nor the voidability, legality, validity or enforceability of that provision in any other respect or under the law of any other jurisdiction will be affected or impaired in any way.

14.5 Guarantee not affected by other security

This Guarantee is in addition to and shall not impair, nor be impaired by, any other guarantee, any Security Interest or any right of set-off or netting or to combine accounts which the Security Agent or any other Finance Party may now or later hold in connection with the Facility Agreement.

14.6 Amendments

Any term of this Guarantee may only be amended or waived in writing and with the consent of the Guarantor and the Security Agent acting on the instructions of the Facility Agent (on the instructions of the Majority Lenders).

14.7 Liability and indemnity

The Security Agent will not be in any way liable or responsible to the Guarantor for any loss or liability of any kind arising from any act or omission by it of any kind in relation to this Guarantee, except to the extent caused by its own gross negligence or wilful misconduct.

15 Assignment

- (a) The Facility Agent and the Security Agent may assign their rights under and in connection with this Guarantee to a successor Facility Agent or Security Agent respectively appointed in accordance with the Facility Agreement.
- (b) The Guarantor may not assign or transfer any of its rights or obligations under this Guarantee.

16 Notices

16.1 Notices to Guarantor

Any notice or demand to the Guarantor under or in connection with this Guarantee shall be given by letter or e-mail at:

Höegh LNG Partners LP

c/o Höegh LNG AS, Drammensveien 134, PO Box 4 Skoyen, NO-0212 Oslo, Norway

E-mail : havard.furu@hoeghlng.com, with a copy to inger.johanne.prizzi@hoeghlng.com

or to such other address which the Guarantor may notify to the Facility Agent and the Security Agent. For the avoidance of doubt, any notice or demand served on a Guarantor will be valid once served on the Guarantor at such address (or such other main address as the Guarantor may notify to the Facility Agent and the Security Agent). The service of a copy notice or demand to another address shall be for information purposes only.

16.2 Notices to the Facility Agent and Security Agent

Any notice to the Facility Agent or the Security Agent under or in connection with this Guarantee shall be sent to the same address and in the same manner as notices to the Facility Agent or the Security Agent respectively under the Facility Agreement.

17 Governing law and arbitration

17.1 English law

This Guarantee and any non-contractual obligations connected with it shall be governed by, and construed in accordance with, English law.

17.2 Arbitration

- (a) Any dispute arising out of or in connection with this Guarantee, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of Singapore International Arbitration Centre (**SIAC Rules**) for the time being in force which rules are deemed to be incorporated by reference to this clause.
- (b) The tribunal shall consist of a panel of three arbitrators (the **Tribunal**) appointed in accordance with the SIAC Rules.
- (c) The language of the arbitration shall be English.
- (d) The parties undertake to keep confidential the existence of, and all awards in, any arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain - save and to the extent that disclosure may be required of a party by legal duty to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.
- (e) By agreeing to arbitration in accordance with this clause, the parties do not intend to deprive any competent court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings or the enforcement of any award. Any interim or provisional relief ordered by any competent court may subsequently be vacated, continued or modified by the arbitral tribunal on the application of either party.

AS WITNESS the hands of the duly authorised officers or attorneys of the Guarantor, the Facility Agent and the Security Agent the day and year first before written.

GUARANTEE SIGNATURE PAGE

THE GUARANTOR

EXECUTED and DELIVERED as a DEED)
By Håvard Furu)
for and on behalf of) /s/ Håvard Furu
HØEGH LNG PARTNERS LP)
in the presence of:)

/s/ Veronica B. Sandnes

.....

Witness

Name: Veronica B. Sandnes
Address: Drammensveien 134 0277 Oslo - Norway
Occupation: Corporate Legal Affairs Manager

THE SECURITY AGENT

EXECUTED and DELIVERED as a DEED)
By Paul Thompson)
for and on behalf of) /s/ Paul Thompson
STANDARD CHARTERED BANK)
in the presence of:)

/s/ Matthew Willden

.....

Witness

Name: Matthew Willden
Address: Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD
Occupation:

THE FACILITY AGENT

EXECUTED and DELIVERED as a DEED)
By Paul Thompson)
for and on behalf of) /s/ Paul Thompson
STANDARD CHARTERED BANK)
in the presence of:)

/s/ Matthew Willden

.....

Witness

Name: Matthew Willden
Address: Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD
Occupation:

THE K-SURE AGENT

EXECUTED and DELIVERED as a DEED)
By Paul Thompson)
for and on behalf of) /s/ Paul Thompson
STANDARD CHARTERED BANK)
in the presence of:)

/s/ Matthew Willden

.....
Witness

Name: Matthew Willden
Address: Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD
Occupation:

Subsidiaries of Höegh LNG Partners LP

Subsidiary	Ownership Interest	Jurisdiction of Formation
Höegh LNG Partners Operating LLC	100%	Republic of the Marshall Islands
SRV Joint Gas Ltd.	50%	Cayman Islands
SRV Joint Gas Two Ltd.	50%	Cayman Islands
Höegh LNG Lampung Pte Ltd.	100%	Singapore
Höegh LNG Services Ltd.	100%	United Kingdom
PT Hoegh LNG Lampung	49%	Indonesia
Hoegh LNG Cyprus Limited	100%	Cyprus
Hoegh LNG Cyprus Limited Egypt Branch	100%	Egypt
Höegh LNG Colombia Holding Ltd.	100%	Cayman Islands
Höegh LNG FSRU IV Ltd.	100%	Cayman Islands
Höegh LNG Colombia S.A.S.	100%	Colombia
Höegh LNG Gallant Limited	100%	Cayman Islands
Hoegh LNG Jamaica Limited	100%	Jamaica
FSRU Finance Ltd.	100%	Bermuda

**CERTIFICATION PURSUANT TO RULE 13A-14(A) OR RULE 15D-14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS AMENDED**

I, Håvard Furu, certify that:

1. I have reviewed this annual report on Form 20-F of Høegh LNG Partners LP (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 25, 2022

HØEGH LNG PARTNERS LP

By: /s/ Håvard Furu

Name: Håvard Furu

Title: Principal Executive Officer and Principal Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350**

Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Høegh LNG Partners LP, a Marshall Islands limited partnership (the "**Partnership**"), certifies, to such officer's knowledge, that:

The annual report on Form 20-F for the year ended December 31, 2021 of the Partnership (the "**Report**") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: April 25, 2022

HØEGH LNG PARTNERS LP

By: /s/ Håvard Furu

Name: Håvard Furu

Title: Principal Executive Officer and Principal Financial Officer

Schedule I – Condensed Financial Information of Registrant

CONDENSED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Total revenues	\$ —	—	\$ —
OPERATING EXPENSES			
Administrative expenses	(7,530)	(6,279)	(6,473)
Equity in earnings of subsidiaries	45,794	64,296	60,315
Equity in earnings (losses) of joint ventures	25,836	6,420	6,078
Interest income	12,382	15,983	11,205
Interest expense	(16,359)	(17,139)	(18,242)
Other items, net	(128)	(136)	(142)
Net income (loss)	<u>59,995</u>	<u>63,145</u>	<u>52,741</u>
Share of subsidiaries unrealized gains (losses) on cash flow hedges	13,879	(11,367)	(12,217)
Share of subsidiaries income tax benefit (expense)	(187)	(262)	(389)
Share of joint ventures' unrealized gains (losses) on cash flow hedges	181	—	—
Comprehensive income (loss)	<u>\$ 73,868</u>	<u>51,516</u>	<u>\$ 40,135</u>

See accompanying notes to condensed financial statements.

CONDENSED BALANCE SHEETS

(in thousands of U.S. dollars)	As of December 31,	
	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 18,459	\$ 2,058
Current portion of long-term loans to subsidiaries	31,547	26,717
Promissory not from subsidiaries	123,248	123,248
Prepaid expenses and other receivables	410	1,097
Total current assets	173,664	153,120
Long-term assets		
Accumulated earnings of joint ventures	35,708	9,690
Loans to subsidiaries	212,980	237,489
Investments in subsidiaries	457,097	455,582
Total long-term assets	705,785	702,761
Total assets	\$ 879,449	\$ 855,881
LIABILITIES AND PARTNER'S CAPITAL		
Current liabilities		
Current portion of long-term debt	\$ 25,597	\$ 25,597
Trade payables	374	86
Amounts due to owners and affiliates	717	732
Derivative instruments	3,900	4,699
Accrued liabilities and other payables	2,805	2,860
Total current liabilities	33,393	33,974
Long-term liabilities		
Long-term debt	284,101	294,032
Loans and promissory notes due to owners and affiliates	24,942	18,465
Derivative instruments	6,493	16,095
Total long-term liabilities	315,536	328,592
Total liabilities	348,929	362,566
Total partner's capital	530,520	493,315
Total liabilities and partners' capital	\$ 879,449	\$ 855,881

See accompanying notes to condensed financial statements.

CONDENSED STATEMENT OF CASH FLOW

(in thousands of U.S. dollars)	Year ended December 31,		
	2021	2020	2019
Net cash provided by operating activities	\$ 38,766	48,656	\$ 33,130
INVESTING ACTIVITIES			
Long-term loan due from subsidiaries	19,679	22,027	(286,233)
Net cash provided by (used in) investing activities	19,679	22,027	(286,233)
FINANCING ACTIVITIES			
Net proceeds from issuance of Series A Preferred Units	8,318	3,174	13,065
Net proceeds from issuance of common units	818	—	1,029
Proceeds from long-term debt	14,750	—	368,300
Proceeds from loans and promissory notes due to owners and affiliates	6,000	21,750	3,500
Repayment of long-term debt	(25,597)	(25,597)	(19,198)
Repayment of debt issuance cost	—	—	(5,797)
Repayment of amounts due to owners and affiliates	—	—	(34,000)
Repayment of indemnifications received from Høegh LNG	—	—	(64)
Cash distributions to limited partners	(46,333)	(74,886)	(73,804)
Net cash provided by (used in) financing activities	(42,044)	(75,559)	253,031
Increase (decrease) in cash, cash equivalents and restricted cash	16,401	(4,876)	(72)
Cash, cash equivalents and restricted cash, beginning of period	2,058	6,934	7,006
Cash, cash equivalents and restricted cash, end of period	\$ 18,459	2,058	\$ 6,934

See accompanying notes to condensed financial statements.

1. Basis of presentation

Høegh LNG Partners LP – the Parent company is a Marshall Islands limited partnership formed on April 28, 2014.

In the parent-only financial statements, the investment in subsidiaries and investment in joint ventures are stated at cost plus equity in undistributed earnings of subsidiaries and accumulated earnings in joint ventures since the date of acquisition and the closing of the initial public offering of Høegh LNG Partners LP (the “Partnership”) on August 12, 2014. The Partnership’s share of net income of its unconsolidated subsidiaries and joint ventures is included in the condensed income statement using the equity method. The Parent company’s financial statements should be read in conjunction with the Partnership’s consolidated financial statements contained elsewhere in the Partnership’s Report on Form 20-F for the year ended December 31, 2021.

2. Dividends

A cash dividend of \$47.4 million, \$55.8 million and \$42.4 million was paid to the Parent company from its consolidated subsidiaries for the years ended December 31, 2021, 2020 and 2019, respectively.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-211840) pertaining to the Høegh LNG Partners LP Long Term Incentive Plan and Høegh LNG Holdings Ltd. Phantom Unit Awards and the Registration Statement (Form F-3 No. 333-234011) of Høegh LNG Partners LP and in the related Prospectus of our reports dated April 25, 2022, with respect to the consolidated financial statements of Høegh LNG Partners LP and the effectiveness of internal control over financial reporting of Høegh LNG Partners LP included in this Annual Report (Form 20-F) for the year ended December 31, 2021.

/s/ Ernst & Young AS

Oslo, Norway

April 25, 2022
