SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2019

OR

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

For the Transition Period from _____ to _____.

Commission File Number 1-37836-1

INTERNATIONAL SEAWAYS, INC.

(Exact name of registrant as specified in its charter)

Marshall Islands	98-0467117
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
600 Third Avenue, 39th Floor, New York, New York	10016
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 212-578-1600
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker Symbol	Name of each exchange on which registered
Common Stock (no par value)	INSW	New York Stock Exchange
8.5% Senior Notes due 2023	INSW - PA	New York Stock Exchange

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 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, smaller reporting company or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

The aggregate market value of the common equity held by non-affiliates of the registrant on June 28, 2019, the last business day of the registrant's most recently completed second quarter, was $474,870,401, based on the closing price of $19.00 per share of common stock on the NYSE on that date. For this purpose, all outstanding shares of common stock have been considered held by non-affiliates, other than the shares beneficially owned by directors, officers and certain 5% shareholders of the registrant; certain of such persons disclaim that they are affiliates of the registrant.

The number of shares outstanding of the issuer's common stock, as of March 2, 2020: common stock, no par value, 29,281,953 shares.

DOCUMENTS INCORPORATED BY REFERENCE
Portions of the registrant's definitive proxy statement to be filed by the registrant in connection with its 2020 Annual Meeting of Shareholders are incorporated by reference in Part III

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References in this Annual Report on Form 10-K to the "Company", "INSW", "we", "us", or "our" refer to International Seaways, Inc. and, unless the context otherwise requires or otherwise is expressly stated, its subsidiaries. References to "OSG" refer to Overseas Shipholding Group, Inc., our former parent company, prior to our spin-off on November 30, 2016.

A glossary of shipping terms (the "Glossary") that should be used as a reference when reading this Annual Report on Form 10-K can be found immediately prior to Part I. Capitalized terms that are used in this Annual Report are either defined when they are first used or in the Glossary.

All dollar amounts are stated in thousands of U.S. dollars unless otherwise stated.

AVAILABLE INFORMATION

The Company makes available free of charge through its internet website www.intlseas.com, its Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the Securities and Exchange Commission (the "SEC"). Our website and the information contained on that site, or connected to that site, are not incorporated by reference in this Annual Report on Form 10-K.

The public may also read and copy any materials the Company files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 (information on the operation of the Public Reference Room is available by calling the SEC at 1-800-SEC-0330). The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at https://www.sec.gov.

The Company also makes available on its website, its corporate governance guidelines, its Code of Business Conduct and Ethics, insider trading policy, anti-bribery and corruption policy and charters of the Audit Committee, Human Resources and Compensation Committee and Corporate Governance and Risk Assessment Committee of the Board of Directors. The Company is required to disclose any amendment to a provision of its Code of Business Conduct and Ethics. The Company intends to use its website as a method of disseminating this disclosure, as permitted by applicable SEC rules. Any such disclosure will be posted to the Company website within four business days following the date of any such amendment. Neither our website nor the information contained on that site, or connected to that site, is incorporated by reference into this Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward looking statements. In addition, we may make or approve certain statements in future filings with the SEC, in press releases, or oral or written presentations by representatives of the Company. All statements other than statements of historical facts should be considered forward-looking statements. Words such as "may", "will", "should", "would", "could", "appears", "believe", "intends", "expects", "estimates", "targeted", "plans", "anticipates", "goal", and similar expressions are intended to identify forward-looking statements but should not be considered as the only means through which these statements may be made. Such forward-looking statements represent the Company's reasonable expectation with respect to future events or circumstances based on various factors and are subject to various risks and uncertainties and assumptions relating to the Company's operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors, many of which are beyond the control of the Company, that could cause the Company's actual results to differ materially from the expectations expressed or implied in these statements. Undue reliance should not be placed on any forward-looking statements and consideration should be given to the following factors when reviewing such statements. Such factors include, but are not limited to:

- the highly cyclical nature of INSW's industry;
- fluctuations in the market value of vessels;
- declines in charter rates, including spot charter rates or other market deterioration;
- an increase in the supply of vessels without a commensurate increase in demand;
- the impact of adverse weather and natural disasters;
- the adequacy of INSW's insurance to cover its losses, including in connection with maritime accidents or spill events;
- constraints on capital availability;

- changing economic, political and governmental conditions in the United States and/or abroad and general conditions in the oil and natural gas industry;
- the impact of changes in fuel prices, particularly with regard to IMO 2020;
- acts of piracy on ocean-going vessels;
- terrorist attacks and international hostilities and instability;
- the impact of public health threats and outbreaks of other highly communicable diseases;
- the effect of the Company's indebtedness on its ability to finance operations, pursue desirable business opportunities and successfully run its business in the future;
- the Company's ability to generate sufficient cash to service its indebtedness and to comply with debt covenants;
- the Company's ability to make capital expenditures to expand the number of vessels in its fleet, and to maintain all of its vessels and to comply with existing and new regulatory standards;
- the availability and cost of third-party service providers for technical and commercial management of the Company's fleet;
- fluctuations in the contributions of the Company's joint ventures to its profits and losses;
- the Company's ability to renew its time charters when they expire or to enter into new time charters;
- termination or change in the nature of the Company's relationship with any of the commercial pools in which it participates and the ability of such commercial pools to pursue a profitable chartering strategy;
- competition within the Company's industry and INSW's ability to compete effectively for charters with companies with greater resources;
- the loss of a large customer or significant business relationship;
- the Company's ability to realize benefits from its past acquisitions or acquisitions or other strategic transactions it may make in the future;
- increasing operating costs and capital expenses as the Company's vessels age, including increases due to limited shipbuilder warranties or the consolidation of suppliers;
- the Company's ability to replace its operating leases on favorable terms, or at all;
- changes in credit risk with respect to the Company's counterparties on contracts;
- the failure of contract counterparties to meet their obligations;
- the impact of the discontinuance of LIBOR after 2021 on interest rates of our debt that reference LIBOR;
- the Company's ability to attract, retain and motivate key employees;
- work stoppages or other labor disruptions by employees of INSW or other companies in related industries;
- unexpected drydock costs;
- the potential for technological innovation to reduce the value of the Company's vessels and charter income derived therefrom;
- the impact of an interruption in or failure of the Company's information technology and communication systems upon the Company's ability to operate;
- seasonal variations in INSW's revenues;
- government requisition of the Company's vessels during a period of war or emergency;
- the Company's compliance with complex laws, regulations and in particular, environmental laws and regulations, including those relating to ballast water treatment and the emission of greenhouse gases and air contaminants, including from marine engines;
- any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977 or other applicable regulations relating to bribery or corruption;
- the impact of litigation, government inquiries and investigations;
- governmental claims against the Company;
- the arrest or detention of INSW's vessels by maritime claimants or governmental authorities;
- changes in laws, treaties or regulations, including those relating to environmental and security matters; and
- changes in worldwide trading conditions, including the impact of tariffs and other restrictions on trade and the impact that Brexit might have on global trading parties.

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in this Annual Report on Form 10-K and in other reports hereafter filed by the Company with the SEC under the caption "Risk Factors." The Company assumes no obligation to update or revise any forward looking statements. Forward looking statements in this Annual Report on Form 10-K and written and oral forward looking statements attributable to the Company or its representatives after the date of this Annual Report on Form 10-K are qualified in their entirety by the cautionary statement contained in this paragraph and in other reports hereafter filed by the Company with the SEC.

SUPPLEMENTARY FINANCIAL INFORMATION

The Company reports its financial results in accordance with generally accepted accounting principles of the United States of America ("GAAP"). However, the Company has included certain non-GAAP financial measures and ratios, which it believes provide useful information to both management and readers of this report in measuring the financial performance and financial condition of the Company. These measures do not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to other titled measures determined in accordance with GAAP.

The Company presents three non-GAAP financial measures: time charter equivalent revenues, EBITDA and Adjusted EBITDA. Time charter equivalent revenues represent shipping revenues less voyage expenses, as a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. EBITDA represents net income/(loss) before interest expense and income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance.

This Annual Report on Form 10-K includes industry data and forecasts that we have prepared based, in part, on information obtained from industry publications and surveys. Third-party industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. In addition, certain statements regarding our market position in this report are based on information derived from the Company's market studies and research reports. Unless we state otherwise, statements about the Company's relative competitive position in this report are based on our management's beliefs, internal studies and management's knowledge of industry trends.

GLOSSARY

Unless otherwise noted or indicated by the context, the following terms used in the Annual Report on Form 10-K have the following meanings:

Aframax—A medium size crude oil tanker of approximately 80,000 to 120,000 deadweight tons. Aframaxes can generally transport from 500,000 to 800,000 barrels of crude oil and are also used in Lightering. A coated Aframax operating in the refined petroleum products trades may be referred to as an LR2.

Ballast — Any heavy material, including water, carried temporarily or permanently in a vessel to provide desired draft and stability.

Bareboat charter—A charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. The customer pays all costs of operating the vessel, including voyage and vessel expenses. Bareboat charters are usually long term.

b/d—Barrels per day.

Charter—Contract entered into with a customer for the use of the vessel for a specific voyage at a specific rate per unit of cargo ("voyage charter"), or for a specific period of time at a specific rate per unit (day or month) of time ("time charter").

Classification Societies—Organizations that establish and administer standards for the design, construction and operational maintenance of vessels. As a practical matter, vessels cannot trade unless they meet these standards.

Commercial management or commercially managed—The management of the employment, or chartering, of a vessel and associated functions, including seeking and negotiating employment for vessels, billing and collecting revenues, issuing voyage instructions, purchasing fuel, and appointing port agents.

Commercial management agreements or CMA — A contract under which the commercial management of a vessel is outsourced to a third-party service provider.

Commercial pool—A commercial pool is a group of similar size and quality vessels with different shipowners that are placed under one administrator or manager. Pools allow for scheduling and other operating efficiencies such as multi-legged charters and contracts of affreightment and other operating efficiencies.

Consolidated Net Debt to Book Capital— Consolidated debt, net of unamortized discounts and deferred finance costs and the sum of consolidated cash and cash equivalents and non-current restricted cash divided by total equity.

Consolidated Net Debt to Pledged Assets Value—Consolidated debt, net of unamortized discounts and deferred finance costs and the sum of consolidated cash and cash equivalents and non-current restricted cash, divided by the fair value of the Company's owned fleet of vessels.

Contract of affreightment or COA—An agreement providing for the transportation between specified points for a specific quantity of cargo over a specific time period but without designating specific vessels or voyage schedules, thereby allowing flexibility in scheduling since no vessel designation is required. COAs can either have a fixed rate or a market-related rate. One example would be two shipments of 70,000 tons per month for two years at the prevailing spot rate at the time of each loading.

Crude oil—Oil in its natural state that has not been refined or altered.

Cubic meters or cbm—The industry standard for measuring the carrying capacity of an LNG Carrier.

Deadweight tons or dwt—The unit of measurement used to represent cargo carrying capacity of a vessel, but including the weight of consumables such as fuel, lube oil, drinking water and stores.

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

Drydocking—An out-of-service period during which planned repairs and maintenance are carried out, including all underwater maintenance such as external hull painting. During the drydocking, certain mandatory Classification Society inspections are carried out and relevant certifications issued. Normally, as the age of a vessel increases, the cost and frequency of drydockings increase.

Emission Control Area—A sea area in which stricter controls are established to minimize airborne emissions from ships as defined by Annex VI of the 1997 MARPOL Protocol.

Exclusive Economic Zone—An area that extends up to 200 nautical miles beyond the territorial sea of a state's coastline (land at lowest tide) over which the state has sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources.

Exhaust Gas Cleaning System ("scrubber")—Shipboard equipment intended to reduce sulfur air emissions to within regulatory limits.

Floating Storage Offloading Unit or FSO—A converted or new build barge or tanker, moored at a location to receive crude or other products for storage and transfer purposes. FSOs are not equipped with processing facilities.

FSO Joint Venture—the two joint ventures between wholly-owned subsidiaries of the Company and Euronav N.V. that each owns one FSO.

International Energy Agency or IEA — An intergovernmental organization established in the framework of the Organization for Economic Co-operation and Development in 1974. Among other things, the IEA provides research, statistics, analysis and recommendations relating to energy.

International Maritime Organization or IMO—An agency of the United Nations, which is the body that is responsible for the administration of internationally developed maritime safety and pollution treaties, including MARPOL.

International Flag—International law requires that every merchant vessel be registered in a country. International Flag vessel refers to those vessels that are registered under a flag other than that of the United States.

LIBOR—the London Interbank Offered Rate.

Lightering—The process of off-loading crude oil or petroleum products from large size tankers, typically VLCCs, into smaller tankers and/or barges for discharge in ports from which the larger tankers are restricted due to the depth of the water, narrow entrances or small berths.

LNG carrier—A vessel designed to carry liquefied natural gas, that is, natural gas cooled to −163° centigrade, turning it into a liquid and reducing its volume to 1/600 of its volume in gaseous form. LNG is the abbreviation for liquefied natural gas.

LR1—A coated Panamax tanker. LR is an abbreviation of Long Range.

LR2—A coated Aframax tanker.

MARPOL—International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto. This convention includes regulations aimed at preventing and minimizing pollution from ships by accident and by routine operations.

MR—An abbreviation for Medium Range. Certain types of vessel, such as a Product Carrier of approximately 45,000 to 53,000 deadweight tons, generally operate on medium-range routes.

OECD—Organization for Economic Cooperation and Development is a group of developed countries in North America, Europe and Asia.

OPEC—Organization of Petroleum Exporting Countries, which is an international organization established to coordinate and unify the petroleum policies of its members.

P&I insurance or P&I—Protection and indemnity insurance, commonly known as P&I insurance, is a form of marine insurance provided by a P&I club. A P&I club is a mutual (i.e., a co-operative) insurance association that provides cover for its members, who will typically be shipowners, ship-operators or demise charterers.

Panamax—A medium size vessel of approximately 53,000 to 80,000 deadweight tons. A coated Panamax operating in the refined petroleum products trades may be referred to as an LR1.

Product Carrier—General term that applies to any tanker that is used to transport refined oil products, such as gasoline, jet fuel or heating oil.

Safety Management System or SMS—A framework of processes and procedures that addresses a spectrum of operational risks associated with quality, environment, health and safety. The SMS is certified by ISM (International Safety Management Code), ISO 9001 (Quality Management) and ISO 14001 (Environmental Management).

Scrapping—The disposal of vessels by demolition for scrap metal.

Scrubber—See Exhaust Gas Cleaning System.

Special Survey—An extensive inspection of a vessel by classification society surveyors that must be completed once every five year period. Special surveys require a vessel to be drydocked.

Suezmax—A large crude oil tanker of approximately 120,000 to 200,000 deadweight tons. Suezmaxes can generally transport about one million barrels of crude oil.

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

Time Charter—A Charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. Subject to any restrictions in the Charter, the customer decides the type and quantity of cargo to be carried and the ports of loading and unloading. The customer pays all voyage expenses such as fuel, canal tolls, and port charges. The shipowner pays all vessel expenses such as the technical management expenses.

Time Charter Equivalent or TCE—TCE is the abbreviation for time charter equivalent. TCE revenues, which is voyage revenues less voyage expenses, serves as an industry standard for measuring and managing fleet revenue and comparing results between geographical regions and among competitors.

Ton-mile demand—A calculation that multiplies the average distance of each route a tanker travels by the volume of cargo moved. The greater the increase in long haul movement compared with shorter haul movements, the higher the increase in ton-mile demand.

ULCC—ULCC is an abbreviation for Ultra Large Crude Carrier, a crude oil tanker of more than 350,000 deadweight tons. ULCCs can transport approximately three million barrels of crude oil and are mainly used on the same long haul routes as VLCCs or for storage.

U.S. Coast Guard or USCG—The United States Coast Guard.

Vessel expenses—Includes crew costs, vessel stores and supplies, lubricating oils, maintenance and repairs, insurance and communication costs associated with the operations of vessels.

VLCC—VLCC is the abbreviation for Very Large Crude Carrier, a large crude oil tanker of approximately 200,000 to 320,000 deadweight tons. VLCCs can generally transport two million barrels or more of crude oil. These vessels are mainly used on the longest (long haul) routes from the Arabian Gulf to North America, Europe, and Asia, from West Africa to the United States and Asian destinations and from the Americas to Asian destinations.

Voyage Charter—A charter under which a customer pays a transportation charge for the movement of a specific cargo between two or more specified ports. The shipowner pays all Voyage Expenses, and all Vessel Expenses unless the vessel to which the Charter relates has been time chartered in. The customer is liable for Demurrage, if incurred.

Voyage Expenses—Includes fuel, port charges, canal tolls, cargo handling operations and brokerage commissions paid by the Company under voyage charters. These expenses are subtracted from shipping revenues to calculate TCE revenues for voyage charters.

PART I

ITEM 1. BUSINESS

OUR BUSINESS

International Seaways, Inc., a Marshall Islands corporation incorporated in 1999, and its wholly owned subsidiaries own and operate a fleet of oceangoing vessels engaged primarily in the transportation of crude oil and petroleum products in the International Flag trade. Our vessel operations are organized into two segments: Crude Tankers and Product Carriers. At December 31, 2019, we owned or operated an International Flag fleet of 42 vessels (totaling an aggregate of 7.0 million dwt), consisting of VLCC, Suezmax, Aframax, Panamax crude tankers, as well as LR1, LR2 and MR product carriers, and through joint venture partnerships, ownership interests in two FSO service vessels (together the "JV Vessels"). The Marshall Islands is the principal flag of registry of the our vessels. Additional information about our fleet, including its ownership profile, is set forth under "— Fleet Operations — Fleet Summary," as well as on the Company's website, www.intlseas.com. Neither our website nor the information contained on that site, or connected to that site, is incorporated by reference in this Annual Report on Form 10-K.

Our ultimate customers, including those of the commercial pools in which we participate, include major independent and state-owned oil companies, oil traders, refinery operators and international government entities. We generally charter our vessels to customers either for specific voyages at spot rates through the services of pools in which the Company participates, or for specific periods of time at fixed daily amounts through time charters or bareboat charters. Spot market rates are highly volatile, while time charter and bareboat charter rates provide more predictable streams of TCE revenues because they are fixed for specific periods of time. For a more detailed discussion on factors influencing spot and time charter markets, see "— Fleet Operations — Commercial Management" below.

2019 IN REVIEW

From mid-2017 to the beginning of 2019, through disciplined capital allocation and without issuing equity, we successfully funded over $600,000 worth of vessel acquisitions by using cash generated from operations, proceeds from the sale of older vessels and the issuance or assumption of debt while maintaining what we believe to be a reasonable financial leverage for the current point in the tanker cycle and one of the lowest loan to value profiles in the public company shipping sector.

Shipping revenues and TCE Revenues achieved in 2019 were $366,184 and $339,919, respectively, of which approximately 78% and 76%, respectively, were generated from our Crude Tankers segment. Income from vessel operations increased by $109,699 to $55,168 in 2019, from a loss of $54,531 in 2018. We achieved an Adjusted EBITDA (see Item 6. Selected Financial Data) of $164,669 in 2019 compared to $68,295 in 2018. In addition, we made capital investments totaling $37,181 during 2019 and generated $87,486 cash from operations and an additional $107,874 from investing activities, primarily reflecting proceeds from disposal of vessels and other assets and from the sale of our equity interest in the LNG Joint Venture.

Our goals for 2019 were to (i) continue to maximize our fleet's earning potential through opportunistic charter-ins, sales and purchases of vessels and investments in Exhaust Gas Cleaning Systems ("scrubbers") on our modern VLCCs, (ii) refinance our high interest debt obligations and (iii) execute transactions that would ultimately unlock the value of our shares to investors.

Accordingly, during 2019, we chartered in two modern LR1s, which were deployed into our market-leading Panamax International pool; we sold and delivered to buyers two 2004-built MRs; we entered into contracts to sell a 2002-built Aframax and a 2001-built Aframax, both for delivery to buyers in early 2020; and we sold our non-core 49.9% ownership interest in an LNG Joint Venture we had with Qatar Gas Transport Corporation (Nakilat) at a price in excess of the carrying value of our investment. Using restricted cash set aside from the proceeds of vessel sales and our equity interest in the LNG Joint Venture, we were able to make prepayments totaling $110,000 on our 2017 Term Loan Facility. Also, in December 2019, we entered into a memorandum of agreement to acquire a 2009-built LR1, which was delivered in February 2020 and will also be deployed in the Panamax International pool, further enhancing our presence in that market-leading pool.

The successful sale of our non-core investment in the LNG Joint Venture was a critical step in unlocking shareholder value since it allowed us to refinance our high interest cost debt. We ended the year by entering into a loan commitment letter with Nordea Bank Abp, New York Branch ("*Nordea*"), ABN AMRO Capital USA LLC ("*ABN*"), Crédit Agricole Corporate & Investment Bank
("*CACIB*"), DNB Capital LLC ("*DNB*") and Skandinaviska Enskilda Banken AB (PUBL) ("*SEB*") with respect to senior secured credit facilities aggregating $390,000 (the "2020 Debt Facilities"). The loan agreements were ultimately executed on January 23, 2020 and proceeds from the January 28, 2020 initial drawdown on the 2020 Debt Facilities of $370,000 were used to (i) repay the $331,519

outstanding principal balance under the 2017 Debt Facilities due 2022 and the $23,248 outstanding principal balance under the ABN Term Loan Facility due 2023, and (ii) to repurchase the $27,931 outstanding principal amount of the Company's 10.75% subordinated notes due 2023 issued pursuant to an indenture dated June 13, 2018 with GLAS Trust Company LLC, as trustee, as amended.

The 2020 Debt Facilities will reduce annual interest expense by approximately $15,000, by lowering our average interest rates on the refinanced portion of our debt by 350 basis points, and our overall average interest rates by 200 basis points, while enabling INSW to maintain one of the lowest leverage ratios in the public company shipping sector and low cash break evens. See Note 8, "Debt," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data" for further details on the refinancing transaction and the 2020 Debt Facilities.

OUR STRATEGY

Our primary objectives are to (i) maximize stockholder value through the shipping industry cycles by generating strong cash flows through the combination of higher returns available from time to time in the spot market through our participation in a number of commercial pools, coupled with selective time charters; (ii) maintain and grow our Crude Tankers Lightering market share and profits; (iii) maintain cash flows from our joint venture investments; (iv) actively manage the size and composition of our fleet over the course of market cycles to increase investment returns and available capital; (v) enter into value-creating transactions; and (vi) continually strive to reduce the environmental footprint of our vessel operations. We seek to execute our strategy in a manner consistent with the Environmental, Social and Governance ("ESG") principles described below. The key elements of our strategy are:

Generate strong cash flows through a blend of spot market and period market exposure

We believe we are well-positioned to generate strong cash flows by identifying and taking advantage of attractive chartering opportunities in the International Flag tanker market. We will continue to pursue an overall chartering strategy which blends a substantial spot rate exposure that provides us with higher returns when the more volatile spot market is stronger with short-term time charters that provide more stable cash flows.

We currently deploy the majority of our fleet on a spot rate basis to benefit from market volatility and what we believe are the traditionally higher returns the spot market offers compared with time charters. We believe this strategy presently offers significant upside exposure to the spot market and an opportunity to capture enhanced profit margins at times when vessel demand exceeds supply. This was demonstrated as demand for crude oil recovered strongly during the fourth quarter of 2019 as the fundamentals that underpinned a robust freight rate market through most of this quarter were further augmented by IMO 2020 related disruptions to fleet supply and increased geopolitical risk as the calendar year closed. As of December 31, 2019, we participated in six commercial pools as our principal means of participation in the spot market— Tankers International ("TI"), Sigma Tankers ("SIGMA"), Blue Fin Tankers ("BLUE FIN"), Panamax International ("PI"), Clean Products Tankers Alliance ("CPTA") and Navig8 Tankers – Alpha 8 ("NAVIG8-ALPHA8") — each selected for specific expertise in its respective market. Our continued participation in pools allows us to benefit from economies of scale and higher vessel utilization rates.

We plan to continue to complement our spot chartering strategy by selectively employing a portion of our vessels on time charters that provide consistent cash flows. As of December 31, 2019, six of our Panamaxes are on time charters to our partners in the PI pool that expire during 2020. In addition, the vessels operated by our FSO Joint Venture are deployed on long-term time charters. We may seek to place other tonnage on time charters, for storage or transport, when we can do so at attractive rates.

Actively manage our fleet to maximize return on capital over market cycles.

We will continue to actively manage the size and composition of our fleet through opportunistic accretive acquisitions and dispositions as part of our effort to achieve above-market returns on capital for our vessel assets and renew our fleet. Using our commercial, financial and operational expertise, we will continue to execute on our plan to opportunistically grow our fleet through the timely and selective acquisition of high-quality secondhand vessels or resales or newbuild contracts when we believe those acquisitions will result in attractive returns on invested capital and increased cash flow. We also intend to continue to engage in opportunistic dispositions where we can achieve attractive values for our vessels relative to their anticipated future earnings from operations as we assess the market cycle. Taken together, we believe these activities have and will continue to help us maintain a diverse, high-quality and modern fleet of crude oil and refined product vessels with an enhanced return on invested capital. We believe our diverse and versatile fleet, our experience and our long-standing relationships with participants in the crude and refined product shipping industry position us to identify and take advantage of attractive acquisition opportunities in any vessel class in the international market.

Maintain an appropriate and flexible financial profile.

We have maintained a reasonable financial leverage for the current point in the tanker cycle and one of the lowest loan to value profiles in the public company shipping sector. As of December 31, 2019, we had total liquidity on a consolidated basis of $200,243, comprised of $150,243 of cash (including $60,572 of restricted cash) and $50,000 of remaining undrawn revolver capacity, as well as a Consolidated Net Debt to Pledged Assets Value and Consolidated Net Debt to Book Capital ratios of 40.3% and 33.3%, respectively. Giving pro forma effect to the refinancing completed in January 2020, we estimate that total liquidity on a consolidated basis would approximate $150,400, comprised of $130,400 of cash (including $17,583 of restricted cash related to the Sinosure Credit Facility only) and $20,000 of remaining undrawn revolver capacity, and we estimate that Consolidated Net Debt to Pledged Assets Value and Consolidated Net Debt to Book Capital ratios would approximate 41.3% and 34.2%, respectively. The refinancing is expected to result in only a small decrease in the sum of unrestricted cash and undrawn revolver availability.

Address Greenhouse Gas Emissions and Environmental, Social and Governance Initiatives

We recognize that greenhouse gas ("GHG") emissions, which are largely caused by burning fossil fuels, contribute to the warming of the global climate system. Our industry, which is heavily dependent on the burning of fossil fuels, faces the dual challenge of reducing its carbon footprint by transitioning to the use of low-carbon fuels while extending the economic and social benefits of delivering energy to consumers across the globe. We welcome and support efforts, such as those led by the Task Force on Climate-related Financial Disclosures ("TCFD"), to increase transparency and to promote investors' understanding of how we and our industry peers are addressing the climate change-related risks and opportunities particular to our industry. The Company's governance, strategy, risk management and performance monitoring efforts in this area are evolving and will continue to do so over time:

Governance – Our Board of Directors, which includes seven independent members, as well as experts in shipping and compliance, engages in regular discussions relating to environmental matters and the Company's response to climate change-related risks and opportunities. The Company's management team, led by the Chief Executive Officer, has the day-to-day responsibility to execute the action plans as approved by the Board of Directors.

Strategy – We are committed to Environmental, Social and Governance practices as a part of our core culture. Accordingly, we strive to meet, and when possible and appropriate, exceed minimum compliance levels for all applicable rules and regulations governing the maritime industry, which include the IMO 2020 Regulations described below and the items described in the "Environmental and Security Matters Relating to Bulk Shipping" section below. To achieve our goals, we have taken actions which include:

- The establishment of a compliance program to address the IMO 2020 Regulations (as described below);
- The implementation of a third-party data collection and analysis platform which allows data to be gathered from our vessels for use in advanced analytics with the aim of reducing our fuel consumption, and CO_2 and GHG emissions. The annual period from August 2018 to August 2019 was our initial year utilizing the platform to drive our "Get to Green" vessel performance optimization program. During the year, we achieved an approximately 8,000-ton reduction in annual fuel consumption across our fleet, which equates to a nearly 26,000-ton reduction in CO_2 emissions;
- The inclusion of a sustainability-linked pricing mechanism in the 2020 Debt Facilities. The mechanism has been certified by an independent, leading firm in ESG and corporate governance research as meeting sustainability-linked loan principles. The adjustment in pricing will be linked to the carbon efficiency of the INSW fleet as it relates to reductions in CO_2 emissions year-over-year, such that it aligns with the IMO's 50% industry reduction target in GHG emissions by 2050. This key performance indicator is calculated in a manner consistent with the de-carbonization trajectory outlined in the Poseidon Principles, the global framework by which financial institutions can assess the climate alignment of their ship finance portfolios. The relevant emissions data for our fleet will be reported to the applicable Classification Societies, the IMO and the lenders under our sustainability-linked loan facility. We also intend to make such emissions data publicly available;
- The achievement of compliance with the European Union's requirements relating to inventories of hazardous materials on board our vessels one year ahead of the mandated timeframe;
- Participation on the Board of Directors of the International Tanker Owners Pollution Federation, the leading not-for-profit marine ship pollution response advisors;

- Participation in the Marine Anti-Corruption Network, a global business network of over 100 members whose vision is a maritime industry free of corruption that enables fair trade to the benefit of society at large;
- The installation of Ballast Water Treatment Systems on vessels to comply with all applicable regulations;
- Specifically considering overall fuel consumption when selecting vessel purchase candidates and ships in our fleet to potentially dispose of, in order to reduce our fleet's contribution to GHG emissions; and
- Making a commitment to implement and practice environmentally and socially responsible ship recycling.

Risk Management – Due to the nature of our business, environmental and climate change-related risks are included in key risks discussed at the Board of Directors level. What we believe to be the most significant of such risks are described in the "Item 1A – Risk Factors" section below.

Metrics and Targets – As a part of the actions described in the "Strategy" section above, we are working to meet the carbon efficiency targets included in our sustainability-linked loan and to establish other appropriate metrics by which to measure our performance and drive improvement.

FLEET OPERATIONS

Fleet Summary

As of December 31, 2019, our operating fleet consisted of 42 vessels, 34 of which were owned and 6 of which were chartered in. In addition, through joint venture partnerships, INSW has ownership interests in two FSO service vessels. Vessels chartered-in include bareboat charters and time charters. The six chartered-in vessels are currently scheduled to be redelivered to their owners between June 2020 and March 2024. Certain of the charters provide INSW with renewal and purchase options. See Note 16, "Leases," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data," for additional information relating to the Company's chartered-in vessels. The Company's fleet list excludes vessels chartered-in where the duration of the charter was one year or less at inception.

	Vessels Owned		Vessels Chartered-in[1]		Total at December 31, 2019		
Vessel Fleet and Type	Number	Weighted by Ownership	Number	Weighted by Ownership	Number	Weighted by Ownership	Total Dwt
Crude Tankers							
VLCC	13	13.0	-	-	13	13.0	3,950,103
Suezmax	2	2.0	-	-	2	2.0	316,864
Aframax	3	3.0	2	2.0	5	5.0	562,943
Panamax	7	7.0	-	-	7	7.0	487,365
Total	25	25.0	2	2.0	27	27.0	5,317,275
Product Carriers							
LR2	1	1.0	-	-	1	1.0	112,691
LR1	4	4.0	1	1.0	5	5.0	368,078
MR	4	4.0	3	3.0	7	7.0	354,879
Total	9	9.0	4	4.0	13	13.0	835,648
Total Owned and Operated Fleet	34	34.0	6	6.0	40	40.0	6,152,923
JV Vessels							
FSO	2	1.0	-	-	2	1.0	864,046
Total Operating Fleet	36	35.0	6	6.0	42	41.0	7,016,969

(1) Includes both bareboat charters and time charters, but excludes vessels chartered in where the duration of the charter was one year or less at inception.

Business Segments

The bulk shipping of crude oil and refined petroleum products has many distinct market segments based largely on the size and design configuration of vessels required and, in some cases, on the flag of registry. Freight rates in each market segment are determined by a

variety of factors affecting the supply and demand for suitable vessels. Our diverse fleet gives us the ability to provide a broad range of services to global customers. Tankers and Product Carriers are not bound to specific ports or schedules and therefore can respond to market opportunities by moving between trades and geographical areas. The Company has established two reportable business segments: Crude Tankers and Product Carriers.

For additional information regarding the Company's two reportable segments for the three years ended December 31, 2019, see Note 4, "Business and Segment Reporting," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Crude Tankers (including Crude Tankers Lightering)

Our Crude Tankers reportable business segment is made up of a fleet of VLCCs, Suezmaxes, Aframaxes and Panamaxes engaged in the worldwide transportation of unrefined petroleum.

This segment also includes our Crude Tankers Lightering business through which we provide ship-to-ship (or "STS") lightering support services and full-service STS lightering to customers in the U.S. Gulf ("USG"), U.S. Pacific, Grand Bahama and Panama regions. In STS lightering support service, we provide the personnel and equipment (hoses and fenders) to facilitate the transferring of cargo between seagoing ships positioned alongside each other, either stationary or underway. In full service STS lightering, we provide the lightering vessel, usually an Aframax tanker, in addition to the personnel and equipment to facilitate the transferring of cargo. Demand for lightering services is significantly affected by the level of crude oil imports by the United States and, in recent years, by the increased volumes of crude oil exports by the United States. Transshipment operations from the USG currently represents approximately 50% of our lightering volumes. Our customers include primarily oil companies and trading companies that are importing or exporting crude oil in the USG to or from larger Suezmax and VLCC vessels, which are prevented from using certain ports due to their size and draft.

Product Carriers

Our Product Carriers reportable business segment consists of a fleet of MRs, LR1s and an LR2 engaged in the worldwide transportation of crude and refined petroleum products. Refined petroleum product cargoes are transported from refineries to consuming markets characterized by both long and short-haul routes. The market for these product cargoes is driven by global refinery capacity, changes in consumer demand and product specifications and cargo arbitrage opportunities. In contrast to the crude oil tanker market, the refined petroleum trades are more complex due to the diverse nature of product cargoes, which include gasoline, diesel and jet fuel, home heating oil, vegetable oils and organic chemicals (e.g., methanol and ethylene glycols). The trades require crews to have specialized certifications. Customer vetting requirements can be more rigorous and, in general, vessel operations are more complex due to the fact that refineries can be in closer proximity to importing nations, resulting in more frequent port calls and more discharging, cleaning and loading operations than crude oil tankers. Most of the Company's MR product carriers are IMO III compliant, allowing those vessels to carry edible oils, such as palm and vegetable oil, increasing flexibility when switching between cargo grades. In order to take advantage of market conditions and optimize economic performance, we employ our LR1 Product Carriers, which currently participate in the PI pool, in the transportation of crude oil cargoes.

In order to enhance vessel utilization and TCE revenues, the Company has deployed its Crude Tankers and Product Carriers into various commercial pools, commercial management agreements and time charters. See "— Commercial Pools and other Commercial Management Arrangements" below.

Commercial Management

Spot Market

Voyage charters, including vessels operating in commercial pools that predominantly operate in the spot market, constituted 92% of the Company's aggregate TCE revenues in 2019, 90% in 2018 and 80% in 2017. Accordingly, the Company's shipping revenues are significantly affected by the amount of available tonnage both at the time such tonnage is required and over the period of projected use, and the levels of seaborne and shore-based inventories of crude oil and refined products.

Seasonal trends affect world oil consumption and consequently vessel demand. While trends in consumption vary with seasons, peaks in demand quite often precede the seasonal consumption peaks as refiners and suppliers try to anticipate consumer demand. Seasonal peaks in oil demand have been principally driven by increased demand prior to Northern Hemisphere winters and increased demand

for gasoline prior to the summer driving season in the United States. The effects of IMO 2020 Regulations should increase and change trading patterns which should have a positive impact on ton-mile demand while also providing some short term disruption to global shipping. Available tonnage is affected over time by the volume of newbuilding deliveries, the number of tankers used to store clean products and crude oil, and the removal (principally through scrapping or conversion) of existing vessels from service. Scrapping is affected by the level of freight rates, scrap prices, vetting standards established by charterers and terminals and by international and U.S. governmental regulations that establish maintenance standards and regulatory compliance standards.

Time and Bareboat Charter Market

Our operating fleet currently includes a number of vessels that operate on time charters. Within a contract period, time charters provide a predictable level of revenues without the fluctuations inherent in spot-market rates. Once a time charter expires, however, the ability to secure a new time charter may be uncertain and subject to market conditions at such time. Time and bareboat charters constituted 8% of the Company's TCE revenues in 2019, 10% in 2018 and 20% in 2017. Our two FSO joint venture vessels are employed under five-year service contracts expiring in 2022.

Commercial Pools and other Commercial Management Arrangements

We currently utilize third-party managed pools as the principal commercial strategy for our vessels. By operating a large number of vessels as an integrated transportation system, commercial pools offer customers greater flexibility and a higher level of service while achieving scheduling efficiencies. Pools are commercially managed by experienced commercial operators that, among other things, arrange charters for the vessels participating in the pool in exchange for an administrative fee. Technical management is performed or outsourced by each shipowner. The pools collect revenue from customers, pay voyage-related expenses, and distribute TCE revenues to the participants after deducting administrative fees, according to formulas that capture the contribution of each vessel to the pool by:

- first summarizing the earnings capacity of each vessel (as determined by the pool operator based largely on the physical characteristics and fuel consumption) to a number of "points;"
- second, multiplying each vessel's "points" by the number of days that vessel operated during a specified period (the "Vessel Contribution");
- third, multiplying the total number of points of all vessels in the pool by the total number of days all vessels in the pool operated (the "Total Earnings"); and
- fourth, dividing the Vessel Contribution by the Total Earnings.

Pools negotiate charters with customers primarily in the spot market. The size and scope of these pools enable them to enhance utilization for pool vessels by securing backhaul voyages and Contracts of Affreightment ("COAs"), thereby reducing wait time and providing a high level of service to customers.

We also employ third-party commercial managers on a limited basis for some of our vessels in the spot market through Commercial Management Agreements ("CMAs"). Under the CMAs, the manager collects revenue, pays for voyage related expenses and distributes the actual voyage results for each individual ship under management and receives a management fee.

The table below summarizes the commercial deployment of our conventional tanker fleet as of December 31, 2019.

	Vessel Class							
Commercial Deployment	VLCC	Suezmax	Aframax	Panamax	LR2	LR1	MR	Total
Tankers International [1]	12	-	-	-	-	-	-	12
Sigma Tankers	-	-	3	-	-	-	-	3
Blue Fin Tankers	-	2	-	-	-	-	-	2
Panamax International	-	-	-	1	-	5	-	6
Navig8 Tankers - Alpha8	-	-	-	-	1	-	-	1
Clean Products Tankers Alliance	-	-	-	-	-	-	7	7
Time / Bareboat charter-out [3]	-	-	1	6	-	-	-	7
Commercial Management Agreements [2]	1	-	-	-	-	-	-	1
Lightering	-	-	1	-	-	-	-	1
Total	13	2	5	7	1	5	7	40

(1) Five VLCCs were redelivered by TI pool during the fourth quarter of 2019 in advance of each vessel's scheduled scrubber installation.

(2) A 2002-built VLCC, which was commercially managed by TI pool as of December 31, 2019 joined TI pool effective January 1, 2020.

(3) Includes a 2001-built Aframax that was under a short term time charter-out as of December 31, 2019.

Technical Management

We have agreements with third-party managers to outsource the technical management of our conventional tanker fleet. The managers supervise the technical management of our vessels to ensure consistent quality and integrity of our operations. We retain a pool of well-trained seafarers to serve on our vessels. We continue to hire the crew, with the managers acting as agents on our behalf.

In addition to regular maintenance and repair, crews onboard each vessel and shore-side personnel must ensure that the vessels in the Company's fleet meet or exceed regulatory standards established by organizations such as the IMO and the U.S. Coast Guard.

The JV Vessels are technically managed by our joint venture partner.

Joint Ventures

We have a 50% interest in the FSO Joint Venture. North Oil Company ("NOC") awarded 5-year service contracts for the FSO Joint Venture to provide two vessels to NOC to perform FSO services in the Al Shaheen Field off the shore of Qatar until 2022. The two custom-made FSO service vessels, each having a capacity of three million barrels, have been serving the Al Shaheen field without interruption since 2010. In accordance with the terms of the service contracts under which the two FSO vessels currently operate, the daily rate of hire during the charter term is the sum of the capital expenditure element of hire plus the operating expenditure element of hire. The operating expenditure element of hire is subject to escalation, as provided in the charter.

On March 29, 2018, the FSO Joint Venture entered into a $220,000 secured credit facility (the "FSO Loan Agreement"). The FSO Loan Agreement is among TI Africa Limited and TI Asia Limited, as joint and several borrowers, ABN AMRO Bank N.V. and ING Belgium SA/NV, as Lenders, Mandated Lead Arrangers and Swap Banks, and ING Bank N.V., as Agent and as Security Trustee. The FSO Loan Agreement provides for (i) a term loan of $110,000 (the "FSO Term Loan"), which is repayable in scheduled quarterly installments over the course of the two service contracts for the FSO Asia and FSO Africa with North Oil Company; maturing in July 2022 and September 2022, respectively; and (ii) a revolving credit facility of $110,000 (the "FSO Revolver"), which revolving credit commitment reduces quarterly over the course of the foregoing two service contracts. The FSO Joint Venture drew down and distributed the entire $110,000 of proceeds of the FSO Term Loan on April 26, 2018 to INSW, which has guaranteed the FSO Term Loan and which has used the proceeds for general corporate purposes, including to partially fund the purchase of six VLCCs in June 2018. The FSO Joint Venture also borrowed the entire $110,000 available under the FSO Revolver and distributed the proceeds on April 26, 2018 to Euronav, which has guaranteed the FSO Revolver. The FSO Term Loan and the FSO Revolver are secured by, among other things, a first preferred vessel mortgage on the FSO Africa and FSO Asia, an assignment of the service contracts for the FSO Africa and FSO Asia and the aforementioned guarantees of the FSO Term Loan by INSW and the guarantee of the FSO Revolver by Euronav. Interest payable on the FSO Term Loan and on the FSO Revolver is based on three month, six month or twelve month LIBOR, as selected by the FSO Joint Venture, plus a 2.00% margin. The FSO Joint Venture has entered into swap transactions which fix the interest rate on the FSO Loan Agreement at a blended rate of approximately 4.858% per annum, effective as of June 29, 2018.

We received cash distributions totaling $82,900 from the FSO Joint Venture during the three-years ended December 31, 2019, excluding the distribution attributable to the $110,000 of proceeds from the FSO Term Loan and we estimate we will receive approximately $11,000 in cash distributions during 2020. The FSO Joint Venture is currently in preliminary discussions with NOC regarding the employment of its FSO vessels subsequent to the expiry of their current contracts in 2022.

Safety

We are committed to providing safe, reliable and environmentally sound transportation to our customers. Integral to meeting standards mandated by worldwide regulators and customers is a ship manager's use of robust Safety Management Systems ("SMS"). The SMS is a framework of processes and procedures that addresses a spectrum of operational risks associated with quality, environment, health and safety. The SMS is certified by the International Safety Management Code ("ISM Code"), promulgated by the IMO and the

International Standards Organization ("ISO"), ISO 9001 (Quality Management) and ISO 14001 (Environmental Management). To support a culture of compliance and transparency, we have an open reporting system on all of our ships, whereby seafarers can anonymously report possible violations of our or our third-party technical manager's policies and procedures. All open reports are investigated, and appropriate actions are taken when necessary.

EMPLOYEES

As of December 31, 2019, we had approximately 1,666 employees comprised of 1,623 seafarers employed on our fleet and 43 shore-side staff. The seafarers are hired by the technical managers acting as agent for the individual ship owning companies, each of which is a subsidiary of INSW.

COMPETITION

The shipping industry is highly competitive and fragmented. We compete with other owners of International Flag tankers, including other independent shipowners, integrated oil companies, state-owned entities with their own fleets, and oil traders with logistical operations. Our vessels compete with all other vessels of a size and type required by the customer that can be available at the date and location specified. In the spot market, competition is based primarily on price, cargo quantity and cargo type, although charterers are selective with respect to the quality of the vessels they hire considering other key factors such as the reliability, quality and efficiency of operations and experience of crews. In the time charter market, factors such as the age and quality of the vessel and reputation of its owner and operator tend to be even more significant when competing for business.

Approximately 50% of our lightering activity is in the USG offshore lightering market. Our market share of the USG offshore lightering market was approximately 30% during 2019. We remain effectively one of three active full-service lightering businesses in the USG, the other two being AET Tankers Pte Ltd (or AET, a subsidiary of Malaysia International Shipping Corporation Berhad, or MISC) and Teekay Tankers Ltd. USG lightering trade has a steady foundation of demand due to traditional imports into the United States to serve U.S. Gulf Coast refinery demand. Although seaborne crude imports into the United States have declined in recent years, these lost imports have been offset by steadily increasing seaborne crude exports, largely from the USG area. In the last three months of 2019, the EIA reported USG crude exports averaged over three million b/d. VLCCs and Suezmaxes bound for Asia transport a large portion of these export barrels and they often require reverse lightering operations. At the end of 2019, export lightering comprised approximately 75% of total volume lightered by our Crude Tankers Lightering business in the USG compared to 30% at the end of 2018.

ENVIRONMENTAL AND SECURITY MATTERS RELATING TO BULK SHIPPING

Government regulation significantly affects the operation of the Company's vessels. INSW's vessels operate in a heavily regulated environment and are subject to international conventions and international, national, state and local laws and regulations in force in the countries in which such vessels operate or are registered.

The Company's vessels undergo regular and rigorous safety inspections and audits which are conducted by the ships' third-party managers. In addition, a variety of governmental and private entities subject the Company's vessels to both scheduled and unscheduled inspections. These entities include USCG, local port state control authorities (harbor master or equivalent), coastal states, Classification Societies, flag state administration (country of registry) and customers, particularly major oil companies and petroleum terminal operators. Certain of these entities require INSW to obtain permits, licenses and certificates for the operation of the Company's vessels. Failure to maintain necessary permits or approvals could require INSW to incur substantial costs or temporarily suspend operation of one or more of the Company's vessels.

The Company believes that the heightened level of environmental, health, safety and quality awareness among various stakeholders, including lenders, insurance underwriters, regulators and charterers, is leading to greater safety and other regulatory requirements and a more stringent inspection regime on all vessels. The Company is required to maintain operating standards for all of its vessels emphasizing operational safety and quality, environmental stewardship, preventive planned maintenance, continuous training of its officers and crews and compliance with international and U.S. regulations. INSW believes that the operation of its vessels is in compliance with applicable environmental laws and regulations. However, because such laws and regulations are changed frequently, and new laws and regulations impose new or increasingly stringent requirements, INSW cannot predict the cost of complying with requirements beyond those that are currently in force. The impact of future regulatory requirements on operations or the resale value or useful lives of its vessels may result in substantial additional costs in meeting new legal and regulatory requirements. See Item 1A, "Risk Factors— Risks Related to Our Company — *Risks relating to legal and regulatory matters, compliance with complex laws,*

regulations and, in particular, environmental laws or regulations, including those relating to the emission of greenhouse gases, may adversely affect INSW's business."

International and U.S. Greenhouse Gas Regulations

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (commonly called the Kyoto Protocol) became effective. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of certain gases, generally referred to as greenhouse gases ("GHGs"), which contribute to global warming. The Kyoto Protocol, which was adopted by about 190 countries, commits its parties by setting internationally binding emission reduction targets. In December 2012, the Doha Amendment to the Kyoto Protocol was adopted to further extend the Kyoto Protocol's GHG emissions reductions through 2020. In December 2015, the United Nations Framework Convention on Climate Change forged a new international framework in December 2015 (the "Paris Agreement") that became effective in November 2016, after it had been ratified by a sufficient number of countries. The Paris Agreement sets a goal of holding the increase in global average temperature to well below 2 degrees Celsius and pursuing efforts to limit the increase to 1.5 degrees Celsius, to be achieved by aiming to reach a global peaking of GHG emissions as soon as possible. To meet these objectives, the participating countries, acting individually or jointly, are to develop and implement successive "nationally determined contributions." The countries will assess their collective programs toward achieving the goals of the Paris Agreement every five years beginning in 2023, referred to as the global stocktake, and subsequently are to update and enhance their actions on climate change. The Paris Agreement does not specifically require controls on shipping or other industries, but it is possible that countries or groups of countries will seek to impose such controls as they implement the Paris Agreement.

The IMO's third study of GHG emissions from the global shipping fleet which concluded in 2014 predicted that, in the absence of appropriate policies, greenhouse emissions from ships may increase by 50% to 250% by 2050 due to expected growth in international seaborne trade. Methane emissions are projected to increase rapidly (albeit from a low-base) as the share of LNG in the fuel mix increases. With respect to energy efficiency measures, the Marine Environmental Protection Committee ("MEPC") adopted guidelines on the Energy Efficiency Design Index ("EEDI"), which reflects the primary fuel for the calculation of the attained EEDI for ships having dual fuel engines using LNG and liquid fuel oil (see discussion below). The IMO is committed to developing limits on greenhouse gases from international shipping and is working on proposed mandatory technical and operational measures to achieve these limits. In April 2018, IMO adopted an initial strategy on the reduction of GHG emissions from ships, with the ultimate goal of eliminating GHG emissions from international shipping as soon as possible during this century. More specifically, under the identified "levels of ambition," the initial strategy envisages the halt of the growth in GHG emissions from international shipping as soon as possible and then the reduction of the total annual GHG emissions by at least 50% by 2050 compared to 2008 levels. In 2019, the IMO launched a project for an initial two-year period to initiate and promote global efforts to demonstrate and test technical solutions for reducing GHG emissions and improve energy efficiency throughout the maritime sector.

In 2011, the European Commission established a working group on shipping to provide input to the European Commission in its work to develop and assess options for the inclusion of international maritime transport in the GHG reduction commitment of the European Union ("EU"). The Measure, Report and Verify ("MRV") Regulation was adopted on April 29, 2015 and creates an EU-wide framework for the monitoring, reporting and verification of carbon dioxide emissions from maritime transport. The MRV Regulation requires large ships (over 5,000 gross tons) calling at EU ports from January 1, 2018, to collect and later publish verified annual data on carbon dioxide emissions. IMO has developed similar MRV regulations that became effective on March 1, 2018 and the first reporting period is for the full year 2019.

In the United States, pursuant to an April 2007 U.S. Supreme Court decision, the U.S. Environmental Protection Agency ("EPA") was required to consider whether carbon dioxide should be considered a pollutant that endangers public health and welfare, and thus subject to regulation under the U.S. Clean Air Act. On December 1, 2009, the EPA issued an "endangerment finding" regarding GHGs under the Clean Air Act. This finding in itself does not impose any requirements on industry or other entities. Although the EPA has promulgated certain regulations relating to GHG emissions, the current administration has sought to relax or revoke their requirements, and to date, the regulations proposed and enacted by the EPA have not involved ocean-going vessels.

Future passage of climate control legislation or other regulatory initiatives by the IMO, EU, United States or other countries where INSW operates that restrict emissions of GHGs could require significant additional capital and/or operating expenditures and could have operational impacts on INSW's business. Although we cannot predict such expenditures and impacts with certainty at this time, they may be material to INSW's results of operations.

International Environmental and Safety Regulations and Standards

Liability Standards and Limits

Many countries have ratified and follow the liability plan adopted by the IMO and set out in the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the "1969 Convention"). Some of these countries have also adopted the 1992 Protocol to the 1969 Convention (the "1992 Protocol"). Under both the 1969 Convention and the 1992 Protocol, a vessel's registered owner is strictly liable for pollution damage caused in the territory, including the territorial waters (and in the exclusive economic zone under the 1992 Protocol) of a contracting state by discharge of persistent oil, subject to certain complete defenses. Both instruments apply to all seagoing vessels carrying oil in bulk as cargo. These instruments also limit the liability of the shipowner under certain circumstances. As these instruments calculate liability in terms of a basket of currencies, the figures in this section are converted into U.S. dollars based on currency exchange rates on December 31, 2019 and are approximate. Actual dollar amounts are used in this section "-Liability Standards and Limits" and in "-U.S. Environmental and Safety Regulations and Standards-Liability Standards and Limits" below.

Under the 1969 Convention, except where the pollution damage resulted from the actual fault or privity of the owner, its liability is limited to $183 per ton of the vessel's tonnage, with a maximum liability of $19.3 million. Under the 1992 Protocol, the liability of the owner is limited to $4.1 million for a ship not exceeding 5,000 units of tonnage (a unit of measurement for the total enclosed spaces within a vessel) and $578 per gross ton thereafter, with a maximum liability of $82.2 million. Under the 1992 Protocol, the owner's liability is limited except where the pollution damage results from its personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result. Under the 2000 amendments to the 1992 Protocol, which became effective on November 1, 2003, liability is limited to $6.2 million plus $869 for each additional gross ton over 5,000 for vessels of 5,000 to 140,000 gross tons, and $123.6 million for vessels over 140,000 gross tons, subject to the exceptions discussed above for the 1992 Protocol.

Vessels trading to states that are parties to these instruments must provide evidence of insurance covering the liability of the owner. The Company believes that its P&I insurance will cover any liability under the plan adopted by the IMO. See the discussion of insurance in "U.S. Environmental and Safety Regulations and Standards-Liability Standards and Limits" below.
The United States is not a party to the 1969 Convention or the 1992 Protocol. See "U.S. Environmental and Safety Restrictions and Regulations" below. In other jurisdictions where the 1969 Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or in a manner similar to that convention.

The International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, which was adopted on March 23, 2001 and became effective on November 21, 2008, is a separate convention adopted to ensure that adequate, prompt and effective compensation is available to persons who suffer damage caused by spills of oil when used as fuel by vessels. The convention applies to damage caused to the territory, including the territorial sea, and exclusive economic zones, of states that are party to it. Vessels operating internationally are subject to it, if sailing within the territories of those countries that have implemented its provisions (which does not include the United States). Key features of this convention are compulsory insurance or other financial security for vessels over 1,000 gross tons to cover the liability of the registered owner for pollution damage and direct action against the insurer. The Company believes that its vessels comply with these requirements.

Other International Environmental and Safety Regulations and Standards

Under the ISM Code, promulgated by the IMO, vessel operators are required to develop a safety management system that includes, among other things, the adoption of a safety and environmental protection policy describing how the objectives of a functional safety management system will be met. The third party managers of INSW's vessels, have safety management systems for the Company's fleet, with instructions and procedures for the safe operation of its vessels, reporting accidents and non-conformities, internal audits and management reviews and responding to emergencies, as well as defined levels of responsibility. The ISM Code requires a Document of Compliance ("DoC") to be obtained for the company responsible for operating the vessel and a Safety Management Certificate ("SMC") to be obtained for each vessel that such company operates. Once issued, these certificates are valid for a maximum of five years. The company operating the vessel in turn must undergo an annual internal audit and an external verification audit in order to maintain the DoC. In accordance with the ISM Code, each vessel must also undergo an annual internal audit at intervals not to exceed twelve months and vessels must undergo an external verification audit twice in a five-year period. The Company's third party managers have a DoC for their offices.

The SMC is issued after verifying that the company responsible for operating the vessel and its shipboard management operate in accordance with the approved safety management system. No vessel can obtain a certificate unless its operator has been awarded a DoC issued by the administration of that vessel's flag state or as otherwise permitted under the International Convention for the Safety of Life at Sea, 1974, as amended ("SOLAS").

IMO regulations also require owners and operators of vessels to adopt Shipboard Oil Pollution Emergency Plans ("SOPEPs"). Periodic training and drills for response personnel and for vessels and their crews are required. In addition to SOPEPs, INSW has adopted Shipboard Marine Pollution Emergency Plans, which cover potential releases not only of oil but of any noxious liquid substances . Noncompliance with the ISM Code and other IMO regulations may subject the shipowner or 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. For example, the USCG and EU authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading to United States and EU ports.

The International Convention for the Control and Management of Ships' Ballast Water and Sediments ("BWM Convention") is designed to protect the marine environment from the introduction of non-native (alien) species as a result of the carrying of ships' ballast water from one place to another. The introduction of non-native species has been identified as one of the top five threats to biological diversity. Expanding seaborne trade and traffic have exacerbated the threat. Tankers must take on ballast water in order to maintain their stability and draft, and must discharge the ballast water when they load their next cargo. When emptying the ballast water, which they carried from the previous port, they may release organisms and pathogens that have been identified as being potentially harmful in the new environment.

The BWM Convention was adopted in 2004 and became effective on September 8, 2017. The BWM Convention is applicable to new and existing vessels that are designed to carry ballast water. It defines a discharge standard consisting of maximum allowable levels of critical invasive species. This standard is met by installing treatment systems that render the invasive species non-viable. In addition, each vessel is required to have on board a valid International Ballast Water Management Certificate, a Ballast Water Management Plan and a Ballast Water Record Book.

INSW's vessels are subject to other international, national and local ballast water management regulations (including those described below under "U.S. Environmental and Safety Regulations and Standards"). INSW complies with these regulations through ballast water management plans implemented on each of the vessels in its fleet. To meet existing and anticipated ballast water treatment requirements, including those contained in the BWM Convention, INSW has a fleetwide action plan to comply with IMO, EPA, USCG and possibly more stringent U.S. state mandates as they are implemented and become effective, which may require the installation and use of costly control technologies. Compliance with the ballast water requirements effective under the BWM Convention and other regulations may have material impacts on INSW's operations and financial results, as discussed below under "U.S. Environmental and Safety Regulations and Standards-Other U.S. Environmental and Safety Regulations and Standards."

Other EU Legislation and Regulations

The EU has adopted legislation that: (1) bans manifestly sub-standard vessels (defined as those over 15 years old that have been detained by port authorities at least twice in the course of the preceding 24 months) from European waters, creates an obligation for port states to inspect at least 25% of vessels using their ports annually and provides for increased surveillance of vessels posing a high risk to maritime safety or the marine environment, and (2) provides the EU with greater authority and control over Classification Societies, including the ability to seek to suspend or revoke the authority of negligent societies. INSW believes that none of its vessels meet the definitions of a "sub-standard" vessel contained in the EU legislation. EU directives enacted in 2005 and amended in 2009 require EU member states to introduce criminal sanctions for illicit ship-source discharges of polluting substances (e.g., from tank cleaning operations) which result in deterioration in the quality of water and has been committed with intent, recklessness or serious negligence. Certain member states of the EU, by virtue of their national legislation, already impose criminal sanctions for pollution events under certain circumstances. The Company cannot predict what additional legislation or regulations, if any, may be promulgated by the EU or any other country or authority, or how these might impact INSW.

International Air Emission Standards

Annex VI to MARPOL ("Annex VI"), which was designed to address air pollution from vessels and which became effective internationally on May 19, 2005, sets limits on sulfur oxide ("SOx") and nitrogen oxide ("NOx") emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also regulated shipboard incineration and the emission of volatile organic compounds from tankers. Annex VI was amended in 2008 to provide for a

progressive and substantial reduction in SOx and NOx emissions from vessels and allow for the designation of Emission Control Areas ("ECAs") in which more stringent controls would apply. The primary changes were that the global cap on the sulfur content of fuel oil was reduced to 3.50% from 4.50% effective from January 1, 2012, and such cap was further reduced to 0.50% effective from January 1, 2020. Further, the sulfur content of fuel oil for vessels operating in designated ECAs was progressively reduced from 1.5% to 1.0% effective July 2010 and further reduced to 0.1% effective January 2015. Currently designated ECAs are: the Baltic Sea area, the North Sea area, the North American area (covering designated coastal areas off the United States and Canada) and the United States Caribbean Sea area (around Puerto Rico and the United States Virgin Islands). For vessels over 400 gross tons, Annex VI imposes various survey and certification requirements. The U.S. Maritime Pollution Prevention Act of 2008 amended the U.S. Act to Prevent Pollution from Ships to provide for the adoption of Annex VI. In October 2008, the U.S. ratified Annex VI, which came into force in the United States on January 8, 2009.

In addition to Annex VI, there are regional mandates in ports and certain territorial waters within the EU, Turkey, China and Norway, for example, regarding reduced SOx emissions. These requirements establish maximum allowable limits for sulfur content in fuel oils used by vessels when operating within certain areas and waters and while "at berth." In December 2012, an EU directive that aligned the EU requirements with Annex VI entered into force. For vessels at berth in EU ports, sulfur content of fuel oil is limited to 0.1%. For vessels operating in SOx Emission Control Areas ("SECAs"), sulfur content of fuel oil is limited to 0.1% as of January 1, 2015. For vessels operating outside SECAs, sulfur content of fuel oil is limited to 0.5% as of January 1, 2020. Alternatively, emission abatement methods are permitted as long as they continuously achieve reductions of SOx emissions that are at least equivalent to those obtained using compliant marine fuels.

More stringent Tier III emission limits are applicable to engines installed on a ship constructed on or after January 1, 2016 operating in ECAs. NOx emission Tier III standards came into force on January 1, 2016 in ECAs.

Additional air emission requirements under Annex VI became effective on July 1, 2010 mandating the development of Volatile Organic Compound ("VOC") Management Plans for tank vessels and certain gas ships.

In July 2011, the IMO further amended Annex VI to include energy efficiency standards for "new ships" through the designation of an EEDI. The EEDI standards apply to new ships of 400 gross tons or above (except those with diesel-electric, turbine or hybrid propulsion systems). "New ships" for purposes of this standard are those for which the building contract was placed on or after January 1, 2013; or in the absence of a building contract, the keel of which is laid or which is at a similar stage of construction on or after July 1, 2013; or the delivery of which is on or after July 1, 2015. The EEDI standards phase in from 2013 to 2025 and are anticipated to result in significant reductions in fuel consumption, as well as air and marine pollution. In 2011, IMO's Greenhouse Gas Work Group agreed on Ship Energy Efficiency Management Plan ("SEEMP") development guidelines, which were provided by the MEPC, Resolution MEPC.213 (63), which adopted the 2012 development guidelines on March 2, 2012, entered into force on January 1, 2013. The SEEMP, unlike the EEDI, applies to all ships of 400 gross tons and above. The verification of the requirement to have a SEEMP on board shall take place at the first or intermediate or renewal survey, whichever is the first, on or after January 1, 2013. As of December 31, 2018, the SEEMP must include the methodologies to be used for collecting and reported the data required by the IMO's MRV requirements. Each of the vessels technically managed by the Company has a SEEMP, which was prepared in accordance with these development guidelines and addresses technically viable options that create value added strategies to reduce the vessels' energy footprint through the implementation of specific energy saving measures. An Energy Efficiency Certificate ("IEEC") is to be issued for both new and existing ships of 400 gross tons or above. The IEEC shall be issued once for each ship and shall be valid throughout its lifetime, until the ship is withdrawn from service or unless a new certificate is issued following a major conversion of the ship, or until transfer of the ship to the flag of another state.

The Company believes that its vessels are compliant with the current requirements of Annex VI and that those of its vessels that operate in the EU, Turkey, China, Norway and elsewhere are also compliant with the regional mandates applicable there. However, the Company anticipates that, in the next several years, compliance with the increasingly stringent requirements of Annex VI and other conventions, laws and regulations imposing air emission standards that have already been adopted or that may be adopted will require substantial additional capital and/or operating expenditures and could have operational impacts on INSW's business. Although INSW cannot predict such expenditures and impacts with certainty at this time, they may be material to INSW's financial statements.

SOLAS

From January 1, 2014, various amendments to the SOLAS conventions came into force, including an amendment to Chapter VI of SOLAS, which prohibits the blending of bulk liquid cargoes during sea passage and the production process on board ships. This

prohibition does not preclude the master of the vessel from undertaking cargo transfers for the safety of the ship or protection of the marine environment.

MARPOL

Effective March 1, 2018, pursuant to an amendment to MARPOL Annex V, shippers are required to determine whether or not their cargo is hazardous and classify it in line with the criteria of the United Nations Globally Harmonized System of Classification. Vessels are required to maintain a new format garbage record book, which is divided into two parts: cargo residues and garbage other than cargo residues. The cargo residues part must be further divided into hazardous and non-hazardous to the marine environment cargo. More stringent discharge requirements apply to the former category of cargo residues.

U.S. Environmental and Safety Regulations and Standards

The United States regulates the shipping industry with an extensive regulatory and liability regime for environmental protection and cleanup of oil spills, consisting primarily of the Oil Pollution Act of 1990 ("OPA 90"), and the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). 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 sea and the 200 nautical mile Exclusive Economic Zone around the United States. CERCLA applies to the discharge of hazardous substances (other than oil) whether on land or at sea. Both OPA 90 and CERCLA impact the Company's operations.

Liability Standards and Limits

Under OPA 90, vessel owners, operators and bareboat or demise charterers are "responsible parties" who are liable, without regard to fault, for all containment and clean-up costs and other damages, including property and natural resource damages and economic loss without physical damage to property, arising from oil spills and pollution from their vessels. Currently, the limits of OPA 90 liability with respect to (i) tanker vessels with a qualifying double hull are the greater of $2,300 per gross ton or approximately $19.9 million per vessel that is over 3,000 gross tons; and (ii) non-tanker vessels, the greater of $1,200 per gross ton or approximately $1.0 million per vessel. The statute 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 that have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. CERCLA, which applies to owners and operators of vessels, contains a similar liability regime and provides for cleanup, removal and natural resource damages associated with discharges of hazardous substances (other than oil). Liability under CERCLA is limited to the greater of $300 per gross ton or $5 million.

These limits of liability do not apply, however, 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. Similarly, these limits 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 and CERCLA each preserve the right to recover damages under existing law, including maritime tort law.

OPA 90 also requires owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the limit of their potential strict liability under the statute. The USCG enacted regulations requiring evidence of financial responsibility consistent with the previous limits of liability described above for OPA 90 and CERCLA. Under the regulations, evidence of financial responsibility may be demonstrated by insurance, surety bond, self-insurance, guaranty or an alternative method subject to approval by the Director of the USCG National Pollution Funds Center. 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 strict liability under OPA 90 and CERCLA. INSW has provided the requisite guarantees and has received certificates of financial responsibility from the USCG for each of its vessels required to have one.

INSW has insurance for each of its vessels with pollution liability insurance in the amount of $1 billion. However, a catastrophic spill could exceed the insurance coverage available, in which event there could be a material adverse effect on the Company's business.

In response to the Deepwater Horizon oil spill in the Gulf of Mexico in 2010, the U.S. Congress proposed legislation to create more stringent requirements related to the prevention and response to oil spills in U.S. waters and to increase both financial responsibility requirements and the limits in liability under OPA 90, although Congress has not yet enacted any such legislation. In addition to potential liability under OPA 90, vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spillage occurred.

Other U.S. Environmental and Safety Regulations and Standards

OPA 90 also amended the Federal Water Pollution Control Act to require owners and operators of vessels to adopt vessel response plans, including marine salvage and firefighting plans, for reporting and responding to vessel emergencies and oil spill scenarios up to a "worst case" scenario and to identify and ensure, through contracts or other approved means, the availability of necessary private response resources to respond to a "worst case discharge." The plans must include contractual commitments with clean-up response contractors and salvage and marine firefighters in order to ensure an immediate response to an oil spill/vessel emergency. Each vessel has an USCG approved plan on file with the USCG and onboard the vessel. These plans are regularly reviewed and updated.
OPA 90 requires training programs and periodic drills for shore-side staff and response personnel and for vessels and their crews. INSW's third party technical managers conduct such required training programs and periodic drills.

OPA 90 does not prevent individual U.S. states from imposing their own liability regimes with respect to oil pollution incidents occurring within their boundaries. In fact, most U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws are in some cases more stringent than U.S. federal law.

In addition, the U.S. Clean Water Act ("CWA") prohibits the discharge of oil or hazardous substances in U.S. navigable waters 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 the more recent OPA 90 and CERCLA, discussed above.

At the federal level in the United States, ballast water management is subject to two separate, partially interrelated regulatory regimes. One is administered by the USCG under the National Aquatic Nuisance and Control Act and National Invasive Species Act, and the other is administered by the EPA under the CWA.

In March 2012, the USCG promulgated its final rule on ballast water management for the control of nonindigenous species in U.S. waters. While generally in line with the requirements set out in the BWM Convention, the final rule requires that treatment systems for domestic and foreign vessels operating in U.S. waters must be Type Approved by the USCG. The USCG first approved a treatment system as Type Approved in December 2016, and accordingly before such date the USCG had a policy to issue temporary extensions of the compliance dates for the implementation of approved treatment systems. INSW has obtained extensions from the USCG of the treatment system requirement and its first compliance date for any of its vessels was in 2018. INSW expects that its vessels discharging ballast in U.S. waters will have Type Approved treatment systems by their extended compliance dates.

The discharge of ballast water and other substances incidental to the normal operation of vessels in U.S. ports also is subject to CWA permitting requirements. In accordance with the EPA's National Pollutant Discharge Elimination System, the Company is subject to a Vessel General Permit ("VGP"), which addresses, among other matters, the discharge of ballast water and effluents. The current VGP, which was issued in 2013, identifies twenty-six vessel discharge streams and establishes numeric ballast water discharge limits that generally align with the treatment technologies to be implemented under USCG's 2012 final rule, requirements to ensure that the ballast water treatment systems are functioning correctly, and more stringent effluent limits for oil to sea interfaces and exhaust gas scrubber wastewater. The VGP contains a compliance date schedule for these requirements. The VGP standards and requirements were due for modification and renewal in December 2018, but this renewal has been postponed by the EPA with no fixed date for completion. Until a new VGP program is implemented, the current standards remain in effect.

Certain of the Company's vessels are subject to more stringent numeric discharge limits under the EPA's VGP, even though those vessels have obtained a valid extension from the USCG for implementation of treatment technology under its 2012 final rule. The EPA has determined that it will not issue extensions under the VGP, but in December 2013 it issued an Enforcement Response Policy ("ERP") to address this industry-wide issue. Under the ERP, the EPA states that vessels that have received an extension from the USCG are in compliance with all of the VGP's requirements other than the numeric discharge limits and meet certain other requirements will be entitled to a "low enforcement priority." While INSW believes that any vessel that is or may become subject to the VGP's numeric discharge limits during the pendency of a USCG extension will be entitled to such low priority treatment under the ERP no assurance can be given that they will do so.

The VGP system also permits individual states and territories to impose more stringent requirements for discharges into the navigable waters of such state or territory. Certain individual states have enacted legislation or regulations addressing hull cleaning and ballast water management. For example, on October 10, 2007, California enacted law AB 740, legislation expanding regulation of ballast

water discharges and the management of hull-fouling organisms. California has extensive requirements for more stringent effluent limits and discharge monitoring and testing requirements with respect to discharges in its waters. Due to delays by manufacturers in developing ballast water treatment systems that are able to comply with these effluent limits and in creating equipment to reliably test such compliance, the compliance date for all vessels making ballast water discharges in California waters has been deferred to the first scheduled drydocking after January 1, 2020. INSW's vessels and systems are currently in compliance with the applicable California discharge standards.

Following an assessment by the California State Lands Commission of the current technology for meeting ballast water management standards, the deadline for compliance for interim standards has been extended from 2016 to 2020 and the deadline for final "zero detect" standards has been extended from 2020 to 2030.

New York State has imposed a more stringent bilge water discharge requirement for vessels in its waters than what is required by the VGP or IMO. Through its Section 401 Certification of the VGP, New York prohibits the discharge of all bilge water in its waters. New York State also requires that vessels entering its waters from outside the Exclusive Economic Zone must perform ballast water exchange in addition to treating it with a ballast water treatment system.

On December 4, 2018, the USCG Authorization Act of 2018 was enacted, which included the Vessel Incidental Discharge Act ("VIDA"). Under VIDA, the EPA was designated the government agency responsible for establishing standards for U.S. ballast water regulations and the USCG was assigned the responsibility for monitoring and enforcing those standards. VIDA reduces the scope of the VGP and is expected to align state and local discharge standards with federal standards. Ultimately, under VIDA, the discharge of ballast water in the navigable waters of the United States will no longer subject to the VGP or the CWA. The Company plans to continue to monitor the implementation of VIDA at the federal, state, and local levels.

The Company anticipates that, in the next several years, compliance with the various conventions, laws and regulations relating to ballast water management that have already been adopted or that may be adopted in the future will require substantial additional capital and/or operating expenditures and could have operational impacts on INSW's business. Although INSW cannot predict such expenditures and impacts with certainty at this time, they may be material to INSW's financial statements.

U.S. Air Emissions Standards

As discussed above, MARPOL Annex VI came into force in the United States in January 2009. In April 2010, EPA adopted regulations implementing the provisions of Annex VI. Under these regulations, vessels subject to the engine and fuel standards of Annex VI must comply with the applicable Annex VI provisions when they enter U.S. ports or operate in most internal U.S. waters. The Company's vessels are currently Annex VI compliant. Accordingly, absent any new and onerous Annex VI implementing regulations, the Company does not expect to incur material additional costs in order to comply with this convention.

The U.S. Clean Air Act of 1970, as amended by the Clean Air Act Amendments of 1977 and 1990 ("CAA"), requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. INSW's 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. Each of the Company's vessels operating in the transport of clean petroleum products in regulated port areas where vapor control standards are required has been outfitted with a vapor recovery system that satisfies these requirements. In addition, the EPA issued emissions standards for marine diesel engines. The EPA has implemented rules comparable to those of Annex VI to increase the control of air pollutant emissions from certain large marine engines by requiring certain new marine-diesel engines installed on U.S. registered ships to meet lower NOx standards which will be implemented in two phases. The newly built engine standards that became effective in 2011 require more efficient use of current engine technologies, including engine timing, engine cooling, and advanced computer controls to achieve a 15 to 25 percent NOx reduction below previous levels. The new long-term standards for newly built engines apply beginning in 2016 and require the use of high efficiency emission control technology such as selective catalytic reduction to achieve NOx reductions 80 percent below the pre-2016 levels. The North American ECA, encompassing the area extending 200 miles from the coastlines of the Atlantic, Gulf and Pacific coasts and the eight main Hawaiian Islands, became effective on August 1, 2012, and the United States Caribbean Sea ECA, encompassing water around Puerto Rico and the U.S. Virgin Islands, became effective on January 1, 2014. Fuel used by all vessels operating in the ECA cannot exceed 0.1% sulfur, effective January 1, 2015. The Company believes that its vessels are in compliance with the current requirements of the ECAs. From 2016, NOx after-treatment requirements also apply. If other ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the EPA or the states where INSW operates, compliance could require or affect the timing of significant capital and/or operating expenditures that could be material to INSW's consolidated financial statements.

The CAA also requires states to draft State Implementation Plans ("SIPs"), designed to attain national health-based air quality standards in major metropolitan and industrial areas. Where states fail to present approvable SIPs, or SIP revisions by certain statutory deadlines, the EPA is required to draft a Federal Implementation Plan. Several SIPs regulate emissions resulting from barge loading and degassing operations by requiring the installation of vapor control equipment. Where required, the Company's vessels are already equipped with vapor control systems that satisfy these requirements. Although a risk exists that new regulations could require significant capital expenditures and otherwise increase its costs, the Company believes, based upon the regulations that have been proposed to date, that no material capital expenditures beyond those currently contemplated and no material increase in costs are likely to be required as a result of the SIPs program.

Individual states have been considering their own restrictions on air emissions from engines on vessels operating within state waters. California requires certain ocean-going vessels operating within 24 nautical miles of the Californian coast to reduce air pollution by using only low-sulfur marine distillate fuel rather than bunker fuel in auxiliary diesel and diesel-electric engines, main propulsion diesel engines and auxiliary boilers. Vessels sailing within 24 miles of the California coastline whose itineraries call for them to enter any California ports, terminal facilities, or internal or estuarine waters must use marine gas oil or marine diesel oil with a sulfur content at or below 0.1% sulfur. The Company believes that its vessels that operate in California waters are in compliance with these regulations.

Security Regulations and Practices

Security at sea has been a concern to governments, shipping lines, port authorities and importers and exporters for years. Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. In 2002, the U.S. Maritime Transportation Security Act of 2002 ("MTSA") came into effect and the USCG issued regulations in 2003 implementing certain portions of the MTSA by requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, a coalition of 150 IMO contracting states drafted amendments to SOLAS by creating a new subchapter dealing specifically with maritime security. This new subchapter, which became effective in July 2004, imposes various detailed security obligations on vessels and port authorities, most of which are contained in the International Ship and Port Facilities Security Code (the "ISPS Code"). The ISPS Code is applicable to all cargo vessels of 500 gross tons plus all passenger ships operating on international voyages, mobile offshore drilling units, as well as port facilities that service them. The objective of the ISPS Code is to establish the framework that allows detection of security threats and implementation of preventive measures against security incidents that can affect ships or port facilities used in international trade. Among other things, the ISPS Code requires the development of vessel security plans and compliance with flag state security certification requirements. To trade internationally, a vessel must attain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state.

The USCG regulations, intended to align with international maritime security standards, exempt from MTSA vessel security measures for non-U.S. vessels that have on board a valid ISSC attesting to the vessel's compliance with SOLAS security requirements and the ISPS Code.

All of INSW's vessels have developed and implemented vessel security plans that have been approved by the appropriate regulatory authorities, have obtained ISSCs and comply with applicable security requirements.

The Company monitors the waters in which its vessels operate for pirate activity. Company vessels that transit areas where there is a high risk of pirate activity follow best management practices for reducing risk and preventing pirate attacks and are in compliance with protocols established by the naval coalition protective forces operating in such areas.

INSPECTION BY CLASSIFICATION SOCIETIES

Every oceangoing vessel must be "classed" by a Classification Society. The Classification Society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the Classification Society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the Classification Society will undertake them on application or by official order, acting on behalf of the authorities concerned. The Classification Society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

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

- *Annual Surveys*. For seagoing ships, annual surveys are conducted for the hull and the machinery, including the electrical plant and where applicable for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.
- *Intermediate Surveys*. Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out between the occasions of the second or third annual survey.
- *Class Renewal Surveys.* Class renewal surveys, also known as special surveys, are carried out for the ship's hull, machinery, including the electrical plant, and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey the vessel is thoroughly examined, including ultrasonic measurements to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the Classification Society would prescribe steel renewals. The Classification Society may grant a one-year grace period for completion of the special survey. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the Classification Society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. Upon a shipowner's request, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class survey period. This process is referred to as continuous class renewal.

Vessels are required to dry dock for inspection of the underwater hull at each intermediate survey and at each class renewal survey. For tankers less than 15 years old, Classification Societies permit for intermediate surveys in water inspections by divers in lieu of dry docking, subject to other requirements of such Classification Societies.

If defects are found during any survey, the Classification Society surveyor will issue a "recommendation" which must be rectified by the vessel owner within prescribed time limits.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a Classification Society that is a member of the International Association of Classification Societies, or the IACS. In December 2013, the IACS adopted new harmonized Common Structure Rules, which apply to crude oil tankers and dry bulk carriers to be constructed on or after July 1, 2015. All our vessels are currently, and we expect will be, certified as being "in class" by a Classification Society that is a member of IACS. All new and secondhand vessels that we acquire must be certified prior to their delivery under our standard purchase contracts and memorandum of agreement. If the vessel is not certified on the date of closing, we have no obligation to take delivery of the vessel.

INSURANCE

Consistent with the currently prevailing practice in the industry, the Company presently carries protection and indemnity ("P&I") insurance coverage for pollution of $1.0 billion per occurrence on every vessel in its fleet. P&I insurance is provided by mutual protection and indemnity associations ("P&I Associations"). The P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. Each P&I Association has capped its exposure to each of its members at approximately $8.2 billion. As a member of a P&I Association that is a member of the International Group, the Company is subject to calls payable to the P&I Associations based on its claim record as well as the claim records of all other members of the individual Associations of which it is a member, and the members of the pool of P&I Associations comprising the International Group. As of December 31, 2019, the Company was a member of three P&I Associations. Each of the Company's vessels is insured by one of these three Associations with deductibles ranging from $0.025 million to $0.1 million per vessel per incident. While the Company has historically been able to obtain pollution coverage at commercially reasonable rates, no assurances can be given that such insurance will continue to be available in the future.

The Company carries marine hull and machinery and war risk (including piracy) insurance, which includes the risk of actual or constructive total loss, for all of its vessels. The vessels are each covered up to at least their fair market value, with deductibles ranging from $0.125 million to $0.50 million per vessel per incident. The Company is self-insured for hull and machinery claims in amounts in excess of the individual vessel deductibles up to a maximum aggregate loss of $1.5 million per policy year for its vessels.

The Company currently maintains loss of hire insurance to cover loss of charter income resulting from accidents or breakdowns of its vessels, and the bareboat chartered vessels that are covered under the vessels' marine hull and machinery insurance. Loss of hire insurance covers up to 120 days lost charter income per vessel per incident in excess of the first 21 or 60 days (which depends on the particular vessel covered) lost for each covered incident, which is borne by the Company.

TAXATION OF THE COMPANY

INSW is incorporated in the Republic of the Marshall Islands and pursuant to the laws of the Marshall Islands, the Company is not subject to income tax in the Marshall Islands.

The following summary of the principal U.S. tax laws applicable to the Company, as well as the conclusions regarding certain issues of tax law, are based on the provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed U.S. Treasury Department regulations, administrative rulings, pronouncements and judicial decisions, all as of the date of this Annual Report on Form 10-K. No assurance can be given that changes in or interpretation of existing laws will not occur or will not be retroactive or that anticipated future circumstances will in fact occur.

All of the Company's vessels are owned or operated by foreign corporations that are subsidiaries of INSW.

Taxation to INSW of its Shipping Income

INSW derives substantially all of its gross income from the use and operation of vessels in international commerce. This income principally consists of hire from time and voyage charters for the transportation of cargoes and the performance of services directly related thereto, which is referred to herein as "shipping income."

In 2019 and prior years, INSW was exempt from taxation on its U.S. source shipping income under Section 883 of the Code and Treasury regulations. For 2020 and future years, INSW will need to evaluate its qualification for exemption under Section 883 and there can be no assurance that INSW will continue to qualify for the exemption. Our qualification for the exemption under Section 883 is described in more detail under "Risk Factors — Risks Related to Legal and Regulatory Matters — *We may be subject to U.S. federal income tax on U.S. source shipping income, which would reduce our net income and cash flows*." To the extent INSW is unable to qualify for exemption from tax under Section 883, INSW will be subject to U.S. federal income taxation of 4% of its U.S. source shipping income on a gross basis without the benefit of deductions.

Shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States will be considered to be 50% derived from sources within the United States. Shipping income attributable to transportation that both begins and ends in the U.S. will be considered to be 100% derived from sources within the United States. INSW does not engage in transportation that gives rise to 100% U.S. source income. Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States and will generally not be subject to any U.S. federal income tax. INSW's vessels operate in various parts of the world, including to or from U.S. ports.

ITEM 1A. RISK FACTORS

The following important risk factors could cause actual results to differ materially from those contained in the forward-looking statements made in this report or presented elsewhere by management from time to time. If any of the circumstances or events described below actually arise or occur, the Company's business, results of operations and financial condition could be materially adversely affected. Actual dollar amounts are used in this Item 1A. "Risk Factors" section.

Risks Related to Our Industry

The highly cyclical nature of the industry may lead to volatile changes in charter rates and vessel values, which could adversely affect the Company's earnings and available cash.

INSW depends on short duration, or "spot," charters, for a significant portion of its revenues, which exposes INSW to fluctuations in market conditions. In the years ended December 31, 2019, 2018 and 2017, INSW derived approximately 92%, 90% and 80%, respectively, of its TCE revenues in the spot market. The tanker industry is both cyclical and volatile in terms of charter rates and profitability. Fluctuations in charter rates and vessel values result from changes in supply and demand both for tanker capacity and for oil and oil products. Factors affecting these changes in supply and demand are generally outside of the Company's control. The nature, timing and degree of changes in industry conditions are unpredictable and could adversely affect the values of the Company's vessels or result in significant fluctuations in the amount of charter revenues the Company earns, which could result in significant volatility in INSW's quarterly results and cash flows. Factors influencing the demand for tanker capacity include:

- supply and demand for, and availability of, energy resources such as oil, oil products and natural gas, which affect customers' need for vessel capacity;
- global and regional economic and political conditions, including armed conflicts, terrorist activities and strikes, that among other things could impact the supply of oil, as well as trading patterns and the demand for various vessel types;
- regional availability of refining capacity and inventories;
- changes in the production levels of crude oil (including in particular production by OPEC, the United States and other key producers);
- developments in international trade generally;
- changes in seaborne and other transportation patterns, including changes in the distances that cargoes are transported, changes in the price of crude oil and changes to the West Texas Intermediate and Brent Crude Oil pricing benchmarks;
- environmental and other legal and regulatory developments and concerns;
- government subsidies of shipbuilding;
- construction or expansion of new or existing pipelines or railways;
- weather and natural disasters;
- competition from alternative sources of energy; and
- international sanctions, embargoes, import and export restrictions or nationalizations and wars.

Factors influencing the supply of vessel capacity include:

- the number of newbuilding deliveries;
- the scrapping rate of older vessels;
- environmental and maritime regulations;

- the number of vessels being used for storage or as FSO service vessels;
- the number of vessels that are removed from service;
- availability and pricing of other energy sources for which tankers can be used or to which construction capacity may be dedicated; and
- port or canal congestion and weather delays.

Many of the factors that influence the demand for tanker capacity will also, in the longer term, effectively influence the supply of tanker capacity, since decisions to build new capacity, invest in capital repairs, or to retain in service older obsolescent capacity are influenced by the general state of the marine transportation industry from time to time. If the number of new ships of a particular class delivered exceeds the number of vessels of that class being scrapped, available capacity in that class will increase. The newbuilding order book (representing vessels in various stages of planning or construction) equaled 8%, 11% and 12% of the existing world tanker fleet as of December 31, 2019, 2018 and 2017, respectively.

The market value of vessels fluctuates significantly, which could adversely affect INSW's liquidity or otherwise adversely affect its financial condition.

The market value of vessels has fluctuated over time. The fluctuation in market value of vessels over time is based upon various factors, including:

- age of the vessel;
- general economic and market conditions affecting the tanker industry, including the availability of vessel financing;
- number of vessels in the world fleet;
- types and sizes of vessels available;
- changes in trading patterns affecting demand for particular sizes and types of vessels;
- cost of newbuildings;
- prevailing level of charter rates;
- environmental and maritime regulations;
- competition from other shipping companies and from other modes of transportation;
- technological advances in vessel design and propulsion and overall vessel efficiency; and
- ability to utilize less expensive fuels.

Crude vessel values generally decreased during the period from 2016 through the first half of 2018, resulting from the lower TCE rates in the market. During this period, vessel sales were sporadic and financing was difficult for many companies to obtain. These factors reduced newbuilding orders. Beginning in the second half of 2018 and continuing through 2019, vessel values stabilized and then generally increased. If INSW sells a vessel at a sale price that is less than the vessel's carrying amount on the Company's financial statements, INSW will incur a loss on the sale and a reduction in earnings and surplus. Declines in the values of the Company's vessels could adversely affect the Company's compliance with its loan covenants.

Declines in charter rates and other market deterioration could cause INSW to incur impairment charges.

The Company evaluates events and changes in circumstances that have occurred to determine whether they indicate that the carrying amounts of the vessel assets might not be recoverable. This review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires the Company to make various estimates, including future freight rates, earnings from the vessels, market appraisals and discount rates. All of these items have historically been volatile. The Company evaluates the recoverable amount of a vessel asset as the sum of its undiscounted estimated future cash flows. If the recoverable amount is less than

the vessel's carrying amount, the vessel's carrying amount is then compared to its estimated fair value. If the vessel's carrying amount is less than its fair value, it is deemed impaired. The carrying values of the Company's vessels may differ significantly from their fair market value. The Company did not record vessel and other property impairment charges during 2019.

Changes in the worldwide supply of vessels or an expansion of the capacity of newly-built tankers, without a commensurate shift in demand for such vessels, may cause spot charter rates to increase or decline, affecting INSW's revenues, profitability and cash flows, and the value of its vessels.

Changes in vessel supply have historically been a driver of both spot market rates and the overall cyclicality of the maritime industry. When the number of new ships of a particular class delivered exceeds the number of vessels of that class being scrapped over a period, available capacity in that class increases. Although scrapping levels over any particular period will depend on various factors, including charter rates and scrap prices, the newbuilding order book (i.e., vessels in various stages of planning or construction that will be delivered in the future) represented 8% and 11% of the existing world tanker fleet as of December 31, 2019 and 2018, respectively. In addition, if newly built tankers have more capacity than the tankers being scrapped or otherwise removed from the active world fleet, overall tanker capacity will expand. Supply is also affected by the number of tankers being used for floating storage (which are thus not available to transport crude oil or petroleum products). Although currently only a relatively small percentage of the world tanker fleet is being used for storage at sea, that percentage varies over time, and is affected by expectations of changes in the price of oil and petroleum products, with vessel use generally increasing when prices are expected to increase more than storage costs and generally decreasing when they are not. Any of these factors may cause both spot charter rates and the value of the INSW's vessels to fluctuate, and may have a material adverse effect on our revenues, profitability, cash flows and financial condition.

Shipping is a business with inherent risks, and INSW's insurance may not be adequate to cover its losses.

INSW's vessels and their cargoes are at risk of being damaged or lost and its vessel crews and shoreside employees are at risk of injury or death because of events including, but not limited to:

- marine disasters;
- bad weather;
- mechanical failures;
- human error;
- war, terrorism and piracy;
- grounding, fire, explosions and collisions; and
- other unforeseen circumstances or events.

These hazards may result in death or injury to persons; loss of revenues or property; demand for the payment of ransoms; environmental damage; higher insurance rates; damage to INSW's customer relationships; and market disruptions, delay or rerouting, any or all of which may also subject INSW to litigation. In addition, transporting crude oil and refined petroleum products creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes, port closings and boycotts. The operation of tankers also has unique operational risks associated with the transportation of oil. An oil spill may cause significant environmental damage and the associated costs could exceed the insurance coverage available to the Company. Compared to other types of vessels, tankers are also exposed to a higher risk of damage and loss by fire, whether ignited by a terrorist attack, collision, or other cause, due to the high flammability of the oil transported in tankers. Furthermore, any such incident could seriously damage INSW's reputation and cause INSW either to lose business or to be less likely to be able to enter into new business (either because of customer concerns or changes in customer vetting processes). Any of these events could result in loss of revenues, decreased cash flows and increased costs.

While the Company carries insurance to protect against certain risks involved in the conduct of its business, risks may arise against which the Company is not adequately insured. For example, a catastrophic spill could exceed INSW's $1.0 billion per vessel insurance coverage and have a material adverse effect on its operations. In addition, INSW may not be able to procure adequate insurance coverage at commercially reasonable rates in the future, and INSW cannot guarantee that any particular claim will be paid by its insurers. In the past, new and stricter environmental regulations have led to higher costs for insurance covering environmental damage

or pollution, and new regulations could lead to similar increases or even make this type of insurance unavailable. Furthermore, even if insurance coverage is adequate to cover the Company's losses, INSW may not be able to timely obtain a replacement ship or may suffer other consequential harm or difficulty in the event of a loss. INSW may also be subject to calls, or premiums, in amounts based not only on its own claim records but also the claim records of all other members of the protection and indemnity associations through which INSW obtains insurance coverage for tort liability. INSW's payment of these calls could result in significant expenses which would reduce its profits and cash flows or cause losses.

Counterparty credit risk and constraints on capital availability may adversely affect INSW's business.

Certain of the Company's customers, financial lenders and suppliers may suffer material adverse impacts on their financial condition that could make them unable or unwilling to comply with their contractual commitments, including the refusal or inability to pay charter hire to INSW or an inability or unwillingness to lend funds. While INSW seeks to monitor the financial condition of its customers, financial lenders and suppliers, the availability and accuracy of information about the financial condition of such entities and the actions that INSW may take to reduce possible losses resulting from the failure of such entities to comply with their contractual obligations is limited. Any such failure could have a material adverse effect on INSW's revenues, profitability and cash flows.

The Company also faces other potential constraints on capital relating to counterparty credit risk and constraints on INSW's ability to borrow funds. See also "— Risks Related to Our Company — *The Company is subject to credit risks with respect to its counterparties on contracts and any failure by those counterparties to meet their obligations could cause the Company to suffer losses on such contracts, decreasing revenues and earnings*" and "— Risks Related to Our Company — *INSW has incurred significant indebtedness which could affect its ability to finance its operations, pursue desirable business opportunities and successfully run its business in the future, all of which could affect INSW's ability to fulfill its obligations under that indebtedness*."

The state of the global financial markets may adversely impact the Company's ability to obtain additional financing on acceptable terms and otherwise negatively impact the Company's business.

Global financial markets have been, and continue to be, volatile. In recent years, businesses in the global economy have faced tightening credit and deteriorating international liquidity conditions. There have been periods where there was a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry, due to regulatory pressures (e.g. Basel IV) and the historically volatile asset values of vessels, exacerbated by individual companies exposure to the spot market (i.e., without fixed or locked in time charter coverage). As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it may be negatively affected by any such decline.

Also, concerns about the stability of financial markets generally and the solvency of counterparties specifically, may increase the cost of obtaining money from the credit markets. Lenders may also enact tighter lending standards, refuse to refinance existing debt at all or on terms similar to current debt and reduce, and in some cases cease to provide, funding to borrowers. Due to these factors, additional financing may not be available if needed and to the extent required, on acceptable terms or at all. While the Company successfully refinanced in January 2020 approximately $400 million of indebtedness at interest rates that were less than those of the refinanced indebtedness, if additional financing is not available when current facilities mature, or is available only on unfavorable terms, the Company may be unable to meet its obligations as they come due or the Company may be unable to execute its business strategy, complete additional vessel acquisitions, or otherwise take advantage of potential business opportunities as they arise.

INSW conducts its operations internationally, which subjects it to changing economic, political and governmental conditions abroad that may adversely affect its business.

The Company conducts its operations internationally, and its business, financial condition, results of operations and cash flows may be adversely affected by changing economic, political and government conditions in the countries and regions where its vessels are employed, including:

- regional or local economic downturns;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds into or out of countries in which INSW or its customers operate;

- difficulty in staffing and managing (including ensuring compliance with internal policies and controls) geographically widespread operations;
- trade relations with foreign countries in which INSW's customers and suppliers have operations, including protectionist measures such as tariffs and import or export licensing requirements;
- general economic and political conditions, which may interfere with, among other things, the Company's supply chain, its customers and all of INSW's activities in a particular location;
- difficulty in enforcing contractual obligations in non-U.S. jurisdictions and the collection of accounts receivable from foreign accounts;
- different regulatory regimes in the various countries in which INSW operates;
- inadequate intellectual property protection in foreign countries;
- the difficulties and increased expenses in complying with multiple and potentially conflicting U.S. and foreign laws, regulations, security, product approvals and trade standards, anti-bribery laws, government sanctions and restrictions on doing business with certain nations or specially designated nationals;
- import and export duties and quotas;
- demands for improper payments from port officials or other government officials;
- U.S. and foreign customs, tariffs and taxes;
- currency exchange controls, restrictions and fluctuations, which could result in reduced revenue and increased operating expense;
- international incidents;
- transportation delays or interruptions;
- local conflicts, acts of war, terrorist attacks or military conflicts;
- changes in oil prices or disruptions in oil supplies that could substantially affect global trade, the Company's customers' operations and the Company's business;
- the imposition of taxes by flag states, port states and jurisdictions in which INSW or its subsidiaries are incorporated or where its vessels operate; and
- expropriation of INSW's vessels.

The occurrence of any such event could have a material adverse effect on the Company's business.

Additionally, protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. In particular, leaders in the United States have indicated the United States may seek to implement more protective trade measures. There is currently significant uncertainty about the future relationship between the United States, China and other exporting countries, including with respect to trade policies, treaties, government regulations and tariffs. For example, on January 23, 2017, President Trump signed an executive order withdrawing the United States from the Trans-Pacific Partnership, a global trade agreement intended to include the United States, Canada, Mexico, Peru and a number of Asian countries. Further, President Trump has called for substantial changes to foreign trade policy with China. Beginning in 2018 and continuing through most of 2019, the United States imposed tariffs on an increasing amount of Chinese goods in order to reverse what the United States perceived as unfair trade practices that negatively impacted U.S. businesses and China retaliated by imposing tariffs on United States products. During the last quarter of 2019, the United States and China negotiated an agreement to reduce trade tensions which became effective in February 2020, as the first phase of a joint effort to improve trade relations.

Increasing trade protectionism may cause an increase in the cost of goods exported from regions globally, particularly the Asia-Pacific region and the risks associated with exporting goods, which may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs. Further, increased tensions may adversely affect oil demand, which would have an adverse effect on shipping rates.

INSW must comply with complex non-U.S. and U.S. laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other local laws prohibiting corrupt payments to government officials; anti-money laundering laws; and competition regulations. Moreover, the shipping industry is generally considered to present elevated risks in these areas. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, restrictions on the Company's business operations and on the Company's ability to transport cargo to one or more countries, and could also materially affect the Company's brand, ability to attract and retain employees, international operations, business and operating results. Although INSW has policies and procedures designed to achieve compliance with these laws and regulations, INSW cannot be certain that its employees, contractors, joint venture partners or agents will not violate these policies and procedures. INSW's operations may also subject its employees and agents to extortion attempts.

The exit of the United Kingdom from the European Union could adversely affect INSW.

The United Kingdom exited from the European Union ("EU") on January 31, 2020 ("Brexit"). INSW has operations in the United Kingdom, and as a result, INSW faces risks associated with the potential uncertainty and disruptions that may follow Brexit , including with respect to volatility in exchange rates and interest rates, and potential material changes to the regulatory regime applicable to its business or global trading parties. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. While there have been no adverse effects of Brexit on INSW's business to date, any of the foregoing effects of Brexit, and others INSW cannot anticipate or that may evolve over time, could have a material adverse effect on INSW's business, financial condition, results of operations and cash flows.

Changes in fuel prices may adversely affect profits.

Fuel is a significant expense in the Company's shipping operations when vessels are under voyage charter. Accordingly, an increase in the price of fuel may adversely affect the Company's profitability if these increases cannot be passed onto customers. The price and supply of fuel is unpredictable and fluctuates based on events outside the Company's control, including geopolitical developments; supply and demand for oil and gas; actions by OPEC, and other oil and gas producers; war and unrest in oil producing countries and regions; regional production patterns; and environmental concerns and regulations, including requirements to use certain fuels that are more costly. Fuel meeting the 0.5% specification for sulfur content under Annex VI, in effect from January 1, 2020, is much more expensive than the 3.5% sulfur fuel oil it replaces, which could reduce the Company's profitability if these increases cannot be passed onto customers.

Acts of piracy on ocean-going vessels could adversely affect the Company's business.

The frequency of pirate attacks on seagoing vessels remains elevated, particularly off the west coast of Africa and in the South China Sea. If piracy attacks result in regions in which the Company's vessels are deployed being characterized by insurers as "war risk" zones, as the Gulf of Aden has been, or Joint War Committee "war and strikes" listed areas, premiums payable for insurance coverage could increase significantly, and such insurance coverage may become difficult to obtain. Crew costs could also increase in such circumstances due to risks of piracy attacks.

In addition, while INSW believes the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not "on-hire" for a certain number of days and it is therefore entitled to cancel the charter party, a claim the Company would dispute. The Company may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on the Company. In addition, hijacking as a result of an act of piracy against the Company's vessels, or an increase in the cost (or unavailability) of insurance for those vessels, could have a material adverse impact on INSW's business, financial condition, results of operations and cash flows. Such attacks may also impact the Company's customers, which could impair their ability to make payments to the Company under their charters.

Terrorist attacks and international hostilities and instability can affect the tanker industry, which could adversely affect INSW's business.

Terrorist attacks, the outbreak of war, or the existence of international hostilities could damage the world economy, adversely affect the availability of and demand for crude oil and petroleum products and adversely affect both the Company's ability to charter its vessels and the charter rates payable under any such charters. In addition, INSW operates in a sector of the economy that is likely to be adversely impacted by the effect of political instability, terrorist or other attacks, war or international hostilities. In the past, political instability has also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. These factors could also increase the costs to the Company of conducting its business, particularly crew, insurance and security costs, and prevent or restrict the Company from obtaining insurance coverage, all of which have a material adverse effect on INSW's business, financial condition, results of operations and cash flows.

In April 2019, Iran publicly threatened that it would interrupt the flow of oil through the Straits of Hormuz, the entrance to the Arabian Gulf. Commencing in May 2019, several vessels in the Arabian Gulf have been attacked, which attacks the United States has attributed to Iranian forces, and at least one vessel has been seized by Iran. In addition, in July 2019, a vessel allegedly transporting crude oil from Iran to Syria in violation of EU sanctions against Syria was seized off the coast of Gibraltar by forces of the U.K., increasing tensions. None of these attacks or seizures have involved the Company's vessels. On January 3, 2020 the United States launched a targeted drone attack that killed a senior Iranian military leader, which further exacerbated tensions. To date, these attacks and vessel seizures, while increasing the costs of the Company conducting its business to a limited extent, have not had a material adverse effect on INSW's business, financial condition, results of operations and cash flow but no assurance can be given that continued vessel attacks or seizures will not do so.

Public health threats could have an adverse effect on the Company's operations and financial results.

Public health threats and other highly communicable diseases, outbreaks of which have already occurred in various parts of the world near where INSW operates, could adversely impact the Company's operations, the operations of the Company's customers and the global economy, including the worldwide demand for crude oil and the level of demand for INSW's services. Any quarantine of personnel, restrictions on travel to or from countries in which INSW operates, or inability to access certain areas could adversely affect the Company's operations. Travel restrictions, operational problems or large-scale social unrest in any part of the world in which INSW operates, or any reduction in the demand for tanker services caused by public health threats in the future, may impact INSW's operations and adversely affect the Company's financial results.

In particular, the outbreak in December 2019 of a novel coronavirus (COVID-19) in China has resulted in quarantines, restrictions on travel to and from China and a decrease in economic activity in China, the world's second largest economy. The outbreak has adversely affected the level of global demand for transportation of crude oil and refined petroleum products, resulting in decreases in worldwide tanker rates. Further, as of February 28, 2020, INSW had two vessels in Chinese shipyards for scheduled drydockings and scrubber installations and five vessels that were scheduled to arrive in Chinese shipyards for such drydockings and scrubber installations by the end of March 2020. Completion of these drydockings and installations has been, or will be, delayed resulting in increased costs to the Company as well as loss of revenues because of increased days for which the vessels have been or will be out of service. To date, these delays have not had a material adverse effect on INSW's business but no assurance can be given that they will not have such an effect, or that any further spread of the novel coronavirus (COVID-19) will not have a material adverse effect on our business, operations and financial results.

Risks Related to Our Company

INSW has incurred significant indebtedness which could affect its ability to finance its operations, pursue desirable business opportunities and successfully run its business in the future, all of which could affect INSW's ability to fulfill its obligations under that indebtedness.

As of December 31, 2019, INSW had approximately $661 million of outstanding indebtedness, net of discounts and deferred finance costs. In addition, as of the end of 2019, the FSO Joint Venture has outstanding debt of approximately $70 million under the FSO Term Loan and $70 million under the FSO Revolver, which is secured by substantially all of the assets of the FSO Joint Venture. The

FSO Term Loan is guaranteed by the Company and the FSO Revolver is guaranteed by INSW's joint venture partner. INSW's substantial indebtedness and interest expense could have important consequences, including:

- limiting INSW's ability to use a substantial portion of its cash flow from operations in other areas of its business, including for working capital, capital expenditures and other general business activities, because INSW must dedicate a substantial portion of these funds to service its debt;
- to the extent INSW's future cash flows are insufficient, requiring the Company to seek to incur additional indebtedness in order to make planned capital expenditures and other expenses or investments;
- limiting INSW's ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions, and other expenses or investments planned by the Company;
- limiting the Company's flexibility and ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation, and INSW's business and industry;
- limiting INSW's ability to satisfy its obligations under its indebtedness; and
- increasing INSW's vulnerability to a downturn in its business and to adverse economic and industry conditions generally.

INSW's ability to continue to fund its obligations and to reduce or refinance debt in the future may be affected by among other things, the age of the Company's fleet and general economic, financial market, competitive, legislative and regulatory factors. An inability to fund the Company's debt requirements or reduce or refinance debt in the future could have a material adverse effect on INSW's business, financial condition, results of operations and cash flows.

Additionally, the actual or perceived credit quality of the Company's or its pools' charterers (as well as any defaults by them) could materially affect the Company's ability to obtain the additional capital resources that it will require to purchase additional vessels or significantly increase the costs of obtaining such capital. The Company's inability to obtain additional financing at an acceptable cost, or at all, could materially affect the Company's results of operation and its ability to implement its business strategy.

The Company may not be able to generate sufficient cash to service all of its indebtedness and could in the future breach covenants in its credit facilities, notes and term loans.

The Company's earnings, cash flow and the market value of its vessels vary significantly over time due to the cyclical nature of the tanker industry, as well as general economic and market conditions affecting the industry. As a result, the amount of debt that INSW can manage in some periods may not be appropriate in other periods and its ability to meet the financial covenants to which it is subject or may be subject in the future may vary. Additionally, future cash flow may be insufficient to meet the Company's debt obligations and commitments. Any insufficiency could negatively impact INSW's business.

The 2020 Debt Facilities contain certain restrictions relating to new borrowings as set forth in the loan agreement. In addition, the 2020 Debt Facilities have a covenant (a) to maintain the aggregate amount of unrestricted cash of INSW at any time to be not less than the greater of $50 million or an amount equal to 5% of the consolidated indebtedness of INSW and (b) to ensure that at any time, (i) the aggregate Fair Market Value of the Core Collateral Vessels that are subject to a Collateral Vessel Mortgage is not less than 135% of the aggregate outstanding principal amount of the Core Term Loans and Revolving Loans (each as defined in the loan agreement), and (ii) the Fair Market Value of the Transition Collateral Vessels that are subject to a Transition Collateral Mortgage is not less than 175% of the aggregate outstanding principal amount of the Transition Term Loans (each as defined in the loan agreement).

Additionally, the Sinosure Credit Facility requires the Company to comply with a number of covenants, including collateral maintenance and financial covenants, restrictions on consolidations, mergers or sales of assets, limitations on liens, limitations on issuance of certain equity interests, limitations on transactions with affiliates, and other customary covenants and related provisions. The Senior Notes Indenture also contains certain restrictive covenants, including covenants that, subject to certain exceptions and qualifications, restrict our ability to make certain payments if a default under the Indenture has occurred and is continuing or will result therefrom and require us to limit the amount of debt we incur, maintain a certain minimum net worth and provide certain reports.

While the Company is in compliance with all of its loan covenants, a decrease in vessel values or a failure to meet collateral maintenance requirements could cause the Company to breach certain covenants in its existing credit facilities, notes and term loans,

or in future financing agreements that the Company may enter into from time to time. If the Company breaches such covenants and is unable to remedy the relevant breach or obtain a waiver, the Company's lenders could accelerate its debt and lenders under the 2020 Debt Facilities and the Sinosure Credit Facility could foreclose on the Company's owned vessels.

A range of economic, competitive, financial, business, industry and other factors will affect future financial performance, and, accordingly, the Company's ability to generate cash flow from operations and to pay debt and to meet the financial covenants under the 2020 Debt Facilities and the Sinosure Credit Facility. Many of these factors, such as charter rates, economic and financial conditions in the tanker industry and the global economy or competitive initiatives of competitors, are beyond the Company's control. If INSW does not generate sufficient cash flow from operations to satisfy its debt obligations, it may have to undertake alternative financing plans, such as:

- refinancing or restructuring its debt;
- selling tankers or other assets;
- reducing or delaying investments and capital expenditures; or
- seeking to raise additional capital.

Undertaking alternative financing plans, if necessary, might not allow INSW to meet its debt obligations. The Company's ability to restructure or refinance its debt will depend on the condition of the capital markets, its access to such markets and its financial condition at that time. Any refinancing of debt could be at higher interest rates and might require the Company to comply with more onerous covenants, which could further restrict INSW's business operations. In addition, the terms of existing or future debt instruments may restrict INSW from adopting some alternative measures. These alternative measures may not be successful and may not permit INSW to meet its scheduled debt service obligations. The Company's inability to generate sufficient cash flow to satisfy its debt obligations, to meet the covenants of its credit agreements and term loans and/or to obtain alternative financing in such circumstances, could materially and adversely affect INSW's business, financial condition, results of operations and cash flows.

INSW is a holding company and depends on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligation or pay dividends.

International Seaways, Inc. is a holding company and its subsidiaries conduct all of its operations and own all of its operating assets. It has no significant assets other than the equity interests in its subsidiaries. As a result, its ability to satisfy its financial obligations or pay dividends depends on its subsidiaries and their ability to distribute funds to it. In addition, the terms of certain of the Company's financing agreements restrict the ability of certain of those subsidiaries to distribute funds to International Seaways, Inc.

The Company will be required to make additional capital expenditures to expand the number of vessels in its fleet and to maintain all of its vessels, which depend on additional financing.

The Company's business strategy is based in part upon the expansion of its fleet through the purchase of additional vessels at attractive points in the tanker cycle. The Company currently does not have any memorandum of agreement or newbuilding construction contracts for future vessel acquisitions. If the Company enters into newbuilding construction contracts or other agreements to acquire vessels and is unable to fulfill its obligations under them, the sellers of such vessels may be permitted to terminate such contracts and the Company may be required to forfeit all or a portion of the down payments it made under such contracts and it may also be sued for any outstanding balance. In addition, as a vessel must be drydocked within five years of its delivery from a shipyard, with survey cycles of no more than 60 months for the first three surveys, and 30 months thereafter, not including any unexpected repairs, the Company will incur significant maintenance costs for its existing and any newly-acquired vessels. As a result, if the Company does not utilize its vessels as planned, these maintenance costs could have material adverse effects on the Company's business, financial condition, results of operations and cash flows.

The Company depends on third party service providers for technical and commercial management of its fleet.

The Company currently outsources to third party service providers, certain management services of its fleet, including technical management, certain aspects of commercial management and crew management. In particular, the Company has entered into ship management agreements that assign technical management responsibilities to a third party technical manager for each conventional tanker in the Company's fleet (collectively, the "Ship Management Agreements"). The Company has also transferred commercial management of much of its fleet to certain other third party service providers, principally commercial pools.

In such outsourcing arrangements, the Company has transferred direct control over technical and commercial management of the relevant vessels, while maintaining significant oversight and audit rights, and must rely on third party service providers to, among other things:

- comply with contractual commitments to the Company, including with respect to safety, quality and environmental compliance of the operations of the Company's vessels;
- comply with requirements imposed by the U.S. government, the United Nations ("U.N.") and the EU (i) restricting calls on ports located in countries that are subject to sanctions and embargoes and (ii) prohibiting bribery and other corrupt practices;
- respond to changes in customer demands for the Company's vessels;
- obtain supplies and materials necessary for the operation and maintenance of the Company's vessels; and
- mitigate the impact of labor shortages and/or disruptions relating to crews on the Company's vessels.

The failure of third-party service providers to meet such commitments could lead to legal liability or other damages to the Company. The third-party service providers the Company has selected may not provide a standard of service comparable to that the Company would provide for such vessels if the Company directly provided such service. The Company relies on its third-party service providers to comply with applicable law, and a failure by such providers to comply with such laws may subject the Company to liability or damage its reputation even if the Company did not engage in the conduct itself. Furthermore, damage to any such third party's reputation, relationships or business may reflect on the Company directly or indirectly, and could have a material adverse effect on the Company's reputation and business.

The third-party technical manager has the right to terminate the Ship Management Agreements at any time with 90 days' notice. If the third-party technical manager exercises that right, the Company will be required either to enter into substitute agreements with other third parties or to assume those management duties. The Company may not succeed in negotiating and entering into such agreements with other third parties and, even if it does so, the terms and conditions of such agreements may be less favorable to the Company. Furthermore, if the Company is required to dedicate internal resources to managing its fleet (including, but not limited to, hiring additional qualified personnel or diverting existing resources), that could result in increased costs and reduced efficiency and profitability. Any such changes could result in a temporary loss of customer approvals, could disrupt the Company's business and have a material adverse effect on the Company's business, results of operations and financial condition.

The contribution of the Company's joint venture to its profits and losses may fluctuate, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company currently owns an interest in two of its vessels through two joint ventures in which the Company has a 50% ownership interest. See Item 1, "Business — Fleet Operations". The Company's ownership in these joint ventures is accounted for using the equity method, which means that the Company's allocation of profits and losses of the applicable joint venture is included in its consolidated financial statements. The contribution of the Company's joint venture to the Company's profits and losses may fluctuate, including the distributions that it may receive from such entities, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. Further, the carrying value of the Company's investment in its joint ventures may differ significantly from its fair market value.

In addition to the risks relating to financial, operational, regulatory and other matters set forth in this "Risk Factors" section of this Annual Report on Form 10-K, a joint venture involves certain risks such as:

- INSW may not have voting control over the joint venture;
- INSW may not be able to maintain good relationships with its joint venture partner;
- the joint venture partner at any time may have economic or business interests that are inconsistent with INSW's and may seek concessions from INSW;
- the joint venture partner may fail to fund its share of capital for operations or to fulfill its other commitments, including providing accurate and timely accounting and financial information to INSW;

- the joint venture may experience operating difficulties and financial losses or be subject to disagreements among its joint venture partners or with its respective counterparty regarding operational, financial or other matters, which may adversely affect the Company's results of operations and financial condition and lead to asset write-downs or impairment charges that could negatively impact the operating results of the joint venture and INSW;
- the joint venture or venture partner could lose key personnel; and
- the joint venture partner could become bankrupt requiring INSW to assume all risks and capital requirements related to the joint venture project, and the related bankruptcy proceedings could have an adverse impact on the operation of the partnership or joint venture.

Furthermore, the Company monitors the fair value of its investments, and records an impairment charge if a decline in fair value of an investment below its carrying amount is determined to be other-than-temporary. The Company did not record impairment charges during the three years ended December 31, 2019.

INSW's business depends on voyage charters, and any future decrease in spot charter rates could adversely affect its earnings.

Voyage charters, including vessels operating in commercial pools that predominantly operate in the spot market, constituted 92% of INSW's aggregate TCE revenues in the year ended December 31, 2019, 90% in 2018 and 80% in 2017. Accordingly, INSW's shipping revenues are significantly affected by prevailing spot rates for voyage charters in the markets in which the Company's vessels operate. The spot charter market may fluctuate significantly from time to time based upon tanker and oil supply and demand. The spot market is very volatile, and, in the past, there have been periods when spot charter rates have declined below the operating cost of vessels. The successful operation of INSW's vessels in the competitive spot charter market depends on, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. If spot charter rates decline in the future, then INSW may be unable to operate its vessels trading in the spot market profitably, or meet its other obligations, including payments on indebtedness. Furthermore, as charter rates for spot charters are fixed for a single voyage, which may last up to several weeks during periods in which spot charter rates are rising or falling, INSW will generally experience delays in realizing the benefits from or experiencing the detriments of those changes. See also Item 1, "Business — Fleet Operations — Commercial Management."

INSW may not be able to renew Time Charters when they expire or enter into new Time Charters.

INSW's ability to renew expiring contracts or obtain new charters will depend on the prevailing market conditions at the time of renewal. As of December 31, 2019, INSW employed six of its vessels on time charters, with all of those charters expiring in 2020 (excluding the joint ventures). The Company's existing time charters may not be renewed at comparable rates or if renewed or entered into, those new contracts may be at less favorable rates. In addition, there may be a gap in employment of vessels between current charters and subsequent charters. If, upon expiration of the existing time charters, INSW is unable to obtain time charters or voyage charters at desirable rates, the Company's business, financial condition, results of operations and cash flows may be adversely affected.

Termination of, or a change in the nature of, INSW's relationship with any of the commercial pools in which it participates could adversely affect its business.

As of December 31, 2019, 12 of the Company's 13 VLCCs participate in the TI pool (one joined the TI pool January 1, 2020); both of its Suezmaxes participate in the Blue Fin pool; three of the Company's five Aframaxes participate in the SIGMA pool; one of the Company's seven crude Panamaxes and all five LR1s participate directly or indirectly in the PI pool; its only LR2 participates in the Navig8 Alpha 8 pool; and all seven MRs participate in the CPTA pool. INSW's participation in these pools is intended to enhance the financial performance of the Company's vessels through higher vessel utilization. Any participant in any of these pools has the right to withdraw upon notice in accordance with the relevant pool agreement. Changes in the management of, and the terms of, these pools (including as a result of changes adopted in conjunction with the IMO 2020 regulations), decreases in the number of vessels participating in these pools, or the termination of these pools, could result in increased costs and reduced efficiency and profitability for the Company.

In addition, in recent years the EU has published guidelines on the application of the EU antitrust rules to traditional agreements for maritime services such as commercial pools. While the Company believes that all the commercial pools it participates in comply with

EU rules, there has been limited administrative and judicial interpretation of the rules. Restrictive interpretations of the guidelines could adversely affect the ability to commercially market the respective types of vessels in commercial pools.

In the highly competitive international market, INSW may not be able to compete effectively for charters.

The Company's vessels are employed in a highly competitive market. Competition arises from other vessel owners, including major oil companies, which may have substantially greater resources than INSW. Competition for the transportation of crude oil and other petroleum products depends on price, location, size, age, condition and the acceptability of the vessel operator to the charterer. The Company believes that because ownership of the world tanker fleet is highly fragmented, no single vessel owner is able to influence charter rates.

INSW may not realize the benefits it expects from past acquisitions or acquisitions or other strategic transactions it may make in the future.

INSW's business strategy includes ongoing efforts to engage in material acquisitions of ownership interests in entities in the tanker industry and of individual tankers. The success of INSW's acquisitions will depend upon a number of factors, some of which may not be within its control. These factors include INSW's ability to:

- identify suitable tankers and/or shipping companies for acquisitions at attractive prices, which may not be possible if asset prices rise too quickly;
- obtain financing;
- integrate any acquired tankers or businesses successfully with INSW's then-existing operations; and
- enhance INSW's customer base.

INSW intends to finance these acquisitions by using available cash from operations and through incurrence of debt, other financing sources or bridge financing, any of which may increase its leverage ratios, or by issuing equity, which may have a dilutive impact on its existing shareholders. At any given time INSW may be engaged in a number of discussions that may result in one or more acquisitions, some of which may be material to INSW as a whole. These opportunities require confidentiality and may involve negotiations that require quick responses by INSW. Although there can be no certainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of INSW's securities.

Acquisitions and other transactions can also involve a number of special risks and challenges, including:

- diversion of management time and attention from the Company's existing business and other business opportunities;
- delays in closing or the inability to close an acquisition for any reason, including third-party consents or approvals;
- any unanticipated negative impact on the Company of disclosed or undisclosed matters relating to any vessels or operations acquired; and
- assumption of debt or other liabilities of the acquired business, including litigation related to the acquired business.

The success of acquisitions or strategic investments depends on the effective integration of newly acquired businesses or assets into INSW's current operations. Such integration is subject to risks and uncertainties, including realization of anticipated synergies and cost savings, the ability to retain and attract personnel and clients, the diversion of management's attention from other business concerns, and undisclosed or potential legal liabilities of the acquired company or asset. INSW may not realize the strategic and financial benefits that it expects from any of its past acquisitions, or any future acquisitions. Further, if a portion of the purchase price of a business is attributable to goodwill and if the acquired business does not perform up to expectations at the time of the acquisition, some or all of the goodwill may be written off, adversely affecting INSW's earnings.

The smuggling or alleged smuggling of drugs or other contraband onto the Company's vessels may lead to governmental claims against the Company.

The Company expects that its vessels will call in ports where smugglers may attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent the Company's vessels are found with or accused to be carrying contraband, whether inside or attached to the hull of our vessels and whether with or without the knowledge of any of its crew, the Company may face governmental or other regulatory claims which could have an adverse effect on the Company's business, financial condition, results of operations and cash flows. Additionally, such events could have ancillary consequences under INSW's financing and other agreements.

Operating costs and capital expenses will increase as the Company's vessels age and may also increase due to unanticipated events relating to secondhand vessels and the consolidation of suppliers.

In general, capital expenditures and other costs necessary for maintaining a vessel in good operating condition increase as the age of the vessel increases. As of December 31, 2019, the weighted average age of the Company's total owned and operated fleet was 9.4 years. In addition, older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology. Accordingly, it is likely that the operating costs of INSW's currently operated vessels will rise as the age of the Company's fleet increases. In addition, changes in governmental regulations and compliance with Classification Society standards may restrict the type of activities in which the vessels may engage and/or may require INSW to make additional expenditures for new equipment. Every commercial tanker must pass inspection by a Classification Society authorized by the vessel's country of registry. The Classification Society certifies that a tanker is safe and seaworthy in accordance with the applicable rule and regulations of the country of registry of the tanker and the international conventions of which that country is a member. If a Classification Society requires the Company to add equipment, INSW may be required to incur substantial costs or take its vessels out of service. Market conditions may not justify such expenditures or permit INSW to operate its older vessels profitably even if those vessels remain operational. If a vessel in INSW's fleet does not maintain its class and/or fails any survey, it will be unemployable and unable to trade between ports until its class is restored or such failure is remedied. This would negatively impact the Company's results of operation.

In addition, the Company's fleet includes a number of vessels purchased in the secondhand market. While the Company typically inspects secondhand vessels before it purchases them, those inspections do not necessarily provide INSW with the same level of knowledge about those vessels' condition that INSW would have had if these vessels had been built for and operated exclusively by it. The Company may not discover defects or other problems with such vessels before purchase, which may lead to expensive, unanticipated repairs, and could even result in accidents or other incidents for which the Company could be liable.

Furthermore, recent mergers have reduced the number of available suppliers, resulting in fewer alternatives for sourcing key supplies. With respect to certain items, INSW is generally dependent upon the original equipment manufacturer for repair and replacement of the item or its spare parts. Supplier consolidation may result in a shortage of supplies and services, thereby increasing the cost of supplies or potentially inhibiting the ability of suppliers to deliver on time. These cost increases or delays could result in downtime, and delays in the repair and maintenance of the Company's vessels and have a material adverse effect on INSW's business, financial condition, results of operations and cash flows.

The Company plans to modify its vessels in order to comply with new air pollution regulations by installing exhaust gas cleaning systems (or "scrubbers") on certain vessels and making certain other modifications to the remaining vessels in its fleet to allow such vessels to burn compliant fuel. If the Company does not successfully manage the process of installing scrubbers or making modifications to its other vessels, if unforeseen complications arise during installation or operation of the scrubbers, or if the Company does not fully realize the anticipated benefits from installing the scrubbers, it could adversely affect the Company's financial condition and results of operations.

In October 2016, the IMO set January 1, 2020 as the implementation date for vessels to comply with its low-sulfur fuel oil requirement, which lowers sulfur emission levels from 3.5% to 0.5% (the "IMO 2020 Regulations"). Vessel owners and operators may comply with this regulation by (i) using 0.5% sulfur fuels, which will be available to an uncertain extent around the world by 2020 and likely at a higher cost than 3.5% sulfur fuel; (ii) installing scrubbers; or (iii) retrofitting vessels to be powered by liquefied natural gas rather than fuel oil. For further discussion of the IMO 2020 Regulations, see Item 1, "Business —Environmental and Security Matters Relating to Bulk Shipping".

In consideration of the IMO 2020 Regulations, the Company has signed contracts with a supplier and a system installer for the purchase and installation of scrubbers to be installed on ten of its modern VLCCs. These scrubbers are expected to be installed in early 2020 although installation on some vessels may be delayed by the outbreak of the novel coronavirus (COVID-19) in China. See also – "Risks Related to Our Industry — *Public health threats could have an adverse effect on the Company's operations and financial results*." The Company may, in the future, determine to purchase additional scrubbers for installation on other vessels owned or

operated by the Company. While scrubbers rely on technology that has been developed over a significant period of time for use in a variety of applications, their use for maritime applications is a more recent development. Each vessel requires bespoke modifications to be made in order to install a scrubber, the scope of which depends on, among other matters, the age and type of vessel, its engine and its existing fixtures and equipment. The purchase and installation of scrubbers involves significant capital expenditures, and the vessel will be out of operation for as long as 60 days, including deviation days and assuming planned shipyard days, or more in order for the scrubbers to be installed. In addition, while the Company has entered into arrangements with respect to shipyard drydock capacity to implement these scrubber installations, those arrangements may be affected by delays or issues affecting vessel modifications being undertaken by other vessel owners at those shipyards, which could cause the Company's vessels to be out of service for even longer periods or the installation dates to be delayed. In addition, as there is a limited operating history of scrubbers on vessels such as those owned or operated by the Company, the operation and maintenance of scrubbers on these vessels is uncertain. Further, certain jurisdictions have limited the use of scrubbers in their territorial waters. Any unforeseen complications or delays in connection with installing, operating or maintaining scrubbers installed on the Company's vessels could adversely affect the Company's results of operations and financial condition.

Furthermore, although as of February 28, 2020 two months have passed since the IMO 2020 Regulations became effective, it is uncertain how the availability of high-sulfur fuel around the world will be affected by implementation of the IMO 2020 Regulations, and both the price of high-sulfur fuel generally and the difference in its cost compared with low-sulfur fuel are also uncertain. Scarcity in the supply of high-sulfur fuel, or a lower-than-anticipated difference in the costs between the two types of fuel, may cause the Company to fail to recognize anticipated benefits from installing scrubbers.

With respect to owned or operated vessels on which the Company does not install scrubbers, there is limited operating history of using low-sulfur fuel on these vessels, so the impact of using such fuel on such vessels is uncertain. In addition, since January 1, 2020 those vessels have incurred higher fuel costs associated with using more expensive 0.5% sulfur fuel. Such costs are material and could adversely affect the Company's results of operations and financial condition, particularly in any case where vessels owned or operated as part of the Company's business are unable to pass through the costs of higher fuel to charterers due to competition with vessels that have installed scrubbers, market conditions or otherwise.

The Company's lightering business faces significant competition and market volatility, and revenues and profitability for these operations may vary significantly from period to period.

The Company provides STS transfer services, primarily in the crude oil and refined petroleum products industries. The seaborne markets for STS transfer business are highly competitive and our competitors may in some cases have greater resources than we do. The business also faces competition from alternative methods of delivering crude oil and refined petroleum products shipments to ports and vessels, including several offshore loading and offloading facilities either in operation or in various stages of planning in the USG region. Furthermore, the market for STS transfer services faces different competitive dynamics than our other tanker businesses, meaning that our expertise in the tanker markets may not apply in the same ways to our lightering business, and demand for lightering services has historically varied significantly from period to period based on customer activity in the regions in which we operate. Accordingly, our ability to maintain or grow our market share in STS transfer services may be limited, and the Company's lightering revenues may be volatile or decline in the future.

The Company is subject to credit risks with respect to its counterparties on contracts, and any failure by those counterparties to meet their obligations could cause the Company to suffer losses on such contracts, decreasing revenues and earnings.

The Company has entered into, and in the future will enter into, various contracts, including charter agreements and other agreements associated with the operation of its vessels. The Company charters its vessels to other parties, who pay the Company a daily rate of hire. The Company also enters voyage charters. Historically, the Company has not experienced material problems collecting charter hire. The Company also time charters or bareboat charters some of its vessels from other parties and its continued use and operation of such vessels depends on the vessel owners' compliance with the terms of the time charter or bareboat charter. Additionally, the Company enters into derivative contracts (related to interest rate risk) from time to time. As a result, the Company is subject to credit risks. The ability of each of the Company's counterparties to perform its obligations under a contract will depend on a number of factors that are beyond the Company's control and may include, among other things, general economic conditions; availability of debt or equity financing; the condition of the maritime and offshore industries; the overall financial condition of the counterparty; charter rates received for specific types of vessels; and various expenses. Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities such as oil. In addition, in depressed market conditions, the Company's charterers and customers may no longer need a vessel that is currently under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, the Company's customers may fail to pay charter hire or attempt to renegotiate charter rates. If the

counterparties fail to meet their obligations, the Company could suffer losses on such contracts which would decrease revenues, cash flows and earnings.

The Company relies on the skills of its senior management team, and if the Company was required to replace them, it could negatively impact the effectiveness of management and the Company's results of operations could be negatively impacted.

INSW's success depends to a significant extent upon the expertise, capabilities and efforts of its senior executives in managing the Company's activities. INSW is led by executives with significant experience in their respective areas of responsibility, and the loss or unavailability of one or more of INSW's senior executives for an extended period of time could adversely affect the Company's business and results of operations.

The Company may face unexpected drydock costs for its vessels.

Vessels must be drydocked periodically. The cost of repairs and renewals required at each drydock are difficult to predict with certainty, can be substantial and the Company's insurance does not cover these costs. In addition, vessels may have to be drydocked in the event of accidents or other unforeseen damage, and INSW's insurance may not cover all of these costs. Vessels in drydock will not generate any income. Large drydocking expenses could adversely affect the Company's results of operations and cash flows. In addition, the time when a vessel is out of service for maintenance is determined by a number of factors including regulatory deadlines, market conditions, shipyard availability and customer requirements, and accordingly the length of time that a vessel may be off-hire may be longer than anticipated, which could adversely affect the Company's business, financial condition, results of operations and cash flows.

Technological innovation could reduce the Company's charter income and the value of the Company's vessels.

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

The Company stores, processes, maintains, and transmits confidential information through information technology ("IT") systems. Cybersecurity issues, such as security breaches and computer viruses, affecting INSW's IT systems or those of its third-party vendors, suppliers or counterparties, could disrupt INSW's business, result in the unintended disclosure or misuse of confidential or proprietary information, damage its reputation, increase its costs, and cause losses.

The Company collects, stores and transmits sensitive data, including its own proprietary business information and that of its counterparties, and personally identifiable information of counterparties and employees, using both its own IT systems and those of third-party vendors. In addition, we rely on the transmission of similarly sensitive data from the Company's third-party suppliers and vendors. The secure storage, processing, maintenance and transmission of this information is critical to INSW's operations. The Company's dependency on IT systems includes accounting, billing, disbursement, cargo booking and tracking, vessel scheduling and stowage, equipment tracking, customer service, banking, payroll and communication systems. The Company's IT network, or those of its customers or third-party vendors, suppliers or counterparties, are vulnerable to unauthorized access, computer viruses, and other security problems as well as failures caused by the occurrence of natural disasters or other unexpected problems. Many companies, including companies in the shipping industry, have increasingly reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage. The Company has experienced attacks on its email system to obtain unauthorized access to confidential information.

The Company may be required to spend significant capital and other resources to further protect itself and its systems against threats of security breaches and computer viruses, or to alleviate problems caused by security breaches or viruses. Security breaches and viruses could also expose us to claims, litigation and other possible liabilities. Any inability to prevent security breaches (including the inability of INSW's third party vendors, suppliers or counterparties to prevent security breaches) could also cause existing clients to lose confidence in the Company's IT systems and could adversely affect INSW's reputation, cause losses to INSW or our customers,

damage our brand, and increase our costs. In order to mitigate the financial impact of any losses arising from security breaches or computer viruses, the Company has purchased insurance in an amount of $10 million that covers losses arising from such breaches or viruses, including data recovery, extortion, ransomware and business interruption.

INSW's revenues are subject to seasonal variations.

INSW operates its tankers in markets that have historically exhibited seasonal variations in demand for tanker capacity, and therefore, charter rates. Peaks in tanker demand quite often precede seasonal oil consumption peaks, as refiners and suppliers anticipate consumer demand. Charter rates for tankers are typically higher in the fall and winter months as a result of increased oil consumption in the Northern Hemisphere. Unpredictable weather patterns and variations in oil reserves disrupt tanker scheduling. Because a majority of the Company's vessels trade in the spot market, seasonality has affected INSW's operating results on a quarter-to-quarter basis and could continue to do so in the future. Such seasonality may be outweighed in any period by then current economic conditions or tanker industry fundamentals.

Effective internal controls are necessary for the Company to provide reliable financial reports and effectively prevent fraud.

The Company maintains a system of internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The process of designing and implementing effective internal controls is a continuous effort that requires the Company to anticipate and react to changes in its business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy its reporting obligations as a public company.

Any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. Any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase the Company's operating costs and harm its business. Furthermore, investors' perceptions that the Company's internal controls are inadequate or that the Company is unable to produce accurate financial statements on a timely basis may harm its stock price.

Work stoppages or other labor disruptions may adversely affect INSW's operations.

INSW could be adversely affected by actions taken by employees of other companies in related industries (including third parties providing services to INSW) against efforts by management to control labor costs, restrain wage or benefit increases or modify work practices or the failure of other companies in its industry to successfully negotiate collective bargaining agreements.

Future discontinuation of LIBOR may adversely affect the interest rate on certain of our debt facilities which reference LIBOR.

Certain of our debt facilities bear interest at a rate which references LIBOR. On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

In light of the expected discontinuation of the use of LIBOR after December 31, 2021, the Company performed an assessment of the risks associated with the expected transition to an alternative reference rate and has determined that its primary exposure to LIBOR is in relation to its floating rate debt facilities and the related interest rate derivatives to which it is a party. The Company believes there are adequate fallback provisions within its debt agreements and interest rate derivative contracts that provide guidance on how the Company and its counterparties under such agreements will address what happens when LIBOR is no longer available. The Company believes that as the 2021 sunset date draws closer, all parties will have greater clarity on the predominant alternative reference rate in effect that will be used going forward.

Risks Related to Legal and Regulatory Matters

Governments could requisition the Company's vessels during a period of war or emergency, which may negatively impact the Company's business, financial condition, results of operations and available cash.

A government could requisition one or more of the Company's vessels for title or hire. Requisition for title occurs when a government takes control of a vessel and becomes the owner. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of the Company's vessels may negatively impact the Company's business, financial condition, results of operations and available cash.

The Company's vessels may be directed to call on ports located in countries that are subject to restrictions imposed by the U.S. government, the U.N. or the EU, which could negatively affect the trading price of the Company's common shares.

From time to time, certain of the Company's vessels, on the instructions of the charterers or pool manager responsible for the commercial management of such vessels, have called and may again call on ports located in countries or territories, and/or operated by persons, subject to sanctions and embargoes imposed by the U.S. government, the U.N. or EU and countries identified by the U.S. government, the U.N. or the EU as state sponsors of terrorism. The U.S., U.N. and EU sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or expanded over time. Some sanctions may also apply to transportation of goods (including crude oil) originating in sanctioned countries (particularly Iran and Venezuela), even if the vessel does not travel to those countries, or is otherwise acting on behalf of sanctioned persons. Sanctions may include the imposition of penalties and fines against companies violating national law or companies acting outside the jurisdiction of the sanctioning power themselves becoming the target of sanctions.

Although INSW believes that it is in compliance with all applicable sanctions and embargo laws and regulations and intends to maintain such compliance, and INSW does not, and does not intend to, engage in sanctionable activity, INSW might fail to comply or may inadvertently engage in a sanctionable activity in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation or sanctionable activity could result in fines or other penalties, or the imposition of sanctions against the Company, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company and negatively affect INSW's reputation and investor perception of the value of INSW's common stock.

Compliance with complex laws, regulations, and, in particular, environmental laws or regulations, including those relating to the emission of greenhouse gases, may adversely affect INSW's business.

The Company's operations are 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 INSW's vessels operate, as well as the countries of its vessels' registration. Many of these requirements are designed to reduce the risk of oil spills. They also regulate other water pollution issues, including discharge of ballast water and effluents and air emissions, including emission of greenhouse gases. These requirements impose significant capital and operating costs on INSW, including, without limitation, ones related to engine adjustments and ballast water treatment.

Environmental laws and regulations also can affect the resale value or significantly reduce the useful lives of the Company's vessels, require a reduction in carrying capacity, ship modifications or operational changes or restrictions (and related increased operating costs) or retirement of service, lead to decreased availability or higher cost of insurance coverage for environmental matters or result in the denial of access to, or detention in, certain jurisdictional waters or ports. Under local, United States and international laws, as well as international treaties and conventions, INSW could incur material liabilities, including cleanup obligations, in the event that there is a release of petroleum or other hazardous substances from its vessels or otherwise in connection with its operations. INSW could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with its current or historic operations. Violations of or liabilities under environmental requirements also can result in substantial penalties, fines and other sanctions, including in certain instances, seizure or detention of the Company's vessels.

INSW could incur significant costs, including cleanup costs, fines, penalties, third-party claims and natural resource damages, as the result of an oil spill or liabilities under environmental laws. The Company is subject to the oversight of several government agencies, including the U.S. Coast Guard and the EPA. OPA 90 affects all vessel owners shipping oil or hazardous material to, from or within the United States. OPA 90 allows for potentially unlimited liability without regard to fault for owners, operators and bareboat

charterers of vessels for oil pollution in U.S. waters. Similarly, the International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended, which has been adopted by most countries outside of the United States, imposes liability for oil pollution in international waters. OPA 90 expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution incidents occurring within their boundaries. Coastal states in the United States have enacted pollution prevention liability and response laws, many providing for unlimited liability.

In addition, in complying with OPA 90, IMO regulations, EU directives and other existing laws and regulations and those that may be adopted, shipowners likely will incur substantial additional capital and/or operating expenditures in meeting new regulatory requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Key regulatory initiatives that are anticipated to require substantial additional capital and/or operating expenditures in the next several years include more stringent limits on the sulfur content of fuel oil for vessels operating in certain areas and more stringent requirements for management and treatment of ballast water.

Certain of the Company's vessels are subject to more stringent numeric discharge limits of ballast water under the EPA's VGP, with additional vessels becoming subject in future years, even though those vessels have obtained a valid extension from the USCG for implementation of treatment technology under the USCG's final rules. The EPA has determined that it will not issue extensions under the VGP but has stated that vessels that (i) have received an extension from the USCG, (ii) are in compliance with all of the VGP requirements other than numeric discharge limits and (iii) meet certain other requirements will be entitled to "low enforcement priority". While INSW believes that any vessel that is or may become subject to the more stringent numeric discharge limits of ballast water meets the conditions for "low enforcement priority," no assurance can be given that they will do so. If the EPA determines to enforce the limits for such vessels, such action could have a material adverse effect on INSW. See Item 1, "Business —Environmental and Security Matters Relating to Bulk Shipping.

Other government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become more strict in the future and require the Company to incur significant capital expenditures on its vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. Such expenditures could result in financial and operational impacts that may be material to INSW's financial statements. Additionally, the failure of a shipowner or bareboat charterer to comply with local, domestic and international regulations may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. If any of our vessels are denied access to, or are detained in, certain ports, reputation, business, financial results and cash flows could be materially and adversely affected.

Accidents involving highly publicized oil spills and other mishaps involving vessels can be expected in the tanker industry, and such accidents or other events could be expected to result in the adoption of even stricter laws and regulations, which could limit the Company's operations or its ability to do business and which could have a material adverse effect on INSW's business, financial results and cash flows. In addition, the Company is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to its operations. The Company believes its vessels are maintained in good condition in compliance with present regulatory requirements, are operated in compliance with applicable safety and environmental laws and regulations and are insured against usual risks for such amounts as the Company's management deems appropriate. The vessels' operating certificates and licenses are renewed periodically during each vessel's required annual survey. However, government regulation of tankers, particularly in the areas of safety and environmental impact may change in the future and require the Company to incur significant capital expenditures with respect to its ships to keep them in compliance.

Due to concern over the risk of climate change, a number of countries, including the United States, and international organizations, including the EU, the IMO and the U.N., have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. Such actions could result in significant financial and operational impacts on the Company's business, including requiring INSW to install new emission controls, acquire allowances or pay taxes related to its greenhouse gas emissions, or administer and manage a greenhouse gas emission program. See Item 1, "Business — Environmental and Security Matters Relating to Bulk Shipping". The Company has signed contracts with a manufacturer and a qualified system installer for the purchase and installation of scrubbers on ten of its modern VLCCs of which three have been installed as of February 28, 2020. In addition to the added costs, the concern over climate change and regulatory measures to reduce greenhouse gas emissions may reduce global demand for oil and oil products, which would have an adverse effect on INSW's business, financial results and cash flows.

The employment of the Company's vessels could be adversely affected by an inability to clear the oil majors' risk assessment process.

The shipping industry, and especially vessels that transport crude oil and refined petroleum products, is heavily regulated. In addition, the "oil majors" such as BP, Chevron Corporation, Phillips 66, ExxonMobil Corp., Royal Dutch Shell and Total S.A. have developed a strict due diligence process for selecting their shipping partners out of concerns for the environmental impact of spills. This vetting process has evolved into a sophisticated and comprehensive risk assessment of both the vessel manager and the vessel, including audits of the management office and physical inspections of the ship. Under the terms of the Company's charter agreements (including those entered into by pools in which the Company participates), the Company's charterers require that the Company's vessels and the technical managers pass vetting inspections and management audits, respectively. The Company's failure to maintain any of its vessels to the standards required by the oil majors could put the Company in breach of the applicable charter agreement and lead to termination of such agreement. Should the Company not be able to successfully clear the oil majors' risk assessment processes on an ongoing basis, the future employment of the Company's vessels could also be adversely affected. since it might lead to the oil majors' terminating existing charters.

The Company may be subject to litigation and government inquiries or investigations that, if not resolved in the Company's favor and not sufficiently covered by insurance, could have a material adverse effect on it.

The Company has been and is, from time to time, involved in various litigation matters and subject to government inquiries and investigations. These matters may include, among other things, regulatory proceedings and litigation arising out of or relating to contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, and other disputes that arise in the ordinary course of the Company's business. For example, in late September 2017, an industrial accident at a leased facility in Galveston resulted in fatalities to two temporary employees. In accordance with law, an investigation of the accident was conducted, and filed lawsuits have identified several defendants, including a subsidiary of the Company. For more information about these lawsuits, see Note 20, "Contingencies," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K. In another example, one of our vessels has not yet been released after it recently anchored near Indonesia without first obtaining allegedly necessary authorizations, resulting in an ongoing investigation.

Although the Company intends to defend these matters vigorously, it cannot predict with certainty the outcome or effect of any such matter, and the ultimate outcome of these matters or the potential costs to resolve them could involve or result in significant expenditures or losses by the Company, or result in significant changes to INSW's insurance costs, rules and practices in dealing with its customers, all of which could have a material adverse effect on the Company's future operating results, including profitability, cash flows, and financial condition. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on the Company's financial condition. The Company's recorded liabilities and estimates of reasonably possible losses for its contingent liabilities are based on its assessment of potential liability using the information available to the Company at the time and, as applicable, any past experience and trends with respect to similar matters. However, because litigation is inherently uncertain, the Company's estimates for contingent liabilities may be insufficient to cover the actual liabilities from such claims, resulting in a material adverse effect on the Company's business, financial condition, results of operations and cash flows. See Item 3, "Legal Proceedings" in this Annual Report on Form 10-K and Note 20, "Contingencies," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Maritime claimants could arrest INSW's vessels, which could interrupt cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of the Company's vessels could interrupt INSW's cash flow and require it to pay a significant amount of money to have the arrest lifted. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, meaning any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in the Company's fleet for claims relating to another vessel in its fleet which, if successful, could have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

We may be subject to U.S. federal income tax on U.S. source shipping income, which would reduce our net income and cash flows.

If we do not qualify for an exemption pursuant to Section 883, or the "Section 883 exemption," of the U.S. Internal Revenue Code of 1986, as amended, or the "Code," then we will be subject to U.S. federal income tax on our shipping income that is derived from U.S. sources. If we are subject to such tax, our results of operations and cash flows would be reduced by the amount of such tax. We will qualify for the Section 883 exemption for 2020 and forward if, among other things, (i) our common shares are treated as primarily and regularly traded on an established securities market in the United States or another qualified country ("publicly traded test"), or (ii) we satisfy one of two other ownership tests. Under applicable U.S. Treasury Regulations, the publicly traded test will not be satisfied in any taxable year in which persons who directly, indirectly or constructively own five percent or more of our common shares (sometimes referred to as "5% shareholders") own 50% or more of the vote and value of our common shares for more than half the days in such year, unless an exception applies. We can provide no assurance that ownership of our common shares by 5% shareholders will allow us to qualify for the Section 883 exemption in 2020 and any other future taxable years. If we do not qualify for the Section 883 exemption, our gross shipping income derived from U.S. sources, i.e., 50% of our gross shipping income attributable to transportation beginning or ending in the United States (but not both beginning and ending in the United States), generally would be subject to a four percent tax without allowance for deductions.

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

A non-U.S. corporation generally will be treated as a "passive foreign investment company," or a "PFIC," for U.S. federal income tax purposes if, after applying certain look through rules, either (i) at least 75% of its gross income for any taxable year consists of "passive income" or (ii) at least 50% of the average value (determined on a quarterly basis) produce or are held for the production of "passive income." We refer to assets which produce or are held for production of "passive income" as "passive assets." For purposes of these tests, "passive income" generally includes dividends, interest, gains from the sale or exchange of investment property and rental income and royalties other than rental income and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable U.S. Treasury Regulations. Passive income does not include income derived from the performance of services. Although there is no authority under the PFIC rules directly on point, and existing legal authority in other contexts is inconsistent in its treatment of time charter income, we believe that the gross income we derive or are deemed to derive from our time and spot chartering activities is services income, rather than rental income. Accordingly, we believe that (i) our income from time and spot chartering activities does not constitute passive income and (ii) the assets that we own and operate in connection with the production of that income do not constitute passive assets. Therefore, we believe that we are not now and have never been a PFIC with respect to any taxable year. There is no assurance that the IRS or a court of law will accept our position and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, because there are uncertainties in the application of the PFIC rules and PFIC status is determined annually and is based on the composition of a company's income and assets (which are subject to change), we can provide no assurance that we will not become a PFIC in any future taxable year. If we were to be treated as a PFIC for any taxable year (and regardless of whether we remain as a PFIC for subsequent taxable years), our U.S. shareholders would be subject to a disadvantageous U.S. federal income tax regime with respect to distributions received from us and gain, if any, derived from the sale or other disposition of our common shares. These adverse tax consequences to shareholders could negatively impact our ability to issue additional equity in order to raise the capital necessary for our business operations.

Risks Related to the Common Stock

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate case law or bankruptcy law and, as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States.

Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act (the "BCA"). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction. In addition, the Marshall Islands does not have a well-developed body of bankruptcy law. As such, in the case of a bankruptcy involving us, there may be a delay of bankruptcy proceedings and the ability of securityholders and creditors to receive recovery after a bankruptcy proceeding, and any such recovery may be less predictable.

It may be difficult to serve process on or enforce a United States judgment against us, our officers and our directors because we are a foreign corporation.

We are a corporation formed in the Republic of the Marshall Islands. In addition, a substantial portion of our assets are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in U.S. courts against us or our directors and officers, including in actions based upon the civil liability provisions of U.S. federal or state securities laws. Furthermore, there is substantial doubt that the courts of the Republic of the Marshall Islands or of the non-U.S. jurisdictions in which our offices are located would enter judgments in original actions brought in those courts predicated on U.S. federal or state securities laws.

The market price of the Company's securities may fluctuate significantly.

The Company's common stock is listed on New York Stock Exchange. However, the market price of the Company's common stock may fluctuate substantially. You may not be able to resell your common stock at or above the price you paid for such securities due to a number of factors, some of which are beyond the Company's control. These risks include those described or referred to in this "Risk Factors" section and under "Forward -Looking Statements," as well as, among other things: fluctuations in the Company's operating results; activities of and results of operations of the Company's competitors; changes in the Company's relationships with the Company's customers or the Company's vendors; changes in business or regulatory conditions; changes in the Company's capital structure; any announcements by the Company or its competitors of significant acquisitions, strategic alliances or joint ventures; additions or departures of key personnel; investors' general perception of the Company; failure to meet market expectations; future sales of the Company's securities by it, directors, executives and significant stockholders; changes in domestic and international economic and political conditions; and other events or factors, including those resulting from natural disasters, war, acts of terrorism or responses to these events. Any of the foregoing factors could also cause the price of the Company's equity securities to fall and may expose the Company to securities class action litigation. Any securities class action litigation could result in substantial cost and the diversion of management's attention and resources.

In addition, the stock market has recently experienced volatility that, in some cases, has been unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of the Company's common stock, regardless of its actual operating performance.

Investors' percentage ownership in INSW may be diluted in the future.

The Company may issue equity in order to raise capital or in connection with future acquisitions and strategic investments, which would dilute investors' percentage ownership in INSW. In addition, investors' percentage ownership may be diluted if the Company issues equity-linked instruments such as debt and equity financing. If the Company's Board of Directors makes grants of equity awards to the Company's directors, officers and employees pursuant to any equity incentive or compensation plan, any such grants would also cause dilution.

INSW has not paid cash dividends on its Common Stock.

INSW has not paid cash dividends or other distributions with respect to its Common Stock. Any future determinations to pay dividends on its Common Stock will be at the discretion of its Board of Directors and will depend upon many factors, including INSW's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors its Board of Directors may deem relevant. The timing, declaration, amount and payment of any future dividends will be at the discretion of INSW's Board of Directors. INSW has no obligation to, and may not be able to, declare or pay dividends on its Common Stock. If INSW does not declare and pay dividends on our Common Stock, its share price could decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease approximately 13,100 square feet of office space for the Company's New York headquarters. We do not own or lease any production facilities, plants, mines or similar real properties.

At December 31, 2019, the Company owned or operated an aggregate of 40 vessels (including six chartered-in vessels) and had ownership interests in two additional vessels through joint ventures. See tables presented under Item 1, "Business—Fleet Operations."

ITEM 3. LEGAL PROCEEDINGS

See Note 20, "Contingencies" to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data" of this Form 10-K for information regarding legal proceedings in which we are involved.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Market Information, Holders and Dividends

The Company's common stock is listed for trading on the New York Stock Exchange ("NYSE") under the trading symbol INSW. The range of high and low closing sales prices of the Company's common stock as reported on the NYSE for each of the quarters during the last two years are set forth below:

	Common stock (INSW)	
	High	Low
	(In dollars)	
2019		
First Quarter	$ 19.11	$ 16.43
Second Quarter	$ 20.20	$ 17.04
Third Quarter	$ 19.46	$ 15.34
Fourth Quarter	$ 30.04	$ 19.70
2018		
First Quarter	$ 19.21	$ 15.67
Second Quarter	$ 24.41	$ 17.09
Third Quarter	$ 23.96	$ 18.16
Fourth Quarter	$ 22.27	$ 16.10

On February 25, 2020, there were 90 stockholders of record of the Company's common stock.

The Company has not paid any cash dividends since December 1, 2016. On February 26, 2020, the Company's Board of Directors declared a quarterly dividend of $0.06 per share, payable on March 30, 2020 to stockholders of record as of March 17, 2020. The declaration and timing of future cash dividends, if any, will be at the discretion of the Board of Directors and will depend upon, among other things, our future operations and earnings, capital requirements, general financial condition, contractual restrictions, restrictions imposed by applicable law or the SEC and such other factors as our Board of Directors may deem relevant.

Purchase and Sale of Equity Securities

On May 2, 2017, the Company's Board of Directors approved a resolution authorizing the Company to implement a stock repurchase program. Under the program, the Company may opportunistically repurchase up to $30,000 worth of shares of the Company's common stock from time to time over a 24-month period, on the open market or otherwise, in such quantities, at such prices, in such manner and on such terms and conditions as management determines is in the best interests of the Company. Shares owned by employees, directors and other affiliates of the Company will not be eligible for repurchase under this program without further

authorization from the Board. On March 5, 2019, the Company's Board of Directors approved a resolution reauthorizing the Company's $30,000 stock repurchase program for another 24-month period ending March 5, 2021. No shares were repurchased under such program during the year ended December 31, 2019. As of December 31, 2019, the maximum number of shares that may still be purchased under the Program is 1,350,907 shares which was determined by dividing the remaining buyback authorization ($26,823) by the average purchase price of common stock repurchased. Future buybacks under the stock repurchase program will be at the discretion of our Board of Directors and subject to limitations under the Company's debt facilities.

See Note 13, "Capital Stock and Stock Compensation," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data" of this Form 10-K for a description of shares withheld to cover tax withholding liabilities relating to the vesting of outstanding restricted stock units held by certain members of management, which is incorporated by reference in this Item 5.

On January 9, 2019, the Company entered into an Equity Distribution Agreement (the "Distribution Agreement") with Evercore Group L.L.C. and Jefferies LLC, as our sales agents, relating to the common shares of International Seaways, Inc. In accordance with the terms of the Distribution Agreement, we may offer and sell common shares having an aggregate offering price of up to $25,000 from time to time through the sales agents. Sales of shares of our common stock, if any, may be made in privately negotiated transactions, which may include block trades, or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange or as otherwise agreed upon by the sales agents and us. We also may sell some or all of the shares in this offering to a sales agent as principal for its own account at a price per share agreed upon at the time of sale.

We will designate the minimum price per share at which the common shares may be sold and the maximum amount of common shares to be sold through the sales agents during any selling period or otherwise determine such maximum amount together with the sales agents. Each sales agent will receive from us a commission of 3.0% of the gross sales price of all common shares sold through it as sales agent under the Distribution Agreement on up to aggregate gross proceeds of $12,500 of common shares sold under the Distribution Agreement and a commission of 2.25% of the gross sales price of all common shares sold through it as sales agent under the Distribution Agreement in excess of aggregate gross proceeds of $12,500 of common shares sold under the Distribution Agreement. In connection with the sale of common stock, each of the sales agents may be deemed an "underwriter" within the meaning of the Securities Act, and the compensation paid to the sales agents may be deemed to be underwriting commission.

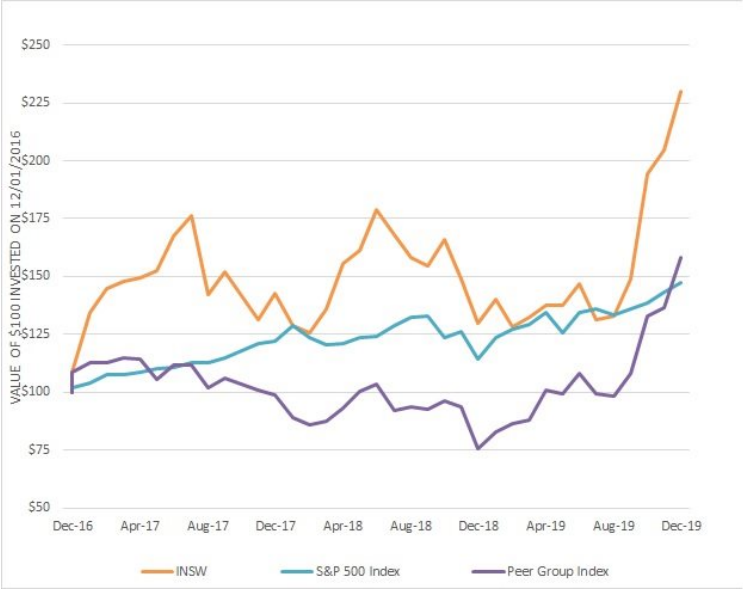
The sales agents are not required to sell any specific number or dollar amount of our common shares but will use their commercially reasonable efforts, as our agents and subject to the terms of the Distribution Agreement, to sell the common shares offered, as instructed by us.

We intend to use the net proceeds of this offering, after deducting the sales agents' commissions and our offering expenses, for general corporate purposes. This may include, among other things, additions to working capital, repayment or refinancing of existing indebtedness or other corporate obligations, financing of capital expenditures and acquisitions and investment in existing and future projects. As of the date hereof, the Company has neither sold or undertaken to sell any shares pursuant to the Distribution Agreement.

Stockholder Return Performance Presentation

Set forth below is a line graph for the period between December 1, 2016 (as there was no established published trading market for the Company's common stock prior to this date) and December 31, 2019 comparing the percentage change in the cumulative total stockholder return on the Company's common stock against the cumulative return of (i) the published Standard and Poor's 500 index and (ii) a peer group index consisting of Frontline Ltd. (FRO), Tsakos Energy Navigation Limited (TNP), Teekay Tankers Ltd. Class A (TNK), DHT Holdings, Inc. (DHT), Ardmore Shipping Corporation (ASC), Scorpio Tankers, Inc. (STNG), Euronav NV (EURN), Navios Maritime Acquisition Corporation (NNA) and the Company, referred to as the peer group index.

STOCK PERFORMANCE GRAPH
COMPARISON OF CUMULATIVE TOTAL RETURN*
THE COMPANY, S&P 500 INDEX, PEER GROUP INDEX



**Assumes that the value of the investment in the Company's common stock and each index was $100 on December 1, 2016 and that all dividends were reinvested.*

Equity Compensation Plan Information

See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," for further information on the number of shares of the Company's common stock that may be issued under the Management Incentive Compensation Plan and the Non-Employee Director Incentive Compensation Plan.

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data as of and for the five years ended December 31, 2019, presented below, is derived from our consolidated financial statements. This selected financial data is not necessarily indicative of results of future operations and should be read in conjunction with Item 7**,** "Management's Discussion and Analysis of Financial Condition and Results of Operations."

On November 30, 2016, the Company effected a stock split on its 102.21 issued and outstanding shares of common stock, which were all owned by OSG, to allow for a pro rata dividend of such shares to the holders of OSG common stock and warrants. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") ASC 260, *Earnings Per Share*,

the Company adjusted the computations of basic and diluted earnings per share retroactively for all periods presented to reflect that change in its capital structure.

	2019	2018	2017	2016	2015
Shipping revenues	$ 366,184	$ 270,361	$ 290,101	$ 398,319	$ 497,634
Income/(loss) from vessel operations	55,168	(54,531)	(107,945)	7,207	176,801
(Loss)/income before reorganization items and income taxes	(829)	(89,045)	(106,044)	(17,652)	178,969
Reorganization items, net	-	-	-	(131)	(5,659)
(Loss)/income before income taxes	(829)	(89,045)	(106,044)	(17,783)	173,310
Net (loss)/income	(830)	(88,940)	(106,088)	(18,223)	173,170
Depreciation and amortization	75,653	72,428	78,853	79,885	81,653
Net cash provided by/(used in) operating activities	87,486	(12,480)	17,395	128,960	260,239
Dividend to OSG	-	-	-	202,000	200,000
Cash and cash equivalents	89,671	58,313	60,027	92,001	308,858
Restricted cash	60,572	59,331	10,579	-	8,989
Total vessels, deferred drydock and other property at net book amount [(a)]	1,315,641	1,347,568	1,140,363	1,130,607	1,277,486
Operating lease right-of-use assets	33,718	-	-	-	-
Total assets	1,753,501	1,848,601	1,664,484	1,662,521	2,029,950
Debt	661,095	810,667	552,937	439,651	595,222
Operating lease liabilities	30,911	-	-	-	-
Total equity	1,022,293	1,009,855	1,085,654	1,179,512	1,383,786
Per share amounts:					
Basic and diluted net (loss)/income	(0.03)	(3.05)	(3.64)	(0.62)	5.94
Weighted average shares outstanding - basic and diluted	29,225,483	29,136,634	29,159,440	29,157,992	29,157,387
Other data:					
Time charter equivalent revenues [(b)]	339,919	243,100	274,995	385,045	475,790
EBITDA[(c)]	141,091	43,614	14,056	102,464	299,097
Adjusted EBITDA[(c)]	164,669	68,295	117,775	222,883	300,336

(a) Includes vessel held for sale of $5,108 at December 31, 2017.

(b) Reconciliations of time charter equivalent revenues to shipping revenues as reflected in the consolidated statements of operations follow:

	2019	2018	2017	2016	2015
Time charter equivalent revenues	$ 339,919	$ 243,100	$ 274,995	$ 385,045	$ 475,790
Add: Voyage expenses	26,265	27,261	15,106	13,274	21,844
Shipping revenues	$ 366,184	$ 270,361	$ 290,101	$ 398,319	$ 497,634

Consistent with general practice in the shipping industry, the Company uses time charter equivalent revenues, which represents shipping revenues less voyage expenses, as a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. Time charter equivalent revenues, a non-GAAP measure, provides additional meaningful information in conjunction with shipping revenues, the most directly comparable GAAP measure, because it assists Company management in decisions regarding the deployment and use of its vessels and in evaluating their financial performance.

(c) EBITDA represents net income/(loss) before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance. EBITDA and Adjusted EBITDA are presented to provide investors with meaningful additional information that management uses to monitor ongoing operating results and evaluate trends over comparative periods. EBITDA and Adjusted EBITDA do not represent, and should not be considered a substitute for, net income/(loss) or cash flows from operations determined in accordance with GAAP. EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of our results reported under GAAP. Some of the limitations are:

(i) EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

(ii) EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and
(iii) EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt.

While EBITDA and Adjusted EBITDA are frequently used by companies as a measure of operating results and performance, neither of those items as prepared by the Company is necessarily comparable to other similarly titled captions of other companies due to differences in methods of calculation. The following table reconciles net income/(loss), as reflected in the consolidated statements of operations, to EBITDA and Adjusted EBITDA:

	2019	2018	2017	2016	2015
Net (loss)/income	$ (830)	$ (88,940)	$ (106,088)	$ (18,223)	$ 173,170
Income tax provision/(benefit)	1	(105)	44	440	140
Interest expense	66,267	60,231	41,247	40,362	44,134
Depreciation and amortization	75,653	72,428	78,853	79,885	81,653
EBITDA	141,091	43,614	14,056	102,464	299,097
Third-party debt modification fees	30	1,306	9,240	225	-
Separation and transition costs	-	-	604	9,043	-
Technical management transition costs	-	-	-	-	39
Loss/(gain) on disposal of vessels and other property, including impairments	308	19,680	86,855	79,203	(4,459)
Impairment of equity method investments	-	-	-	30,475	-
Gain on sale of investment in affiliated companies	(3,033)	-	-	-	-
Release of other comprehensive loss upon sale of investment in affiliated companies	21,615	-	-	-	-
Write-off of deferred financing costs	3,558	2,400	7,020	5,097	-
Loss/(gain) on extinguishment of debt	1,100	1,295	-	(3,755)	-
Reorganization items, net	-	-	-	131	5,659
Adjusted EBITDA	$ 164,669	$ 68,295	$ 117,775	$ 222,883	$ 300,336

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

GENERAL

We are a provider of ocean transportation services for crude oil and refined petroleum products. We operate our vessels in the International Flag market. Our business includes two reportable segments: Crude Tankers and Product Carriers. For the years ended December 31, 2019 and 2018 we derived 76% and 72% of our TCE revenues from our Crude Tankers segment. Revenues from our Product Carriers segment constituted the balance of our TCE revenues during these periods.

As of December 31, 2019, we owned or operated an International Flag fleet of 42 vessels aggregating 7.0 million dwt, including six vessels that have been chartered-in under operating leases for durations exceeding one year at inception. Our fleet includes VLCC, Suezmax, Aframax and Panamax crude tankers and LR1, LR2 and MR product carriers. Through joint venture partnerships, we have ownership interests in two FSO service vessels (the "JV Vessels"). Subsequent to December 31, 2019, the Company delivered a 2002-built Aframax to its buyer and acquired a 2009-built LR1, which will be deployed into the Panamax International pool by the end of the first quarter of 2020.

The Company's revenues are highly sensitive to patterns of supply and demand for vessels of the size and design configurations owned and operated by the Company and the trades in which those vessels operate. Rates for the transportation of crude oil and refined petroleum products from which the Company earns a substantial majority of its revenues are determined by market forces such as the supply and demand for oil, the distance that cargoes must be transported, and the number of vessels expected to be available at the time such cargoes need to be transported. The demand for oil shipments is significantly affected by the state of the global economy, levels of U.S. domestic and international production and OPEC exports. The number of vessels is affected by newbuilding deliveries and by the removal of existing vessels from service, principally through storage, scrappings or conversions. The Company's revenues are also affected by its vessel employment strategy, which seeks to achieve the optimal mix of spot (voyage charter) and long-term (time or bareboat charter) charters. Because shipping revenues and voyage expenses are significantly affected by the mix between voyage charters and time charters, the Company measures the performance of its fleet of vessels based on TCE revenues. Management makes economic decisions based on anticipated TCE rates and evaluates financial performance based on TCE rates achieved. In order to take advantage of market conditions and optimize economic performance, Management employs the Company's LR1 Product carriers, which currently participate in the Panamax International pool, in the transportation of crude oil cargoes. Other than the JV Vessels, our revenues are derived predominantly from spot market voyage charters and our vessels are predominantly employed in the spot market via market-leading commercial pools. We derived approximately 92% and 90% of our total TCE revenues in the spot market for the years ended December 31, 2019 and 2018, respectively.

The following is a discussion and analysis of (i) industry operations that have an impact on the Company's financial position and results of operations, (ii) the Company's financial condition at December 31, 2019 and 2018 and its results of operations comparing the years ended December 31, 2019 and 2018, and (iii) critical accounting policies used in the preparation of the Company's consolidated financial statements. A detailed discussion comparing the Company's operations for the years ended December 31, 2018 and 2017 can be found in Item 7 of our Form 10-K for the year ended December 31, 2018.

All dollar amounts are presented in thousands, except daily dollar amounts and per share amounts.

OPERATIONS AND OIL TANKER MARKETS

The International Energy Agency ("IEA") estimates global oil consumption for the fourth quarter of 2019 at 101.4 million barrels per day ("b/d"), an increase of 1.9 million b/d, or 1.9%, over the same quarter in 2018. The estimate for global oil consumption for 2020 is 101.5 million b/d, an increase of 1.2% over 2019. OECD demand in 2020 is estimated to increase by 0.6% to 48.0 million b/d, while non-OECD demand is estimated to increase by 1.7% to 53.4 million b/d.

Global oil production in the fourth quarter of 2019 reached 101.1 million b/d, a decrease of 1.0% from the fourth quarter of 2018. OPEC crude oil production averaged 29.6 million b/d in the fourth quarter of 2019, an increase of 0.2 million b/d from the third quarter of 2019, but a decrease of 2.5 million b/d from the fourth quarter of 2018. Non-OPEC production increased by 1.5 million b/d to 66.0 million b/d in the fourth quarter of 2019 compared with the fourth quarter of 2018. Oil production in the U.S. in the fourth quarter of 2019 increased by 0.9 million b/d from the third quarter of 2019 to 12.7 million b/d and was 1.1 million b/d higher than in the fourth quarter of 2018.

U.S. refinery throughput decreased by 1.6 million b/d to 16.1 million b/d in the fourth quarter of 2019 compared with the third quarter of 2019. U.S. crude oil imports in the fourth quarter of 2019 decreased by 1.1 million b/d to 6.2 million b/d compared with the fourth quarter of 2018, with imports from OPEC countries responsible for nearly all of the reduction.

China's crude oil imports in 2019 increased 9.5% compared with 2018. November 2019 imports were a record 11.1 million b/d while December's imports were the third largest on record at 10.7 million b/d.

During the fourth quarter of 2019, the tanker fleet of vessels over 10,000 deadweight tons ("dwt") increased, net of scrappings, by 4.6 million dwt as the crude fleet increased by 4.0 million dwt, with VLCCs and Aframaxes growing by 3.7 and 0.6 million dwt respectively, while Suezmaxes declined by 0.3 million dwt. The product carrier fleet expanded by 0.6 million dwt with LR1s flat and MRs increasing by 0.6 million dwt. Year over year, the size of the tanker fleet increased by 33.6 million dwt with the largest increases in the VLCC, Aframax, MR and Suezmax sectors, while LR1s saw only modest growth in fleet size.

During the fourth quarter of 2019, the tanker orderbook decreased by 0.9 million dwt overall. The crude tanker orderbook increased by 0.1 million dwt, with the Suezmax orderbook growing by 1.9 million dwt, while both VLCC and Aframax orderbooks declined by 1.2 and 0.6 million dwt, respectively. The product tanker orderbook declined by 1.0 million dwt with LR1s declining by 0.3 million dwt and MRs declining by 0.7 million dwt. The decrease in the tanker orderbook reflects the delivery of newbuildings during the fourth quarter and little new ordering activity.

Year over year, the total tanker orderbook declined by 18.1 million dwt, with declines in most sectors: VLCC 12.2 million dwt, Aframax 2.7 million dwt, LR1s 1.0 million dwt and MRs 2.9 million dwt. The Suezmax fleet grew by 0.7 million dwt during the period. This general decline appears, at least to some extent, to be driven by shipowners reluctance to invest capital in current technology while the shipping industry is targeting substantial reductions in carbon emissions.

Crude tanker rates in the fourth quarter of 2019 were substantially stronger than the third quarter and any period since 2015. Rates in recent weeks have come under pressure stemming from fears of an economic slowdown resulting from the concerns around the coronavirus (COVID-19) outbreak.

RESULTS FROM VESSEL OPERATIONS

During 2019, income from vessel operations increased by $109,699 to income of $55,168 from a loss of $54,531 in 2018. Such increase resulted primarily from increased TCE revenues, decreased vessel expenses due to the sale of a number of older vessels during 2018 and 2019 and lower losses on the disposal of vessels and other property, offset partially by increased charter hire expense.

The increase in TCE revenues in 2019 of $96,819, or 40%, to $339,919 from $243,100 in 2018 primarily reflects higher average daily rates across INSW's fleet sectors, which accounted for approximately $99,689 of the overall increase. The following tables provide a quarterly trend analysis of spot TCE rates earned between the fourth quarter of 2018 and 2019 by our Crude Tankers and Product Carriers fleet:

Crude Tankers

	Quarter Ended				
	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
VLCC:					
Average rate	$ 31,728	$ 31,993	$ 20,038	$ 22,434	$ 54,102
Revenue days	1,187	1,134	1,065	1,068	986
Suezmax:					
Average rate	$ 30,606	$ 28,935	$ 20,772	$ 18,470	$ 50,871
Revenue days	184	180	182	184	183
Aframax:					
Average rate	$ 18,968	$ 20,905	$ 13,540	$ 15,342	$ 31,302
Revenue days	425	398	318	368	303
Panamax:					
Average rate	$ 14,866	$ 17,558	$ 12,095	$ 7,846	$ 29,144
Revenue days	139	73	113	92	92

TCE rates during the fourth quarter of 2018 were strong on the back of increasing demand for crude oil and a record number of tanker removals through scrapping. That strength carried forward into the first quarter of 2019, resulting in firm TCE rates for VLCCs, Suezmaxes, Aframaxes and Panamaxes. A combination of events, including a large influx of newbuilding deliveries during the first quarter, OPEC production quota reductions and lackluster demand due in part to the U.S.-China trade war, caused the market to soften during the second and third quarters of 2019. U.S. sanctions on Venezuela imposed at the start of 2019 also hurt the crude oil tanker markets, particularly the VLCC and Aframax sectors. Strong TCE rates in the fourth quarter of 2019 were driven by increasing crude oil demand on the back of improving trade conditions and the end of a prolonged period of refinery maintenance ahead of IMO 2020, as well as external geopolitical factors including U.S. sanctions imposed on certain entities owned by China Ocean Shipping Company ("COSCO") due to alleged trading with Iran and the drone attack on a Saudi Arabian crude oil processing plant at Abqaiq.

Product Carriers

	Quarter Ended				
	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
LR2					
Average rate	$ 15,575	$ 22,090	$ 17,746	$ 17,253	$ 23,222
Revenue days	92	90	72	87	92
LR1					
Average rate	$ 22,165	$ 24,017	$ 17,271	$ 15,475	$ 28,652
Revenue days	354	339	347	506	534
MR					
Average rate	$ 12,905	$ 13,462	$ 11,571	$ 11,430	$ 14,028
Revenue days	978	889	847	673	604

Aside of the events described above for the Crude Tankers segment, the Product Carriers market was negatively impacted during the second and third quarters of 2019 as many refineries began long maintenance periods in anticipation of IMO 2020's implementation. MR tankers were particularly negatively impacted by the U.S. imposition of sanctions on Venezuela as a key trade of U.S. refined product exports to Venezuela became prohibited. A return of stronger demand during the latter half of 2019 and the geopolitical events discussed in the crude tanker section above helped lift rates in the Product Carriers sector during the fourth quarter of 2019.

See Note 4, "Business and Segment Reporting," to the Company's consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data," for additional information on the Company's segments, including equity in income of affiliated companies and reconciliations of (i) time charter equivalent revenues to shipping revenues and (ii) adjusted income/(loss) from vessel operations for the segments to loss before income taxes, as reported in the consolidated statements of operations.

Crude Tankers

	2019	2018
TCE revenues	$ 259,517	$ 175,524
Vessel expenses	(93,672)	(95,090)
Charter hire expenses	(35,114)	(23,809)
Depreciation and amortization	(59,387)	(54,431)
Adjusted income from vessel operations [a]	$ 71,344	$ 2,194
Average daily TCE rate	$ 26,765	$ 17,780
Average number of owned vessels [b]	25.0	26.1
Average number of vessels chartered-in under operating leases	3.9	2.6
Number of revenue days: [c]	9,696	9,872
Number of ship-operating days: [d]		
Owned vessels	9,125	9,544
Vessels bareboat chartered-in under operating leases	730	578
Vessels time chartered-in under operating leases [e]	359	190
Vessels spot chartered-in under operating leases [e]	331	174

(a) Adjusted income/(loss) from vessel operations by segment is before general and administrative expenses, provision for credit losses, third-party debt modification fees, and loss on disposal of vessels and other property, including impairments.
(b) The average is calculated to reflect the addition and disposal of vessels during the year.

(c) Revenue days represent ship-operating days less days that vessels were not available for employment due to repairs, drydock or lay-up. Revenue days are weighted to reflect the Company's interest in chartered-in vessels.
(d) Ship-operating days represent calendar days.
(e) The Company's Crude Tankers Lightering business time chartered-in one vessel and spot chartered-in 29 and 23 vessels under operating leases at various points during the year ended December 31, 2019 and 2018, respectively, for full service lightering jobs.

The following table provides a breakdown of TCE rates achieved for the years ended December 31, 2019 and 2018 between spot and fixed earnings and the related revenue days. The information in these tables is based, in part, on information provided by the commercial pools in which the segment's vessels participate and excludes commercial pool fees/commissions averaging approximately $778 and $721 per day in 2019 and 2018, respectively, as well as revenue and revenue days for which recoveries were recorded by the Company under its loss of hire insurance policies.

	2019		2018	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
VLCC:				
Average rate	$ 31,726	$ -	$ 18,881	$ 13,221
Revenue days	4,254	-	3,854	97
Suezmax:				
Average rate	$ 29,762	$ -	$ 18,973	$ -
Revenue days	729	-	730	-
Aframax:				
Average rate	$ 20,011	$ -	$ 12,808	$ -
Revenue days	1,386	-	2,020	-
Panamax:				
Average rate	$ 16,263	$ 13,471	$ 12,988	$ 11,419
Revenue days	330	2,031	685	1,984

During 2019, TCE revenues for the Crude Tankers segment increased by $83,993, or 48%, to $259,517 from $175,524 in 2018, principally as a result of significantly higher average blended rates in the VLCC, Suezmax, Aframax, and Panamax sectors aggregating approximately $77,105. Further contributing to the increase was the impact of a 259-day increase in VLCC revenue days aggregating $4,685, and a $13,655 increase in revenue in the Crude Tankers Lightering business during the current year. The net increase in VLCC days was the result of the acquisitions of one 2015-built and five 2016-built VLCCs which were delivered to the Company in June 2018, partially offset by the disposals of one 2000-built and one 2001-built VLCC in 2018, and 294 more drydock, repair and other off-hire days in the current year. Partially offsetting the revenue increases was a 961-day decrease in revenue days for the Aframax and Panamax sectors, which accounted for a revenue decrease of approximately $11,487, and was driven primarily by the sale of two 2001-built Aframaxes and a 2002-built Panamax between May and October 2018 along with the re-deployment of the Company's 2002-built Aframax into its Crude Tankers Lightering business.

Of the total 294 day increase in VLCC off-hire days highlighted above, 164 days related to five VLCCs which were out of service to have scrubbers installed during the fourth quarter of 2019. The Company expects approximately 330 and 230 of VLCC off-hire days in the first and second quarters of 2020, respectively, as it completes scrubber installations on its 10 modern VLCCs in China. The expected off-hire days are subject to change due to impacts of the coronavirus (COVID-19) and other scheduling changes.

Vessel expenses decreased by $1,418 to $93,672 in 2019 from $95,090 in 2018. The primary drivers of the decrease were (a) a $10,734 decrease in vessel expenses which resulted from the VLCC, Aframax and Panamax sales noted above and (b) the sale of the Company's only ULCC, which was idle in 2018 prior to its sale in June 2018 and accounted for approximately $1,255 of the decrease in vessel expenses. Such decreases were partially offset by a $8,053 increase in vessel expenses associated with the VLCC acquisitions described above and increased drydock deviation costs of $2,377. Charter hire expenses increased by $11,305 to $35,114 in 2019 from $23,809 in 2018. The primary driver of the increase was a significant increase in spot and short-term time chartered-in vessels in the Crude Tankers Lightering business to support anticipated increased full service lightering activity, with an additional factor being the impact of executing sale and lease back transactions for two 2009-built Aframaxes in March 2018. Depreciation and amortization increased by $4,956 to $59,387 in 2019 from $54,431 in 2018, principally resulting from the impact of the VLCC acquisitions described above aggregating $7,072, partially offset by a reduction of $3,432 relating to the vessel sales noted above.

Excluding depreciation and amortization, the provision for credit losses and general and administrative expenses, operating income for the Crude Tankers Lightering business was $5,848 for 2019 and $8,122 for 2018. The decrease in the current year's operating income as compared to the prior year primarily reflects a $14,650 increase in charter hire expense, substantially offset by a higher volume of revenue activity in the current year as noted above. In the current year, 57 full service and 378 service support only lighterings were performed, as compared to 49 full service and 355 service support only lighterings in the prior year. Additionally, during the current year the Crude Tankers Lightering business utilized certain of its chartered-in Aframaxes on 18 spot voyages, while only seven spot voyages were performed in the prior year. The Crude Tankers Lightering business had chartered in two ships on time charter during 2019 before rates and demand for full service lighterings decreased after the first quarter of 2019. These two ships were employed for substantial portions of 2019 at TCE rates below their charter-in rates as reflected by the year-over-year increase in the number of voyages performed.

Product Carriers

	2019	2018
TCE revenues	$ 80,402	$ 67,576
Vessel expenses	(29,533)	(40,615)
Charter hire expenses	(22,398)	(21,101)
Depreciation and amortization	(16,152)	(17,862)
Adjusted (loss)/income from vessel operations	$ 12,319	$ (12,002)
Average daily TCE rate	$ 15,652	$ 10,594
Average number of owned vessels	9.9	13.3
Average number of vessels chartered-in under operating leases	4.5	4.8
Number of revenue days	5,137	6,379
Number of ship-operating days:		
Owned vessels	3,630	4,872
Vessels bareboat chartered-in under operating leases	-	302
Vessels time chartered-in under operating leases	1,654	1,457

The following table provides a breakdown of TCE rates achieved for the years ended December 31, 2019 and 2018 between spot and fixed earnings and the related revenue days. The information is based, in part, on information provided by the commercial pools in which the segment's vessels participate and excludes commercial pool fees/commissions averaging approximately $486, and $444 per day in 2019 and 2018, respectively, as well as revenue and revenue days for which recoveries were recorded by the Company under its loss of hire insurance policies.

	2019		2018	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
LR2				
Average rate	$ 20,242	$ -	$ 12,729	$ -
Revenue days	341	-	365	-
LR1 [1]				
Average rate	$ 21,490	$ -	$ 14,875	$ -
Revenue days	1,766	-	1,416	-
MR				
Average rate	$ 12,590	$ -	$ 10,125	$ 5,294
Revenue days	3,013	-	4,257	340

(1) During the 2019 and 2018 periods, each of the Company's LR1s participated in the Panamax International pool and transported crude oil cargoes exclusively.

During 2019, TCE revenues for the Product Carriers segment increased by $12,826, or 19%, to $80,402 from $67,576 in 2018. Approximately $22,584 of such increase was attributable to increased average blended rates earned across all Product Carrier fleets, which was partially offset by a $9,799 decline in TCE revenues driven by a 1,242-day decrease in segment revenue days. The decline in revenue days reflects the impact of (i) a 1,585-day decrease in MR revenue days in the current period, resulting primarily from the sales of seven MRs between the first quarter of 2018 and the third quarter of 2019, and the redeliveries of one time chartered-in MR during the third quarter of 2019 and two bareboat chartered-in MRs during the second quarter of 2018, partially offset by (ii) a 367-

day increase in LR1 revenue days in the current year primarily due to the commencement of a six-month time charter-in of a 2010-built LR1 in May 2019 and a two-year time charter-in of a 2006-built LR1 in August 2019.

The decreases in vessel expenses and depreciation and amortization during 2019 compared to 2018 were primarily due to the sales of MRs and bareboat charter-in redeliveries discussed above. Charter hire expenses increased by $1,297 to $22,398 in 2019 from $21,101 in 2018 as increases resulting from the entry into the LR1 charter-ins noted above were partially offset by decreases due to the MR redeliveries described above.

GENERAL AND ADMINISTRATIVE EXPENSES

During 2019, general and administrative expenses increased by $2,494 to $26,798 from $24,304 in 2018. The primary drivers for such increase are (i) $2,145 in compensation and benefits costs, of which $1,116 relates to non-cash stock compensation, (ii) $222 in accounting and consulting fees, and (iii) $135 in insurance premiums for general liability and property insurance, cyber security insurance and workers compensation and U.S. Longshoremen insurance.

PROVISION FOR CREDIT LOSSES

During the year ended December 31, 2019, provision for credit losses totaling $1,245 were incurred, which was primarily related to one customer from the Company's Crude Tankers Lightering business, for whom two full service lighterings were performed during the fourth quarter of 2018, who filed for bankruptcy in 2019.

EQUITY IN INCOME OF AFFILIATED COMPANIES

During 2019, equity in income of affiliated companies decreased by $18,219 to $11,213 from $29,432 in 2018. This decrease was principally attributable to a $18,019 decrease in the equity in income of the LNG Joint Venture. This decrease was the result of the sale of the LNG Joint Venture during the fourth quarter of 2019, as discussed below and in further detail in Note 6, "Equity Method Investments," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data."

On October 7, 2019, pursuant to a share purchase agreement, the Company sold its 49.9% ownership interest in the LNG Joint Venture with Qatar Gas Transport Company Limited (Nakilat) ("Nakilat") to Nakilat pursuant to a share purchase agreement entered into on the closing date. The purchase price for the transaction was $123,000, excluding fees and expenses. The share purchase agreement contains specified representations, warranties, covenants and indemnification provisions of the parties customary for transactions of this type. In addition, in connection with the transaction, various other agreements governing the LNG Joint Venture and the LNG Joint Venture's relationships with its counterparties were also amended to reflect the change in ownership and related matters. The Company recorded a cash gain on the sale of $3,033 and reclassified the Company's share of the unrealized losses associated with the interest rate swaps held by the LNG Joint Venture of $21,615 into earnings from Accumulated Other Comprehensive Loss.

OTHER EXPENSE

Other expense was $943 for the year ended December 31, 2019 compared with $3,715 for the year ended December 31, 2018. The current period expense includes a 1% prepayment fee of $1,100 and the write-off of $3,558 of unamortized original issue discount and deferred financing costs associated with the $110,000 principal prepayments on the 2017 Debt Facilities. The prepayment fee was more than offset by a reduction in cash interest expense for the balance of 2019. Such charges were offset by interest income on cash balances and net actuarial gains associated with the retirement benefit obligation in the United Kingdom. Similarly, the 2018 expense consisted primarily of (i) the write-off of $2,400 in unamortized original issue discount and deferred financing costs associated with the prepayment of $60,000 made in connection with the 2017 Debt Facilities Second Amendment and the repurchase of $2,069 of the outstanding principal balance of the 10.75% Subordinated Notes, which were both treated as partial extinguishments, and (ii) $1,295 in issuance costs paid to lenders associated with 2017 Debt Facilities Second Amendment that were deemed to be an extinguishment. Such charges were partially offset by net actuarial gains associated with the retirement benefit obligation in the United Kingdom, interest income on cash balances and insurance claim recoveries.

Following the refinancing completed in January 2020 (See Note 8, "Debt," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data"), the Company expects to recognize a net loss of approximately $13,757 relating to the extinguishment of the 2017 Term Loan Facility, the ABN Term Loan Facility, and the 10.75% Subordinated

Notes. Such loss includes a prepayment premium of $992, which was paid in December 2019, related to the repurchase of the 10.75% Subordinated Notes and a write-off of $12,765 of unamortized original issue discount and deferred financing costs associated with the extinguished debt facilities.

INTEREST EXPENSE

The components of interest expense are as follows:

	2019	2018
Interest before items shown below	$ 64,085	$ 58,964
Interest cost on defined benefit pension obligation	681	701
Impact of interest rate hedge derivatives	1,501	566
Interest expense	$ 66,267	$ 60,231

Interest expense was $66,267 in 2019, compared with $60,231 in 2018. Interest expense incurred on the debt facilities entered into by the Company during the second quarter of 2018 (See Note 8, "Debt," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data") accounted for substantially all of the period over period increases before the impact of pension and interest rate collar/cap and swaps. Partially offsetting such increases was a decrease related to the 2017 Term Loan Facility due to a $10,000 prepayment made on July 31, 2019 and a $100,000 prepayment made on October 8, 2019, both using restricted cash set aside from the proceeds of vessel sales and a portion of the proceeds from the sale of the Company's equity interest in the LNG Joint Venture, and lower average LIBOR rates during the 2019 periods compared with the comparable periods in 2018.

Following the refinancing completed in January 2020, we anticipate cash interest expense to further decrease by approximately $15,000 on an annual basis based on current interest rates by lowering our average interest rates on the refinanced portion of our debt by 350 basis points, and our overall average interest rates by 200 basis points.

INCOME TAX EXPENSE

The (provision)/benefit for income taxes for the years ended December 31, 2019 and 2018 were ($1) and $105, respectively, resulting from operations in certain foreign jurisdictions that are subject to income tax. During 2018, the Company recorded an income tax benefit as a result of the settlement of matters under examination by foreign taxing authorities.

If we do not qualify for an exemption pursuant to Section 883, or the "Section 883 exemption," of the U.S. Internal Revenue Code of 1986, as amended, or the "Code," then we will be subject to U.S. federal income tax on our shipping income that is derived from U.S. sources. If we are subject to such tax, our results of operations and cash flows would be reduced by the amount of such tax. We qualified for the Section 883 exemption for the tax year ended December 31, 2019. We will qualify for the Section 883 exemption for 2020 and forward if, among other things, (i) our common shares are treated as primarily and regularly traded on an established securities market in the United States or another qualified country ("publicly traded test"), or (ii) we satisfy one of two other ownership tests. Under applicable U.S. Treasury Regulations, the publicly traded test will not be satisfied in any taxable year in which persons who directly, indirectly or constructively own five percent or more of our common shares (sometimes referred to as "5% shareholders") own 50% or more of the vote and value of our common shares for more than half the days in such year, unless an exception applies. We can provide no assurance that ownership of our common shares by 5% shareholders will allow us to qualify for the Section 883 exemption in future taxable years. If we do not qualify for the Section 883 exemption, our gross shipping income derived from U.S. sources, i.e., 50% of our gross shipping income attributable to transportation beginning or ending in the United States (but not both beginning and ending in the United States), generally would be subject to a four percent tax without allowance for deductions.

EBITDA AND ADJUSTED EBITDA

EBITDA represents net income/(loss) before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance. EBITDA and Adjusted EBITDA are presented to provide investors with meaningful additional information that management uses to monitor ongoing operating results and evaluate trends over comparative periods. EBITDA and Adjusted EBITDA do not represent, and should not be considered a substitute for, net income or cash flows from operations determined in accordance

with GAAP. EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of our results reported under GAAP. Some of the limitations are:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and
- EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt.

While EBITDA and Adjusted EBITDA are frequently used by companies as a measure of operating results and performance, neither of those items as prepared by the Company is necessarily comparable to other similarly titled captions of other companies due to differences in methods of calculation.

The following table reconciles net loss, as reflected in the consolidated statements of operations set forth in Item 8, "Financial Statements and Supplementary Data," to EBITDA and Adjusted EBITDA:

	2019	2018
Net loss	$ (830)	$ (88,940)
Income tax provision/(benefit)	1	(105)
Interest expense	66,267	60,231
Depreciation and amortization	75,653	72,428
EBITDA	141,091	43,614
Third-party debt modification fees	30	1,306
Loss on disposal of vessels and other property, including impairments	308	19,680
Gain on sale of investment in affiliated companies	(3,033)	-
Release of other comprehensive loss upon sale of investment in affiliated companies	21,615	-
Write-off of deferred financing costs	3,558	2,400
Loss on extinguishment of debt	1,100	1,295
Adjusted EBITDA	$ 164,669	$ 68,295

EFFECTS OF INFLATION

The Company does not believe that inflation has had or is likely, in the foreseeable future, to have a significant impact on vessel operating expenses, drydocking expenses and general and administrative expenses.

LIQUIDITY AND SOURCES OF CAPITAL

Our business is capital intensive. Our ability to successfully implement our strategy is dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business to meet near-term and long-term debt repayment obligations is dependent on maintaining sufficient liquidity.

Liquidity

Working capital at December 31, 2019 was approximately $73,000 compared with $92,000 at December 31, 2018. Current assets are highly liquid, consisting principally of cash, interest-bearing deposits and receivables. The Company's total cash increased by approximately $33,000 during 2019. This increase reflects cash provided by operating activities of $87,486, proceeds from sale of investment in affiliated companies of $122,755, proceeds from disposal of vessels and other assets of $15,767 and net returns of capital and deposits received from affiliated companies of $6,533. Such cash inflows were partially offset by $37,181 in expenditures for vessels and other property, $111,100 of principal prepayments and associated prepayment premiums on the 2017 Term Loan Facility, $992 of prepaid repurchase premiums on the 10.75% Subordinated Notes, which were ultimately repurchased in January 2020, $100 of debt issuance costs related to the 2020 Debt Facilities (as described in Note 8, "Debt," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data"), and scheduled principal amortization totaling $49,911 for the Company's debt facilities.

Our cash and cash equivalents balances generally exceed Federal Deposit Insurance Corporation insured limits. We place our cash and cash equivalents in what we believe to be credit-worthy financial institutions. In addition, certain of our money market accounts invest

in U.S. Treasury securities or other obligations issued or guaranteed by the U.S. government or its agencies, floating rate and variable demand notes of U.S. and foreign corporations, commercial paper rated in the highest category by Moody's Investor Services and Standard & Poor's, certificates of deposit and time deposits, asset-backed securities, and repurchase agreements.

As of December 31, 2019 we had total liquidity on a consolidated basis of $200,243 comprised of $150,243 of cash (including $60,572 of restricted cash) and $50,000 of remaining undrawn revolver capacity. Restricted cash of $60,572 as of December 31, 2019 represents legally restricted cash relating to the 2017 Term Loan, the Sinosure Credit Facility, the ABN Term Loan Facility, and the 10.75% Subordinated Notes. Such facilities stipulate that cash accounts be maintained which are limited in their use to pay expenses related to drydocking the vessels and servicing the debt facilities and, in the case of the 2017 Term loan, that cash proceeds from the sale of collateral vessels be reinvested in vessels within 12 months of such sale or be used to prepay the principal amount outstanding of the INSW Facilities.

As of December 31, 2019, we had total debt outstanding (net of original issue discount and deferred financing costs) of $661,095 and a total debt to total capitalization of 33.3%, which compares with 44.5% at December 31, 2018.

Giving pro forma effect to the January 2020 refinancing of the 2017 Term Loan, the ABN Term Loan Facility, and the 10.75% Subordinated Notes (as described below), total liquidity on a consolidated basis is expected to decrease to approximately $150,000, comprised of $130,000 of cash (including $17,583 of restricted cash related to the Sinosure Credit Facility only) and $20,000 of undrawn revolver capacity and total debt outstanding (net of original issue discount and deferred financing costs) is expected to decrease to approximately $654,000.

Sources, Uses and Management of Capital

We have maintained a strong balance sheet which has allowed us to take advantage of attractive strategic opportunities during the low end of the tanker cycle and we have maintained what we believe to be a reasonable financial leverage for the current point in the tanker cycle and one of the lowest loan to value profiles in the public company shipping sector.

In addition to future operating cash flows, our other future sources of funds are proceeds from issuances of equity securities, additional borrowings as permitted under our loan agreements and proceeds from the opportunistic sales of our vessels. Our current uses of funds are to fund working capital requirements, maintain the quality of our vessels, purchase vessels, comply with international shipping standards and environmental laws and regulations, repurchase our outstanding shares and repay or repurchase our outstanding loan facilities.

As of December 31, 2019, the Company has contractual commitments for the purchase and installation of marine exhaust gas cleaning systems on 10 of its modern VLCCs. The Company also has outstanding contractual commitments for the purchase and installation of ballast water treatment systems on 18 vessels with an option for the purchase and installation of one additional ballast water treatment system. As of December 31, 2019, the Company's aggregate purchase commitments for vessel and vessel betterments, which includes the purchase of a 2009-built LR1 described below, are approximately $50,701 (see Aggregate Contractual Obligations Table below). The overall commitments could increase by approximately $2,100 if the remaining option for an additional ballast water treatment system unit is exercised. Such option expires December 2020. These systems are intended to be funded with available liquidity and proceeds from the sales of vessels.

The following is a summary of the significant capital allocation activities the Company has executed during the past twelve months:

On October 19, 2018, the Company filed a Registration Statement on Form S-3 ("Shelf Registration") with the Securities and Exchange Commission ("SEC"). Following the effective date of the Shelf Registration, the Company may from time to time offer equity or debt securities at an aggregate offering price not to exceed $100,000. This Shelf Registration replaced the remaining $75,000 balance of a shelf registration on Form S-3 that was declared effective in May 2018.

As described in Item 5, "Market for Registrant's Common Equity, Related Stock Matters and Issuer Purchases of Equity Securities," on January 9, 2019, the Company entered into an Equity Distribution Agreement (the "Distribution Agreement") with Evercore Group L.L.C. and Jefferies LLC, as our sales agents, relating to the common shares of the Company. In accordance with the terms of the Distribution Agreement, we may offer and sell common shares having an aggregate offering price of up to $25,000 from time to time through the sales agents. The sales agents are not required to sell any specific number or dollar amount of our common shares but will use their commercially reasonable efforts, as our agents and subject to the terms of the Distribution Agreement, to sell the common shares offered, as instructed by us.

We intend to use the net proceeds of this offering, after deducting the sales agents' commissions and our offering expenses, for general corporate purposes. This may include, among other things, additions to working capital, repayment or refinancing of existing indebtedness or other corporate obligations, financing of capital expenditures and acquisitions and investment in existing and future projects. As of the date hereof, the Company has neither sold or undertaken to sell any shares pursuant to the Distribution Agreement.

On March 5, 2019, the Company's Board of Directors approved a resolution reauthorizing the Company's $30,000 stock repurchase program for another 24-month period ending March 5, 2021. No shares were repurchased under such program during the year ended December 31, 2019.

In June and July 2019, the Company sold and delivered two 2004-built MRs for net proceeds aggregating $15,847.

On July 31, 2019, the Company made a prepayment of $10,000 on the 2017 Term Loan Facility using restricted cash set aside from the proceeds of vessel sales.

On October 7, 2019, pursuant to a share purchase agreement entered into with Qatar Gas Transport Company Limited (Nakilat) ("Nakilat"), the Company sold its 49.9% ownership interest in the LNG Joint Venture with Nakilat to Nakilat. The sales proceeds were $123,000, excluding fees and expenses.

On October 8, 2019, the Company made an additional prepayment of $100,000 on the 2017 Term Loan Facility using restricted cash set aside from the proceeds of vessel sales and a portion of the proceeds from the sale of the Company's equity interest in the LNG Joint Venture.

During the fourth quarter of 2019, the Company entered into separate memorandums of agreements to sell a 2002-built Aframax and a 2001-built Aframax for delivery to buyers sometime before April 2020. The 2002-built Aframax was delivered to its buyer in January 2020. The Company expects to recognize an aggregate gain upon the completion of such sales in 2020.

In December 2019, the Company entered into a memorandum of agreement to acquire a 2009-built LR1, which was delivered to the Company in February 2020.

On December 30, 2019, the successful execution of the above transactions culminated in the Company entering into a commitment letter with Nordea Bank Abp, New York Branch ("Nordea"), ABN AMRO Capital USA LLC ("ABN"), Crédit Agricole Corporate & Investment Bank ("CACIB"), DNB Capital LLC ("DNB") and Skandinaviska Enskilda Banken AB (PUBL) ("SEB") with respect to senior secured credit facilities (the "2020 Debt Facilities"), the proceeds from which were primarily used in January 2020 to (i) repay the $331,519 outstanding principal balance under the 2017 Debt Facilities due 2022 and the $23,248 outstanding principal balance under the ABN Term Loan Facility due 2023, and (ii) to repurchase the $27,931 outstanding principal amount of the Company's 10.75% subordinated notes due 2023 issued pursuant to an indenture dated June 13, 2018 with GLAS Trust Company LLC, as trustee, as amended.

The 2020 Debt Facilities consist of (i) a five-year senior secured term loan facility in an aggregate principal amount of $300,000 (the "Core Term Loan Facility"); (ii) a five-year revolving credit facility in an aggregate principal amount of $40,000 (the "Core Revolving Facility"); and (iii) a senior secured term loan credit facility with a maturity date of June 30, 2022 in an aggregate principal amount of $50,000 (the "Transition Term Loan Facility"). The available amounts under these facilities (except for $20,000 of the $40,000 available under the Core Revolving Facility) were drawn in full on January 28, 2020. The Core Term Loan Facility contains an uncommitted accordion feature whereby, for a period of up to 18 months following the closing date, the amount of the loan thereunder may be increased up to an additional $100,000 for the acquisition of Additional Vessels, subject to certain conditions.

The Core Term Loan Facility amortizes in 19 quarterly installments of approximately $9,476 commencing June 30, 2020 and matures on January 23, 2025, with a balloon payment of approximately $120,000 due at maturity. The Core Revolving Facility also matures on January 23, 2025. The Transition Term Loan Facility amortizes in 10 quarterly installments of $5,000 commencing March 31, 2020 and matures on June 30, 2022. The maturity dates for the 2020 Debt Facilities are subject to acceleration upon the occurrence of certain events (as described in the Credit Agreement. as defined in Note 8, "Debt").

The 2020 Debt Facilities will reduce annual interest expense by approximately $15,000, by lowering our average interest rates on the refinanced portion of our debt by 350 basis points, and our overall average interest rates by 200 basis points, while enabling INSW to maintain one of the lowest leverage ratios in the public shipping company sector and low cash break evens.

See Note 8, “Debt,” to the accompanying consolidated financial statements as set forth in Item 8, “Financial Statements and Supplementary Data” for further details on the refinancing transaction and the terms of the 2020 Debt Facilities.

Outlook

Following successfully renewing our fleet near the bottom of the shipping industry cycle and significantly paying down high interest rate debt over the last 24-months, we believe our balance sheet positions us to continue to advance our disciplined capital allocation strategy and provides us with flexibility to continue pursuing fleet renewal or potential strategic opportunities that may arise within the diverse sectors in which we operate and at the same time positions us to generate sufficient cash to support our operations over the next twelve months.

Carrying Value of Vessels

At December 31, 2019, all of the Company’s owned vessels were pledged as collateral under certain of the Company’s debt facilities including the 2017 Debt Facilities, Sinosure Credit Facility, and ABN Term Loan Facility. The following table presents information with respect to the carrying amount of the Company’s pledged vessels by type and indicates whether their fair market values, which are estimated by taking an average of two third-party vessel appraisals, are below their carrying values as of December 31, 2019. The carrying value of each of the Company’s vessels does not necessarily represent its fair market value or the amount that could be obtained if the vessel were sold. The Company’s estimates of market values for its vessels assume that the vessels are all in good and seaworthy condition without need for repair and, if inspected, would be certified as being in class without notations. In addition, because vessel values are highly volatile, these estimates may not be indicative of either the current or future prices that the Company could achieve if it were to sell any of the vessels. The Company would not record a loss for any of the vessels for which the fair market value is below its carrying value unless and until the Company either determines to sell the vessel for a loss or determines that the vessel is impaired as discussed below in “Critical Accounting Policies — Vessel Impairment.” The Company believes that the future undiscounted cash flows expected to be earned over the estimated remaining useful lives for those vessels that have experienced declines in market values below their carrying values would exceed such vessels’ carrying values.

Footnotes to the following table exclude those vessels with an estimated market value in excess of their carrying value.

At December 31, 2019	Average Vessel Age (weighted by dwt)	Number of Owned Vessels	Carrying Value
Crude Tankers			
VLCC	8.6	13	$ 792,543
Suezmax	2.4	2	107,331
Aframax	14.1	3	73,167
Panamax	17.2	7	53,958
Total Crude Tankers[(1)]	9.4	25	$ 1,026,999
Product Carriers			
LR2	5.4	1	$ 58,967
LR1	11.0	4	83,956
MR	9.0	4	114,573
Total Product Carriers[(2)]	9.3	9	$ 257,496

(1) As of December 31, 2019, the Crude Tankers segment includes vessels with an aggregate carrying value of $305,866, which the Company believes exceeds their aggregate market value of approximately $253,125 by $52,741.

(2) As of December 31, 2019, the Product Carriers segment includes vessels with an aggregate carrying value of $257,496, which the Company believes exceeds their aggregate market value of approximately $206,500 by $50,996.

Off-Balance Sheet Arrangements

As of December 31, 2019, the FSO Joint Venture had total bank debt outstanding of $139,184, of which $69,592 was nonrecourse to the Company.

The FSO Joint Venture is a party to a number of contracts: (a) the FSO Joint Venture is an obligor pursuant to a guarantee facility agreement dated as of July 14, 2017, by and among, the FSO Joint Venture, ING Belgium NV/SA, as issuing bank, and Euronav and INSW, as guarantors (the ‘‘Guarantee Facility’’); (b) the FSO Joint Venture is party to two service contracts with NOC (the ‘‘NOC Service Contracts’’); and (c) the FSO Joint Venture is a borrower under a $220,000 secured credit facility by and among TI Africa and TI Asia, as joint and several borrowers, ABN AMRO Bank N.V. and ING Belgium SA/NV, as Lenders, Mandated Lead Arrangers and Swap Banks, and ING Bank N.V., as Agent and as Security Trustee. INSW severally guarantees the obligations of the FSO Joint Venture pursuant to the Guarantee Facility.

The FSO Joint Venture drew down on a $220,000 secured credit facility on April 26, 2018 (See Note 6, “Equity Method Investments” to the accompanying consolidated financial statements). The Company provided a guarantee for the $110,000 FSO Term Loan portion of the facility, which has an interest rate of LIBOR plus two percent and amortizes over the remaining terms of the NOC Service Contracts, which expire in July 2022 and September 2022. INSW’s guarantee of the FSO Term Loan has financial covenants that provide (i) INSW’s Liquid Assets shall not be less than the higher of $50,000 and 5% of Total Indebtedness of INSW, (ii) INSW shall have Cash of at least $30,000 and (iii) INSW is in compliance with the Loan to Value Test, as such capitalized terms are defined in the Company guarantee or in the case of the Loan to Value Test, as defined in the credit agreement underlying the Company’s 2017 Debt Facilities (see Note 8, “Debt,” to the accompanying consolidated financial statements). The FSO Joint Venture has entered into floating-to-fixed interest rate swap agreements with the aforementioned Swap Banks, which cover the notional amounts outstanding under the FSO Loan Facility and pay fixed rates of approximately 4.858% and receive a floating rate based on LIBOR. These agreements have an effective date of June 29, 2018, and maturity dates ranging from July to September 2022. As of December 31, 2019, the maximum potential amount of future payments that INSW could be required to make in relation to its equity method investees secured bank debt and interest rate swap obligations was $70,822 and the carrying value of the Company’s guaranty in the accompanying consolidated balance sheet was $264.

See Note 12, “Related Parties,” to the Company’s consolidated financial statements set forth in Item 8, “Financial Statements and Supplementary Data” for additional information.

In addition and pursuant to an agreement between INSW and the trustees of the OSG Ship Management (UK) Ltd. Retirement Benefits Plan (the “Scheme”), INSW guarantees the obligations of INSW Ship Management UK Ltd., a subsidiary of INSW, to make payments to the Scheme. See Note 17, “Pension and other postretirement benefit plans,” to the Company’s consolidated financial statements set forth in Item 8, “Financial Statements and Supplementary Data,” for additional information.

On November 30, 2016, INSW was spun off from OSG as a separate publicly traded company. In connection with the spin-off, INSW and OSG entered into several agreements, including a separation and distribution agreement, an employee matters agreement and a transition services agreement. While most of the obligations under those agreements were subsequently fulfilled, certain provisions (including in particular mutual indemnification provisions under the separation and distribution agreement and the employee matters agreement) continue in force.

Aggregate Contractual Obligations

A summary of the Company’s long-term contractual obligations as of December 31, 2019 follows:

	2020	2021	2022	2023	2024	Beyond 2024	Total
2017 Term Loan - floating rate[1]	$ 68,200	$ 40,707	$ 279,787	$ -	$ -	$ -	$ 388,694
ABN Term Loan - floating rate[2]	4,622	4,438	4,257	13,116	-	-	26,433
Sinosure Credit Facility - floating rate[3]	36,140	35,035	33,897	32,758	31,643	167,517	336,990
8.5% Senior Notes - fixed rate	2,125	2,125	2,125	26,063	-	-	32,438
10.75% Subordinated Notes - fixed rate	3,003	3,631	3,631	29,747	-	-	40,012
Operating lease obligations [4]							
Bareboat Charter-ins	6,295	6,278	6,278	4,532	-	-	23,383
Time Charter-ins	14,084	4,660	-	-	-	-	18,744
Office space	1,166	838	173	178	178	-	2,533
Vessel & vessel betterment commitments[5]	50,234	349	118	-	-	-	50,701
Total	$ 185,869	$ 98,061	$ 330,266	$ 106,394	$ 31,821	$ 167,517	$ 919,928

(1) Amounts shown include contractual interest obligations of floating rate debt estimated based on the applicable margin for the 2017 Term Loan Facility of 6.0% plus the estimated floating rates during the periods. The estimated floating rate through December 31, 2020 is 1.98% (which is both the cap and the floor rate under the Company's interest rate collar for such period) and 1.80% thereafter, which is based on one-month LIBOR as of December 31, 2019 (which falls between the cap and floor rate under the Company's interest rate collar for the period from January 1, 2021 through December 31, 2022).

(2) Amounts shown include contractual interest obligations of floating rate debt estimated based on the aggregate effective three-month LIBOR rate as of December 31, 2019 of 1.89% and applicable margin for the ABN Term Loan facility of 3.25%.

(3) Amounts shown include contractual interest obligations of floating rate debt estimated based on (i) the fixed rate stated in the related floating-to-fixed interest rate swap through the maturity date of March 21, 2025, or (ii) the effective three-month LIBOR rate for periods after the swap maturity date, plus the applicable margin for the Sinosure Credit Facility of 2.00%. The Company is a party to a floating-to-fixed interest rate swap covering the balance outstanding under the Sinosure Credit Facility that effectively converts the Company's interest rate exposure under the Sinosure Credit Facility from a floating rate based on three-month LIBOR to a fixed LIBOR rate of 2.76%.

(4) As of December 31, 2019, the Company had charter-in commitments for six vessels and one workboat employed in the Crude Tankers Lightering business on leases that are accounted for as operating leases. Certain of these leases provide the Company with various renewal and purchase options. The future minimum commitments for time charters-in have been reduced to reflect estimated days that the vessels will not be available for employment due to drydock and any days paid for in advance. Upon adoption of ASU 2016-02 Leases (ASC 842) on January 1, 2019, the full amounts due under bareboat charter-ins, office and other space leases, and lease component of the amounts due under long term time charter-ins are discounted and reflected on the Company's consolidated balance sheet as lease liabilities with corresponding right of use asset balances.

(5) Represents the Company's commitments for the purchase and installation of ballast water treatment systems on 18 vessels, the purchase and installation of scrubbers on 10 of its VLCC tankers, and the acquisition of one 2009-built LR1 which was delivered to the Company during the first quarter of 2020. In addition, the Company is party to an agreement granting INSW the option to purchase an additional ballast water treatment system for installation before December 2020. If exercised, such option could increase the Company's commitments by approximately $2,100.

As described above in Sources, Uses and Management of Capital, on January 28, 2020, the available amounts under the Core Term Loan Facility and the Transition Term Loan Facility were drawn in full, and $20,000 of the $40,000 available under the Core Revolving Facility was also drawn. Those proceeds, together with available cash, were used to repay or repurchase the outstanding principal balances and accrued interest payable under (i) the 2017 Debt Facilities, (ii) the ABN Term Loan Facility, and (iii) the Company's 10.75% subordinated notes due 2023. The following table depicts the principal amortization and estimated interest payable under 2020 Debt Facilities for the next 5 years and beyond:

	2020	2021	2022	2023	2024	Beyond 2024	Total
Core Term Loan - floating rate[a]	$ 40,665	$ 49,192	$ 47,558	$ 45,869	$ 44,255	$ 120,300	$ 347,839
Core Revolving Facility - floating rate[b]	20,154	-	-	-	-	-	20,154
Transition Term Loan - floating rate[c]	22,070	21,204	10,200	-	-	-	53,474
Total	$ 82,889	$ 70,396	$ 57,758	$ 45,869	$ 44,255	$ 120,300	$ 421,467

(a) Amounts shown include contractual interest obligations of floating rate debt estimated based on (i) the applicable margin for the Core Term Loan Facility of 2.60% through August 15, 2020 and 2.40% thereafter, and (ii) the fixed rate stated in the related floating-to-fixed interest rate swap of 1.97% for the $250,000 notional amount covered in the interest rate swap (as described below under Risk Management) and the effective three-month LIBOR rate of 1.80% as of January 28, 2020 for the remaining outstanding balance.

(b) Amounts shown include contractual interest obligations of floating rate debt estimated based on the applicable margin for the Core Revolving Facility of 2.60% plus the effective three-month LIBOR rate of 1.80% as of January 28, 2020, assuming that amounts drawn on January 28, 2020 are repaid March 31, 2020.

(c) Amounts shown include contractual interest obligations of floating rate debt estimated based on the applicable margin for the Transition Term Loan Facility of 3.50% plus the effective three-month LIBOR rate of 1.80% as of January 28, 2020.

RISK MANAGEMENT

Interest rate risk

The Company is exposed to market risk from changes in interest rates, which could impact its results of operations and financial condition. The Company manages this exposure to market risk through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. To manage its interest rate risk in a cost-effective manner, the Company, from time to time, enters into interest rate swap or cap agreements, in which it agrees to exchange various combinations of fixed and variable interest rates based on agreed upon notional amounts or to receive payments if floating interest rates rise above a specified cap rate. The Company uses such derivative financial instruments as risk management tools and not for speculative or trading purposes. In addition, derivative financial instruments are entered into with a diversified group of major financial institutions in order to manage exposure to nonperformance on such instruments by the counterparties.

During 2019, the Company was a party to an interest rate cap agreement ("Interest Rate Cap") with a major financial institution covering a notional amount of $350,000 to limit the floating interest rate exposure associated with the 2017 Term Loan Facility. The Interest Rate Cap had a cap rate of 2.605% through the termination date of December 31, 2020. In July 2019, the Company in a cashless transaction replaced the existing Interest Rate Cap with an interest rate collar agreement ("Interest Rate Collar"), which was composed of an interest rate cap and an interest rate floor. The Interest Rate Collar agreement was designated and qualified as a cash flow hedge and contained no leverage features. The Interest Rate Collar, which continued to cover a notional amount of $350,000, was effective July 31, 2019 and provided for the following rates based on one-month LIBOR:

- Balance of 2019 through December 31, 2020: cap rate of 1.98%, floor rate of 1.98%; and
- December 31, 2020 through December 31, 2022: cap rate of 2.26%, floor rate of 1.25%.

The Company determined that as of September 30, 2019, the outstanding principal on the 2017 Term Loan Facility would fall below the notional amount of the Interest Rate Collar during its term as a result of a $100,000 prepayment made on October 8, 2019 using a substantial portion of the proceeds from the sale of the LNG Joint Venture (See Note 8, "Debt," in the accompanying consolidated financial statements). Accordingly, hedge accounting on the Interest Rate Collar was discontinued as of September 30, 2019 and beginning in October 2019, changes in the mark-to-market valuation of the Interest Rate Collar was no longer deferred through Other Comprehensive Income/(Loss) and amounts previously deferred in Accumulated Other Comprehensive Loss remained so classified until the forecasted interest accrual transactions either affect earnings or become not probable of occurring. Changes in the fair value of the interest rate collar recorded through earnings during the fourth quarter of 2019 totaled an aggregate gain of $923.

In connection with its entry into the Core Term Loan Facility (as discussed above), the Company, in a cashless transaction, converted the $350,000 notional interest rate collar into a $250,000 notional pay-fixed, receive-three-month LIBOR interest rate swap subject to a 0% floor. The term of the new hedging arrangement was extended to coincide with the maturity of the Core Term Loan Facility at a fixed rate of 1.97%. The Company expects to be able to re-designate all or a significant portion of the notional amount of the interest rate swap for cash flow hedge accounting for its remaining term. As of December 31, 2019, the Company released accumulated other comprehensive loss of $469 to earnings as it was probable that the expected notional amount of the re-designated hedge will fall below the notional amount of the Interest Rate Collar.

The Company is also party to a floating-to-fixed interest rate swap agreement with a major financial institution covering the balance outstanding under the Sinosure Credit Facility that effectively converts the Company's interest rate exposure from a floating rate based on three-month LIBOR to a fixed rate through the termination date. The interest rate swap agreement is designated and qualifies as a cash flow hedge and contains no leverage features. In May 2019, the Company extended the maturity date of the interest rate swap from March 21, 2022 to March 21, 2025 and reduced the fixed three-month rate from 2.99% to 2.76%, effective March 21, 2019.

In light of the expected discontinuation of the use of LIBOR after December 31, 2021, the Company performed an assessment of the risks associated with the expected transition to an alternative reference rate and has determined that its primary exposure to LIBOR is in relation to its floating rate debt facilities and the interest rate derivatives to which it is a party. Through a review of the Company's debt agreements and interest rate derivative contracts the Company believes there are adequate provisions within such agreements that provide guidance on how the Company and its counterparties under such agreements will address what happens when LIBOR is no longer available. The Company believes that as the 2021 sunset date draws closer, all parties will have greater clarity on the predominant alternative reference rate in effect that will be used going forward.

Currency and exchange rate risk

The shipping industry's functional currency is the U.S. dollar. All of the Company's revenues and most of its operating costs are in U.S. dollars. The Company incurs certain operating expenses, such as vessel and general and administrative expenses, in currencies other than the U.S. Dollar, and the foreign exchange risk associated with these operating expenses is immaterial. If foreign exchange risk becomes material in the future, the Company may seek to reduce its exposure to fluctuations in foreign exchange rates through the use of short-term currency forward contracts and through the purchase of bulk quantities of currencies at rates that management considers favorable. For contracts which qualify as cash flow hedges for accounting purposes, hedge effectiveness would be assessed based on changes in foreign exchange spot rates with the change in fair value of the effective portions being recorded in accumulated other comprehensive loss.

Fuel price volatility risk

In addition to the Company's current program of installing scrubbers on certain vessels in its fleet, significant consideration continues to be given to other ways of managing the risk of volatility in the price spread between high-sulfur fuel and low-sulfur fuel as well as the risk of limited supply of compliant fuel or HFO along the routes that the Company's vessels typically travel.

INTEREST RATE SENSITIVITY

The following table presents information about the Company's financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents the principal cash flows and related weighted average interest rates by expected maturity dates of the Company's debt obligations.

Principal (Notional) Amount (dollars in millions) by Expected Maturity and Average Interest (Swap) Rate

At December 31, 2019	2020	2021	2022	2023	2024	Beyond 2024	Total	Fair Value at Dec. 31, 2019
Liabilities								
Debt								
Fixed rate debt	$ -	$ -	$ -	$ 52.9	$ -	$ -	$ 52.9	$ 58.8
Average interest rate	9.69%	9.84%	10.87%	10.78%				
Variable rate debt [1]	$ 70.4	$ 45.5	$ 296.8	$ 36.4	$ 23.6	$ 151.8	$ 624.5	$ 626.2
Average interest rate [1]	6.54%	6.45%	5.94%	4.84%	4.83%	4.13%		

(1) Includes amounts outstanding under the Sinosure Credit Facility as floating rate debt estimated based on (i) the fixed rate stated in the related floating-to-fixed interest rate swap through the swap maturity date of March 21, 2025, or (ii) the effective three-month LIBOR rate for periods after the swap maturity date, plus the applicable margin for the Sinosure Credit Facility of 2.00%.

As of December 31, 2019, the Company had secured term loans (the 2017 Term Loan Facility, the Sinosure Credit Facility, and the ABN Term Loan Facility) and a revolving credit facility (2017 Revolver Facility) under which borrowings bear interest at a rate based on LIBOR, plus the applicable margin, as stated in the respective loan agreements. As discussed in Interest rate risk section above, the Company entered into an interest rate collar agreement for 2017 Term Loan and an interest rate swap agreement for Sinosure Credit Facility to limit the floating interest rate exposure associated with the debt facilities. There was no outstanding balance under the 2017 Revolver Facility as of December 31, 2019.

The outstanding balance of the 2017 Term Loan Facility, the ABN Term Loan Facility, and 10.75% Subordinated Notes were paid off following the debt refinance transactions completed on January 28, 2020 (as discussed above). In addition, in connection with its entry into the Core Term Loan Facility, the Company also amended its existing interest rate hedging arrangements in respect of the 2017 Debt Facilities to among other things decrease the notional hedged amount to an amount of $250,000 and extend the term of such hedging arrangement to coincide with the maturity of the Core Term Loan Facility. The following table gives effect of the refinancing transaction on the Company's debt:

Pro forma at December 31, 2019	2020	2021	2022	2023	2024	Beyond 2024	Total
Liabilities							
Debt							
Fixed rate debt	$ -	$ -	$ -	$ 25.0	$ -	$ -	$ 25.0
Average interest rate	8.76%	8.50%	8.50%	8.50%			
Variable rate debt	$ 92.0	$ 81.5	$ 71.5	$ 61.5	$ 61.5	$ 271.8	$ 639.8
Average interest rate	4.91%	4.75%	4.74%	4.73%	4.74%	4.14%	

CRITICAL ACCOUNTING POLICIES

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require the Company to make estimates in the application of its accounting policies based on the best assumptions, judgments, and opinions of management. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application. For a description of all of the Company's material accounting policies, see Note 2, "Summary of Significant Accounting Policies," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Revenue Recognition

The Company recognizes revenue in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* (ASC 606). The standard provides a unified model to determine how revenue is recognized. In doing so, the Company makes judgments including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

As the Company's performance obligations are services which are received and consumed by its customers as it performs such services, revenues are recognized over time proportionate to the days elapsed since the service commencement compared to the total days anticipated to complete the service. The minimum duration of services is less than one year for each of the Company's current contracts.

The Company's contract revenues consist of revenues from time charters, bareboat charters, voyage charters and pool revenues.

Revenues from time charters are accounted for as fixed rate operating leases with an embedded technical management service component and are recognized ratably over the rental periods of such charters. Bareboat charters are also accounted for as fixed rate operating leases and the associated revenue is recognized ratably over the rental periods of such charters.

Voyage charters contain a lease component if the contract (i) specifies a specific vessel asset; and (ii) has terms that allow the charterer to exercise substantive decision-making rights, which have an economic value to the charterer and therefore allow the charterer to direct how and for what purpose the vessel is used. Judgement is required in identifying what constitutes substantive decision-making rights for charterers. The Company believes that a voyage charter that gives a charterer the ability to select between multiple load ports or discharge ports, whether or not is disparate geographic locations, grants the charterer substantive decision making rights. However, conclusions vary between various vessel owners that may result in a different classification and treatment of a similar voyage charter contract as a service contract with a lease component or as a service contract without a lease component. Voyage charter revenues and expenses are recognized ratably over the estimated length of each voyage. For a voyage charter which contains a lease component, revenue and expenses are recognized based on a lease commencement-to-discharge basis and the lease commencement date is the latter of discharge of the previous cargo or voyage charter contract signing. For voyage charters that do not have a lease component, revenue and expenses are recognized based on a load-to-discharge basis. Accordingly, voyage expenses

incurred during a vessel's positioning voyage to a load port in order to serve a customer under a voyage charter not containing a lease are considered costs to fulfill a contract and are deferred and recognized ratably over the load-to-discharge portion of the contract.

Under voyage charters, expenses such as fuel, port charges, canal tolls, cargo handling operations and brokerage commissions are paid by the Company whereas, under time and bareboat charters, such voyage costs are paid by the Company's customers.

For the Company's vessels operating in pools, revenues and voyage expenses are pooled and allocated to each pool's participants on a time charter equivalent ("TCE") basis in accordance with an agreed-upon formula. Accordingly, the Company accounts for its agreements with commercial pools as variable rate operating leases. For the pools in which the Company participates, management monitors, among other things, the relative proportion of the Company's vessels operating in each of the pools to the total number of vessels in each of the respective pools and assesses whether or not the Company's participation interest in each of the pools is sufficiently significant so as to determine that the Company has effective control of the pool.

Demurrage earned during a voyage charter represents variable consideration. The Company estimates demurrage at contract inception using either the expected value or most likely amount approaches. Such estimate is reviewed and updated over the term of the voyage charter contract.

On January 1, 2019, the Company adopted the provisions of ASU 2016-02, *Leases* (ASC 842). This standard provides lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component and, instead, to account for those components as a single component if the non-lease components otherwise would be accounted for under ASC 606 and both of the following conditions are met: (1) the timing and pattern of transfer of the non-lease components and associated lease component are the same; and (2) the lease component, if accounted for separately, would be classified as an operating lease. If lease and non-lease components are aggregated under this practical expedient, a lessor would account for the combined component as follows: if the non-lease components associated with the lease component are the predominant component of the combined component, an entity is required to account for the combined component in accordance with ASC 606 as described above; otherwise, the entity must account for the combined component as an operating lease in accordance with ASC 842.

The Company has elected the lessor practical expedient to aggregate non-lease components with the associated lease components and to account for the combined components as required by the practical expedient since its primary revenue streams described above meet the conditions required to adopt the practical expedient. Furthermore, the Company has performed a qualitative analysis of each of its primary revenue contract types to determine whether the lease component or the non-lease component is the predominant component of the contract. The Company concluded that the lease component is the predominant component for all of its primary revenue contract types as the lessee would ascribe more value to the control and use of the underlying vessel rather than to the technical services to operate the vessel which is an add-on service to the lessee. Accordingly, effective January 1, 2019, the Company's primary revenue streams are accounted for as lease revenue under ASC 842, except for revenue from voyage charters that do not meet the definition of a lease. Such contracts will continue to be accounted for as service revenue in accordance with the provisions of ASC 606.

Under ASC 842, lease revenue for fixed lease payments are recognized over the lease term on a straight-line basis and lease revenue for variable lease payments (e.g., demurrage) are recognized in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. Initial direct costs are expensed over the lease term on the same basis as lease revenue.

Leases

The Company currently has two major categories of operating lease contracts under which the Company is a lessee – chartered-in vessels and leased office and other space. Chartered-in vessels include bareboat charters which have a lease component only and time charters which have both lease and non-lease components. The lease component relates to the cost to a lessee to control the use of the vessel and the non-lease components relate to the cost to the lessee for the lessor to operate the vessel (technical management service components). For time charters-in, the Company has separated non-lease components from lease component and scoped out non-lease components from the application of ASC 842. For leased office and other space, the Company has elected the ASC 842 practical expedient to account for the lease and non-lease components as a single lease component as it is not practical to separate the insignificant non-lease components from the associated lease components for these types of leases. The Company has elected not to apply ASC 842 to its portfolio of short-term leases.

Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement

date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any prepaid lease payments made and excludes accrued lease payments and lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company makes significant judgements and assumptions to estimate its incremental borrowing rate that a lessee would have to pay to borrow on a 100% collateralized basis over a term similar to the lease term and in an amount equal to the lease payments in a similar economic environment. The Company performs the following steps in estimating its incremental borrowing rate: (i) gather observable debt yields of the Company's recently issued debt facilities; and (ii) make adjustments to the yields of the actual debt facilities to reflect changes in collateral level, terms, the risk-free interest rate, and credit ratings. In addition, the Company performs sensitivity analyses to evaluate the impact of selected discount rates on the estimated lease liability.

The Company makes significant judgements and assumptions to separate the lease component from the non-lease component of its time chartered-in vessels. For purposes of determining the standalone selling price of the vessel lease and technical management service components of the Company's time charters, the Company concluded that the residual approach would be the most appropriate method to use given that vessel lease rates are highly variable depending on shipping market conditions, the duration of such charters, and the age of the vessel. The Company believes that the standalone transaction price attributable to the technical management service component is more readily determinable than the price of the lease component and, accordingly, the price of the service component is estimated using observable data (such as fees charged by third-party technical managers) and the residual transaction price is attributed to the vessel lease component.

Vessel Lives and Salvage Values

The carrying value of each of the Company's vessels represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of 25 years (except for FSO service vessels for which estimated useful lives of 30 years are used) from the date such vessel was originally delivered from the shipyard. A vessel's carrying value is reduced to its new cost basis (i.e. its current fair value) if a vessel impairment charge is recorded.

If the estimated economic lives assigned to the Company's vessels prove to be too long because of new regulations, an extended period of weak markets, the broad imposition of age restrictions by the Company's customers, or other future events, it could result in higher depreciation expense and impairment losses in future periods related to a reduction in the useful lives of any affected vessels.

Company management estimates the scrap value of all of its vessels to be $300 per lightweight ton. The Company's assumptions used in the determination of estimated salvage value take into account current scrap prices, the historic pattern of annual average scrap rates over the five years ended December 31, 2019, which ranged from $235 to $440 per lightweight ton, estimated changes in future market demand for scrap steel and estimated future demand for vessels. Scrap prices also fluctuate depending upon type of ship, bunkers on board, spares on board and delivery range. Market conditions that could influence the volume and pricing of scrapping activity in 2020 and beyond include the combined impact of scheduled newbuild deliveries and charter rate expectations for vessels potentially facing age restrictions imposed by oil majors as well as the impact of ballast water treatment systems regulatory requirements or proposals, costs and timing of pending special surveys, which are likely to be expensive for vessels over 15 years of age and IMO 2020 requirements for the use of low-sulfur fuels and other carbon reduction initiatives. These factors will influence owners' decisions to accelerate the disposal of older vessels, especially those with upcoming special surveys.

Although management believes that the assumptions used to determine the scrap rate for its vessels are reasonable and appropriate, such assumptions are highly subjective, in part, because of the cyclicality of the nature of future demand for scrap steel.

Vessel Impairment

The carrying values of the Company's vessels may not represent their fair market value or the amount that could be obtained by selling the vessel at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuildings. Historically, both charter rates and vessel values tend to be cyclical. Management evaluates the carrying amounts of vessels held and used by the Company for impairment only when it determines that it will sell a vessel or when events or changes in circumstances occur that cause management to believe that future cash flows for any individual vessel will be less than its carrying value. In such instances, an impairment charge would be recognized if the estimate of the undiscounted future cash flows

expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount. This assessment is made at the individual vessel level as separately identifiable cash flow information for each vessel is available.

In developing estimates of future cash flows, the Company must make assumptions about future performance, with significant assumptions being related to charter rates, ship operating expenses, utilization, drydocking requirements, residual value and the estimated remaining useful lives of the vessels. These assumptions are based on historical trends as well as future expectations. Specifically, in estimating future charter rates, management takes into consideration rates currently in effect for existing time charters and estimated daily time charter equivalent rates for each vessel class for the unfixed days over the estimated remaining lives of each of the vessels. The estimated daily time charter equivalent rates used for unfixed days are based on a combination of (i) internally forecasted rates that are consistent with forecasts provided to the Company's senior management and Board of Directors, and (ii) the trailing 12-year historical average rates, based on monthly average rates published by a third party maritime research service. The internally forecasted rates are based on management's evaluation of current economic data and trends in the shipping and oil and gas industries. Management uses the published 12-year historical average rates in its assumptions because it is management's belief that the 12-year period captures a distribution of strong and weak charter rate periods, which results in the use of an average mid-cycle rate that is more in line with management's forecast of a return to mid-cycle charter rate levels in the medium term. Recognizing that the transportation of crude oil and petroleum products is cyclical and subject to significant volatility based on factors beyond the Company's control, management believes the use of estimates based on the combination of internally forecasted rates and 12-year historical average rates calculated as of the reporting date to be reasonable.

Estimated outflows for operating expenses and drydocking requirements are based on historical and budgeted costs and are adjusted for assumed inflation. Utilization is based on historical levels achieved and estimates of residual value for recyclings are based upon the pattern of scrap rates used in management's evaluation of salvage value for purposes of recording depreciation. Finally, for vessels that are being considered for disposal before the end of their respective useful lives, the Company utilizes weighted probabilities assigned to the possible outcomes for such vessels being sold or scraped before the end of their respective useful lives.

The determination of fair value is highly judgmental. In estimating the fair value of INSW's vessels for purposes of Step 2 of the impairment tests, the Company considers the market and income approaches by using a combination of third party appraisals and discounted cash flow models prepared by the Company. In preparing the discounted cash flow models, the Company uses a methodology consistent with the methodology discussed above in relation to the undiscounted cash flow models prepared by the Company and discounts the cash flows using its current estimate of INSW's weighted average cost of capital.

The more significant factors that could impact management's assumptions regarding time charter equivalent rates include (i) loss or reduction in business from significant customers, (ii) unanticipated changes in demand for transportation of crude oil and petroleum products, (iii) changes in production of or demand for oil and petroleum products, generally or in particular regions, (iv) greater than anticipated levels of tanker newbuilding orders or lower than anticipated levels of tanker scrappings, and (v) changes in rules and regulations applicable to the tanker industry, including legislation adopted by international organizations such as IMO and the EU or by individual countries. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate at the time they were made, such assumptions are highly subjective and likely to change, possibly materially, in the future.

2019 Impairment Evaluation — Management gave consideration as to whether any events and changes in circumstances existed as of December 31, 2019 that could be viewed as indicators that the carrying amounts of the vessels in the Company's International Flag fleet were not recoverable as of December 31, 2019 and determined there were no such events or changes in circumstances.

2018 Impairment Evaluation — Management gave consideration on a quarterly basis to the following events and changes in circumstances in determining whether there were any indicators that the carrying amounts of the vessels in the Company's fleet were not recoverable. Factors considered included declines in valuations during 2018 for vessels of certain sizes and ages, any negative changes in forecasted near term charter rates, and an increase in the likelihood that the Company will sell certain of its vessels before the end of their estimated useful lives in conjunction with the Company's fleet renewal program. The Company concluded that the increased likelihood of disposal prior to the end of their respective useful lives constituted impairment triggering events for one Panamax and two Aframaxes that were being actively marketed for sale as of June 30, 2018; one VLCC that was held-for-sale as of September 30, 2018; and as of December 31, 2018, one MR that had an increased likelihood of disposal prior to the end of its useful life.

In developing estimates of undiscounted future cash flows for performing Step 1 of the impairment tests as of June 30, 2018, the Company utilized weighted probabilities assigned to possible outcomes for each of the three vessels for which impairment trigger events were determined to exist. The Company entered into a memorandum of agreement for the sale of the Panamax vessel in early

July 2018. Accordingly, a 100% probability was attributed to the vessel being sold before the end of its useful life. As the Company was considering selling the other two vessels as a part of its fleet renewal program, 50% probabilities were assigned to the possibility that the two Aframax vessels would be sold prior to the end of their respective useful lives. In estimating the fair value of the vessels for the purposes of Step 2 of the impairment tests, the Company considered the market approach by using the sales price per the memorandum of agreement. Based on the tests performed, the sum of the undiscounted cash flows for each of the two Aframax vessels was more than its carrying value as of June 30, 2018 and the sum of the undiscounted cash flows for the Panamax vessel was less than its carrying value as of June 30, 2018. Accordingly, an impairment charge totaling $948 was recorded for the Panamax vessel to write-down its carrying value to its estimated fair value at June 30, 2018.

Held-for-sale impairment charges aggregating $16,419 were recorded during the third quarter of 2018 including (i) a charge of $14,226 to write the value of the VLCC held-for-sale at September 30, 2018 down to its estimated fair value; (ii) a charge of $361 for estimated costs to sell the vessel; and (iii) a charge of $1,832 for the write-off of other assets associated with the operations of the vessel. The amount of the charge to write down the vessel to its fair value was determined using the market approach by utilizing the sales price per the memorandum of agreement.

In developing estimates of undiscounted future cash flows for performing Step 1 of the impairment test as of December 31, 2018, the Company utilized weighted probabilities assigned to possible outcomes for the MR for which an impairment triggering event was determined to exist. As the Company was considering selling the MR as a part of its fleet renewal program, a 50% probability was assigned to the possibility that the vessel will be sold prior to the end of its useful life. In estimating the fair value of the vessel for the purposes of Step 2 of the impairment test, the Company considered the market approach by utilizing a combination of third party appraisals and recently executed vessel sale transactions. Based on the tests performed, the sum of the undiscounted cash flows for the vessel was less than its carrying value as of December 31, 2018. Accordingly, an impairment charge totaling $1,670 was recorded to write-down the vessel's carrying value to its estimated fair value at December 31, 2018.

Impairment of Equity Method Investments

When events and circumstances warrant, investments accounted for under the equity method of accounting are evaluated for impairment. If a determination is made that an other-than-temporary impairment exists, the investment should be written down to its fair value in accordance with ASC 820, *Fair Value Measurements and Disclosures*, which establishes a new cost basis.

The Company qualitatively and quantitatively evaluated its equity method investments for the existence of other-than-temporary impairments as of December 31, 2019 and 2018 and determined that such impairments did not exist.

Drydocking

Within the shipping industry, there are two methods that are used to account for dry dockings: (1) capitalize drydocking costs as incurred (deferral method) and amortize such costs over the period to the next scheduled drydocking, and (2) expense drydocking costs as incurred. Since drydocking cycles typically extend over two and a half years or five years, management uses the deferral method because management believes it provides a better matching of revenues and expenses than the expense-as-incurred method.

Pension Benefits

The Company has obligations outstanding under the OSG Ship Management (UK) Ltd. Retirement Benefits Plan (the "Scheme"), a defined benefit pension plan maintained by a subsidiary in the U.K., who is the principal employer of the Scheme. The plan has been closed to new entrants and accrual since June 2014. The Company has recorded pension benefit costs based on valuations developed by its actuarial consultants. These valuations are based on key estimates and assumptions, including those related to the discount rates, the rates expected to be earned on investments of plan assets and the life expectancy/mortality of plan participants. The Company is required to consider market conditions in selecting a discount rate that is representative of the rates of return currently available on high-quality fixed income investments. A higher discount rate would result in a lower benefit obligation and a lower rate would result in a higher benefit obligation. The expected rate of return on plan assets is management's best estimate of expected returns on plan assets. A decrease in the expected rate of return will increase net periodic benefit costs and an increase in the expected rate of return will decrease benefit costs. The mortality assumption is management's best estimate of the expected duration of future benefit payments at the measurement date. The estimate is based on the specific demographics and other relevant facts and circumstances of the Scheme and considers all relevant information available at the measurement date. Longer life expectancies would result in higher benefit obligations and a decrease in life expectancies would result in lower benefit obligations.

In determining the benefit obligations at the end of year measurement date, the Company continues to use an equivalent single weighted-average discount rate, at December 31, 2019 (2.00%) and 2018 (2.80%), respectively. Management believes these rates to be appropriate for ongoing plans with a long duration such as Scheme. The Company also assumed a long-term rate of return on the Scheme assets of 3.89% and 4.46% at December 31, 2019 and 2018, respectively, based on the asset mix as of such dates and management's estimate of the long-term rate of return that could be achieved over the remaining duration of the Scheme.

Newly Issued Accounting Standards

See Note 2, "Summary of Significant Accounting Policies," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations —Risk Management" and "— Interest Rate Sensitivity."

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Years ended December 31, 2019, 2018 and 2017

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31
DOLLARS IN THOUSANDS

	December 31, 2019	December 31, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 89,671	$ 58,313
Voyage receivables, including unbilled of $74,355 and $87,725	83,845	94,623
Other receivables	3,938	5,246
Inventories	3,896	3,066
Prepaid expenses and other current assets	5,994	5,912
Current portion of derivative asset	-	460
Total Current Assets	187,344	167,620
Restricted cash	60,572	59,331
Vessels and other property, less accumulated depreciation	1,292,516	1,330,795
Deferred drydock expenditures, net	23,125	16,773
Operating lease right-of-use assets	33,718	-
Investments in and advances to affiliated companies	153,292	268,322
Long-term derivative asset	-	704
Other assets	2,934	5,056
Total Assets	$ 1,753,501	$ 1,848,601
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 27,554	$ 23,008
Current portion of operating lease liabilities	12,958	-
Current installments of long-term debt	70,350	51,555
Current portion of derivative liability	3,614	707
Total Current Liabilities	114,476	75,270
Long-term operating lease liabilities	17,953	-
Long-term debt	590,745	759,112
Long-term portion of derivative liability	6,545	1,922
Other liabilities	1,489	2,442
Total Liabilities	731,208	838,746
Commitments and contingencies		
Equity:		
Capital - 100,000,000 no par value shares authorized; 29,274,452 and 29,184,501		
shares issued and outstanding	1,313,178	1,309,269
Accumulated deficit	(270,315)	(269,485)
	1,042,863	1,039,784
Accumulated other comprehensive loss	(20,570)	(29,929)
Total Equity	1,022,293	1,009,855
Total Liabilities and Equity	$ 1,753,501	$ 1,848,601

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

	2019	2018	2017
Shipping Revenues:			
Pool revenues, including $165,583, $94,441 and $39,572 from companies accounted for by the equity method	$ 254,055	$ 177,206	$ 177,347
Time and bareboat charter revenues	27,625	25,961	55,106
Voyage charter revenues	84,504	67,194	57,648
	366,184	270,361	290,101
Operating Expenses:			
Voyage expenses	26,265	27,261	15,106
Vessel expenses	123,205	135,003	141,235
Charter hire expenses	57,512	44,910	41,700
Depreciation and amortization	75,653	72,428	78,853
General and administrative	26,798	24,304	24,453
Provision for credit losses	1,245	-	-
Third-party debt modification fees	30	1,306	9,240
Separation and transition costs	-	-	604
Loss on disposal of vessels and other property, including impairments	308	19,680	86,855
Total operating expenses	311,016	324,892	398,046
Income/(loss) from vessel operations	55,168	(54,531)	(107,945)
Equity in income of affiliated companies	11,213	29,432	48,966
Operating income/(loss)	66,381	(25,099)	(58,979)
Other expense	(943)	(3,715)	(5,818)
Income/(loss) before interest expense and income taxes	65,438	(28,814)	(64,797)
Interest expense	(66,267)	(60,231)	(41,247)
Loss before income taxes	(829)	(89,045)	(106,044)
Income tax (provision)/benefit	(1)	105	(44)
Net loss	$ (830)	$ (88,940)	$ (106,088)
Weighted Average Number of Common Shares Outstanding:			
Basic and diluted	29,225,483	29,136,634	29,159,440
Per Share Amounts:			
Basic and diluted net loss per share	(0.03)	(3.05)	(3.64)

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS

	2019	2018	2017
Net loss	$ (830)	$ (88,940)	$ (106,088)
Other Comprehensive Income/(Loss), net of tax:			
Net change in unrealized losses on cash flow hedges	9,788	7,469	11,328
Defined benefit pension and other postretirement benefit plans:			
Net change in unrecognized prior service costs	32	(13)	(31)
Net change in unrecognized actuarial losses	(461)	3,022	563
Other Comprehensive Income, net of tax	9,359	10,478	11,860
Comprehensive Income/(Loss)	$ 8,529	$ (78,462)	$ (94,228)

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS

	2019	2018	2017
Cash Flows from Operating Activities:			
Net loss	$ (830)	$ (88,940)	$ (106,088)
Items included in net loss not affecting cash flows:			
Depreciation and amortization	75,653	72,428	78,853
Loss on write-down of vessels and other assets	-	19,037	88,408
Amortization of debt discount and other deferred financing costs	6,920	6,212	6,423
Deferred financing costs write-off	3,558	2,400	7,020
Stock compensation, non-cash	4,278	3,162	3,808
Earnings of affiliated companies	(30,266)	(29,201)	(49,427)
Release other comprehensive loss upon sale of investment in affiliated companies	21,615	-	-
Change in fair value of interest rate collar recorded through earnings	(923)	-	-
Other – net	1,461	448	131
Items included in net loss related to investing and financing activities:			
Loss/(gain) on disposal of vessels and other assets, net	308	643	(1,553)
Gain on sale of investment in affiliated companies	(3,033)	-	-
Loss on extinguishment of debt	1,100	1,295	-
Cash distributions from affiliated companies	13,855	43,622	21,220
Payments for drydocking	(19,546)	(4,520)	(21,396)
Insurance claims proceeds related to vessel operations	2,179	5,436	1,964
Changes in operating assets and liabilities:			
Decrease/(increase) in receivables	10,778	(36,436)	8,730
Decrease in deferred revenue	(25)	(893)	(4,730)
Net change in inventories, prepaid expenses and other current assets and accounts payable, accrued expense, and other current and long-term liabilities	404	(7,173)	(15,968)
Net cash provided by/(used in) operating activities	87,486	(12,480)	17,395
Cash Flows from Investing Activities:			
Expenditures for vessels and vessel improvements	(36,607)	(148,946)	(173,535)
Proceeds from disposal of vessels and other property	15,767	169,292	18,344
Expenditures for other property	(574)	(1,096)	(406)
Proceeds from sale of investment in affiliated companies	122,755	-	-
Investments in and advances to affiliated companies, net	2,338	3,679	(731)
Repayments of advances from joint venture investees	4,195	100,780	19,530
Net cash provided by/(used in) investing activities	107,874	123,709	(136,798)
Cash Flows from Financing Activities:			
Issuance of debt, net of issuance and deferred financing costs	(100)	70,120	614,933
Payments on debt	(49,911)	(71,610)	(54,983)
Extinguishment of debt	(110,000)	(62,069)	(458,416)
Premium on extinguishment of debt	(2,092)	-	-
Repurchases of common stock	-	-	(3,177)
Cash paid to tax authority upon vesting of stock-based compensation	(369)	(410)	(349)
Other – net	(289)	(222)	-
Net cash (used in)/provided by financing activities	(162,761)	(64,191)	98,008
Net increase/(decrease) in cash, cash equivalents and restricted cash	32,599	47,038	(21,395)
Cash, cash equivalents and restricted cash at beginning of year	117,644	70,606	92,001
Cash, cash equivalents and restricted cash at end of year	$ 150,243	$ 117,644	$ 70,606

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
DOLLARS IN THOUSANDS

	Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance at January 1, 2017	$ 1,306,236	(74,457)	(52,267)	$ 1,179,512
Net loss	-	(106,088)	-	(106,088)
Other comprehensive income	-	-	11,860	11,860
Forfeitures of vested restricted stock awards	(261)	-	-	(261)
Compensation relating to restricted stock awards	841	-	-	841
Compensation relating to restricted stock units awards	2,141	-	-	2,141
Compensation relating to stock option awards	826	-	-	826
Repurchase of common stock	(3,177)	-	-	(3,177)
Balance at December 31, 2017	1,306,606	(180,545)	(40,407)	1,085,654
Net loss	-	(88,940)	-	(88,940)
Other comprehensive income	-	-	10,478	10,478
Forfeitures of vested restricted stock awards	(499)	-	-	(499)
Compensation relating to restricted stock awards	860	-	-	860
Compensation relating to restricted stock units awards	1,412	-	-	1,412
Compensation relating to stock option awards	890	-	-	890
Balance at December 31, 2018	1,309,269	(269,485)	(29,929)	1,009,855
Net loss	-	(830)	-	(830)
Other comprehensive income	-	-	9,359	9,359
Forfeitures of vested restricted stock awards	(369)	-	-	(369)
Compensation relating to restricted stock awards	899	-	-	899
Compensation relating to restricted stock units awards	2,317	-	-	2,317
Compensation relating to stock option awards	1,062	-	-	1,062
Balance at December 31, 2019	$ 1,313,178	$ (270,315)	$ (20,570)	$ 1,022,293

See notes to consolidated financial statements

NOTE 1 — DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION:

Nature of the Business

International Seaways, Inc. ("INSW"), a Marshall Islands corporation, and its wholly owned subsidiaries (the "Company" or "INSW," or "we" or "us" or "our") are engaged primarily in the ocean transportation of crude oil and petroleum products in international markets. The Marshall Islands is the principal flag of registry of the Company's vessels. The Company's business is currently organized into two reportable segments: Crude Tankers and Product Carriers. The crude oil fleet is comprised of most major crude oil vessel classes. The products fleet transports refined petroleum product cargoes from refineries to consuming markets characterized by both long and short-haul routes.

As of December 31, 2019, the Company's operating fleet consisted of 42 vessels, 36 of which were owned (including two Floating Storage and Offloading ("FSO") service vessels in which the Company has joint venture ownership interests), with the remaining vessels chartered-in. The Company's operating fleet list excludes vessels chartered-in where the duration of the charter was one year or less at inception. Subsequent to December 31, 2019, the Company delivered a 2002-built Aframax to its buyer and acquired a 2009-built LR1, which will be deployed into the Panamax International pool by the end of the first quarter of 2020 (see Note 5, "Vessels, Deferred Drydock and Other Property"). Vessels chartered-in may be bareboat charters or time charters. Under either a bareboat charter or time charter, a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. Under a bareboat charter, the customer pays all costs of operating the vessel, including voyage expenses, such as fuel, canal tolls and port charges, and vessel expenses such as crew costs, vessel stores and supplies, lubricating oils, maintenance and repair, insurance and communications associated with operating the vessel. Under a time charter, the customer pays all voyage expenses and the shipowner pays all vessel expenses.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries.
All intercompany balances and transactions within the Company have been eliminated. Investments in 50% or less owned affiliated companies, in which the Company exercises significant influence, are accounted for by the equity method.

Dollar amounts, except per share amounts are in thousands.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. *Cash and cash equivalents* — Interest-bearing deposits that are highly liquid investments and have a maturity of three months or less when purchased are included in cash and cash equivalents. Restricted cash of $60,572 and $59,331 as of December 31, 2019 and December 31, 2018, respectively, represents legally restricted cash relating to the Company's 2017 Term Loan Facility, Sinosure Credit Facility, ABN Term Loan Facility, and 10.75% Subordinated Notes (as defined in Note 8, "Debt"). Such restricted cash reserves are included in the non-current assets section of the consolidated balance sheets.

2. *Concentration of credit risk* — Financial instruments that potentially subject the Company to concentrations of credit risk are voyage receivables due from charterers and pools in which the Company participates. With respect to voyage receivables, the Company limits its credit risk by performing ongoing credit evaluations. The allowance for doubtful accounts reflects our best estimate of probable losses inherent in the voyage receivables balance. We determine the allowance based on troubled accounts, historical experience, and other currently available evidence. Provisions for doubtful accounts associated with operating lease receivables and non-operating lease receivables are included in provision for credit losses on the consolidated statements of operations. Voyage receivables reflected in the consolidated balance sheets as of December 31, 2019 and December 31, 2018 are net of an allowance for doubtful accounts of $1,245 and $0, respectively. The provisions for doubtful accounts for the years ended December 31, 2019, 2018 and 2017 were $1,245, $0 and $0, respectively. During the three years ended December 31, 2019, the Company did not have any individual customers who accounted for 10% or more of its revenues apart from the pools in which it participates. The pools in which the Company participates accounted in aggregate for 88% of consolidated voyage receivables at December 31, 2019 and December 31, 2018.

3. *Inventories* —Inventories, which consists principally of fuel, are stated at cost determined on a first-in, first-out basis.

4. *Vessels, vessel lives, deferred drydocking expenditures and other property* —Vessels are recorded at cost and are depreciated to their estimated salvage value on the straight-line basis over their estimated useful lives, which is generally 25 years. Each vessel's salvage value is equal to the product of its lightweight tonnage and an estimated scrap rate of $300 per ton. The carrying value of each of the Company's vessels represents its original cost at the time it was delivered or purchased less depreciation calculated using estimated useful lives from the date such vessel was originally delivered from the shipyard. A vessel's carrying value is reduced to its new cost basis (i.e., its current fair value) if a vessel impairment charge is recorded.

   Interest costs are capitalized to vessels during the period that vessels are under construction. No interest was capitalized during 2019, 2018 or 2017 since the Company had no vessel under construction.

   Other property, including leasehold improvements, are recorded at cost and amortized on a straight-line basis over the shorter of the terms of the leases or the estimated useful lives of the assets, which range from three to seven years.

   Expenditures incurred during a drydocking are deferred and amortized on the straight-line basis over the period until the next scheduled drydocking, generally two and a half to five years. The Company only includes in deferred drydocking costs those direct costs that are incurred as part of the drydocking to meet regulatory requirements or are expenditures that add economic life to the vessel, increase the vessel's earnings capacity or improve the vessel's efficiency. Direct costs include shipyard costs as well as the costs of placing the vessel in the shipyard. Expenditures for normal maintenance and repairs, whether incurred as part of the drydocking or not, are expensed as incurred.

5. *Impairment of long-lived assets* —The carrying amounts of long-lived assets held and used by the Company are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. In such instances, an impairment charge would be recognized if the estimate of the undiscounted future cash flows expected to result from the use of the asset and its eventual disposition is less than the asset's carrying amount. This assessment is made at the individual vessel level since separately identifiable cash flow information for each vessel is available. The impairment charge, if any, would be measured as the amount by which the carrying amount of a vessel exceeded its fair value. If using an income approach in determining the fair value of a vessel, the Company will consider the discounted cash flows resulting from highest and best use of the vessel asset from a market-participant's perspective. Alternatively, if using a market approach, the Company will obtain third party appraisals of the estimated fair value of the vessel. A long lived asset impairment charge results in a new cost basis being established for the relevant long lived asset. See Note 5, "Vessels, Deferred Drydock and Other Property," for further discussion on the impairment tests performed on certain of our vessels during the three years ended December 31, 2019.

6. *Deferred finance charges* — Finance charges, excluding original issue discount, incurred in the arrangement and/or amendments resulting in the modification of debt are deferred and amortized to interest expense on either an effective interest method or straight-line basis over the life of the related debt. Unamortized deferred finance charges of $274 and $413 relating to the 2017 Revolver Facility are included in other assets in the consolidated balance sheets as of December 31, 2019 and 2018, respectively. Unamortized deferred financing charges of $16,309 and $26,647 relating to the 2017 Term Loan Facility, Sinosure Credit Facility, ABN Term Loan Facility, 8.5% Senior Notes and 10.75% Subordinated Notes are included in long-term debt in the consolidated balance sheets as of December 31, 2019 and 2018, respectively.

   Interest expense relating to the amortization of deferred financing costs amounted to $4,848 in 2019, $3,933 in 2018 and $5,115 in 2017.

7. *Revenue and expense recognition* — The Company recognizes revenue in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* (ASC 606). The standard provides a unified model to determine how revenue is recognized. In doing so, the Company makes judgments including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction

price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

As the Company's performance obligations are services which are received and consumed by its customers as it performs such services, revenues are recognized over time proportionate to the days elapsed since the service commencement compared to the total days anticipated to complete the service. The minimum duration of services is less than one year for each of the Company's current contracts.

The Company's contract revenues consist of revenues from time charters, bareboat charters, voyage charters and pool revenues.

Revenues from time charters are accounted for as fixed rate operating leases with an embedded technical management service component and are recognized ratably over the rental periods of such charters. Bareboat charters are also accounted for as fixed rate operating leases and the associated revenue is recognized ratably over the rental periods of such charters.

Voyage charters contain a lease component if the contract (i) specifies a specific vessel asset; and (ii) has terms that allow the charterer to exercise substantive decision-making rights, which have an economic value to the charterer and therefore allow the charterer to direct how and for what purpose the vessel is used. Voyage charter revenues and expenses are recognized ratably over the estimated length of each voyage. For a voyage charter which contains a lease component, revenue and expenses are recognized based on a lease commencement-to-discharge basis and the lease commencement date is the latter of discharge of the previous cargo or voyage charter contract signing. For voyage charters that do not have a lease component, revenue and expenses are recognized based on a load-to-discharge basis. Accordingly, voyage expenses incurred during a vessel's positioning voyage to a load port in order to serve a customer under a voyage charter not containing a lease are considered costs to fulfill a contract and are deferred and recognized ratably over the load-to-discharge portion of the contract.

Under voyage charters, expenses such as fuel, port charges, canal tolls, cargo handling operations and brokerage commissions are paid by the Company whereas, under time and bareboat charters, such voyage costs are paid by the Company's customers.

For the Company's vessels operating in pools, revenues and voyage expenses are pooled and allocated to each pool's participants on a time charter equivalent ("TCE") basis in accordance with an agreed-upon formula. Accordingly, the Company accounts for its agreements with commercial pools as variable rate operating leases. For the pools in which the Company participates, management monitors, among other things, the relative proportion of the Company's vessels operating in each of the pools to the total number of vessels in each of the respective pools and assesses whether or not the Company's participation interest in each of the pools is sufficiently significant so as to determine that the Company has effective control of the pool.

Demurrage earned during a voyage charter represents variable consideration. The Company estimates demurrage at contract inception using either the expected value or most likely amount approaches. Such estimate is reviewed and updated over the term of the voyage charter contract.

On January 1, 2019, the Company adopted the provisions of ASU 2016-02, *Leases* (ASC 842). This standard provides lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component and, instead, to account for those components as a single component if the non-lease components otherwise would be accounted for under ASC 606 and both of the following conditions are met: (1) the timing and pattern of transfer of the non-lease components and associated lease component are the same; and (2) the lease component, if accounted for separately, would be classified as an operating lease. If lease and non-lease components are aggregated under this practical expedient, a lessor would account for the combined component as follows: if the non-lease components associated with the lease component are the predominant component of the combined component, an entity is required to account for the combined component in accordance with ASC 606 as described above; otherwise, the entity must account for the combined component as an operating lease in accordance with ASC 842.

The Company has elected the lessor practical expedient to aggregate non-lease components with the associated lease components and to account for the combined components as required by the practical expedient since its primary revenue streams described above meet the conditions required to adopt the practical expedient. Furthermore, the Company has performed a qualitative analysis of each of its primary revenue contract types to determine whether the lease component or the non-lease component is the predominant component of the contract. The Company concluded that the lease component is the predominant component for all of its primary revenue contract types as the lessee would ascribe more value to the control and use of the underlying vessel rather than to the technical services to operate the vessel which is an add-on service to the lessee. Accordingly, effective January

1, 2019, the Company's primary revenue streams are accounted for as lease revenue under ASC 842, except for revenue from voyage charters that do not meet the definition of a lease. Such contracts will continue to be accounted for as service revenue in accordance with the provisions of ASC 606.

Under ASC 842, lease revenue for fixed lease payments are recognized over the lease term on a straight-line basis and lease revenue for variable lease payments (e.g., demurrage) are recognized in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. Initial direct costs are expensed over the lease term on the same basis as lease revenue.

See Note 15, "Revenue," for additional disclosures on revenue recognition and the impact of adopting ASC 842 on January 1, 2019.

8. *Leases* — The Company currently has two major categories of lease contracts under which the Company is a lessee – chartered-in vessels and leased office and other space. Chartered-in vessels include bareboat charters which have a lease component only and time charters which have both lease and non-lease components. The lease component relates to the cost to a lessee to control the use of the vessel and the non-lease components relate to the cost to the lessee for the lessor to operate the vessel (technical management service components). For time charters-in, the Company has separated non-lease components from lease component and scoped out non-lease components from the application of ASC 842. For leased office and other space, the Company has elected the ASC 842 practical expedient to account for the lease and non-lease components as a single lease component as it is not practical to separate the insignificant non-lease components from the associated lease components for these types of leases. Further, ASC 842 also allows lessees to elect as an accounting policy not to apply the provisions of ASC 842 to short term leases (i.e., leases with an original term of 12-months or less). Instead, a lessee may recognize the lease payments in profit or loss on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The accounting policy election for short-term leases is required to be made by class of underlying asset to which the right of use relates. The Company has elected not to apply ASC 842 to its portfolio of short-term leases existing on January 1, 2019 (see Note 16, "Leases," for additional information with respect to the Company's short-term leases).

   The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current portion of operating lease liabilities, and long-term operating lease liabilities in the Company's consolidated balance sheets. The Company does not have finance leases.

   ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any prepaid lease payments made and excludes accrued lease payments and lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

   As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company makes significant judgements and assumptions to estimate its incremental borrowing rate that a lessee would have to pay to borrow on a 100% collateralized basis over a term similar to the lease term and in an amount equal to the lease payments in a similar economic environment. The Company performs the following steps in estimating its incremental borrowing rate: (i) gather observable debt yields of the Company's recently issued debt facilities; and (ii) make adjustments to the yields of the actual debt facilities to reflect changes in collateral level, terms, the risk-free interest rate, and credit ratings. In addition, the Company performs sensitivity analyses to evaluate the impact of selected discount rates on the estimated lease liability.

   The Company makes significant judgements and assumptions to separate the lease component from the non-lease component of its time chartered-in vessels. For purposes of determining the standalone selling price of the vessel lease and technical management service components of the Company's time charters, the Company concluded that the residual approach would be the most appropriate method to use given that vessel lease rates are highly variable depending on shipping market conditions, the duration of such charters, and the age of the vessel. The Company believes that the standalone transaction price attributable to the technical management service component is more readily determinable than the price of the lease component and, accordingly, the price of the service component is estimated using observable data (such as fees charged by third-party technical managers) and the residual transaction price is attributed to the vessel lease component.

See discussion above under revenue and expense recognition for the Company's accounting policy on revenues from leases. See Note 16, "Leases," for additional disclosures on leases and the impact of adopting ASC 842 on January 1, 2019.

9. *Derivatives* —ASC 815, *Derivatives and Hedging*, requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not effective hedges must be adjusted to fair value through earnings. If the derivative is an effective hedge, depending on the nature of the hedge, a change in the fair value of the derivative is either recorded to current earnings (fair value hedge), or recognized in other comprehensive income/(loss) and reclassified into earnings in the same period or periods during which the hedge transaction affects earnings (cash flow hedge).

   The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges to forecasted transactions. The Company also formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in the cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not (or has ceased to be) highly effective as a hedge, the Company discontinues hedge accounting prospectively, as discussed below.

   The Company discontinues hedge accounting prospectively when (1) it determines that the derivative is no longer effective in offsetting changes in the cash flows of a hedged item such as forecasted transactions; (2) the derivative expires or is sold, terminated, or exercised; (3) it is no longer probable that the forecasted transaction will occur; or (4) management determines that designating the derivative as a hedging instrument is no longer appropriate or desired.

   When the Company discontinues hedge accounting because it is no longer probable that the forecasted transaction will occur in the originally expected period, the gain or loss on the derivative remains in accumulated other comprehensive income/(loss) and is reclassified into earnings when the forecasted transaction affects earnings. However, if it is probable that a forecasted transaction will not occur by the end of the originally specified time period or within an additional two-month period of time thereafter, the gains and losses that were accumulated in other comprehensive gain/(loss) will be recognized immediately in earnings. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the balance sheet, recognizing changes in the fair value in current-period earnings, unless it is designated in a new hedging relationship.

   Any gain or loss realized upon the early termination of an interest rate cap, collar or swaps is recognized as an adjustment of interest expense over the shorter of the remaining term of the derivative instruments or the hedged debt. See Note 9, "Fair Value of Financial Instruments, Derivatives and Fair Value Disclosures," for additional disclosures on the Company's interest rate cap, collar and swaps and other financial instruments.

10. *Fair value measurements* — We account for certain assets and liabilities at fair value under ASC 820. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price. In addition, the fair value of assets and liabilities should include consideration of non-performance risk, which for the liabilities described below includes the Company's own credit risk. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market:

    Level 1 - Quoted prices in active markets for identical assets or liabilities. Our Level 1 non-derivative assets and liabilities primarily include cash and cash equivalents and the 8.50% Senior Notes.

    Level 2 - Quoted prices for similar assets and liabilities in active markets or model-based valuation techniques for which all significant inputs are observable in the market (where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, etc.). Our Level 2 non-derivative liabilities primarily include the 2017 Term Loan Facility, Sinosure Credit Facility, ABN Term Loan Facility and 10.75% Subordinated Notes. Our Level 2 derivative assets and liabilities primarily include our interest rate cap, collar and swaps.

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

11. *Income taxes* —The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

    Net deferred tax assets are recorded to the extent the Company believes these assets will more likely than not be realized. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes in the period such determination is made.

    Uncertain tax positions are recorded in accordance with ASC 740, *Income Taxes,* on the basis of a two-step process whereby (1) the Company first determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority.

12. *Valuation of equity method investments* — When events and circumstances warrant, investments accounted for under the equity method of accounting are evaluated for impairment. An impairment charge is recorded whenever a decline in fair value of an investment below its carrying amount is determined to be other-than-temporary. Impairment charges related to equity method investments are recorded in equity in income of affiliated companies in the accompanying consolidated statements of operations. See Note 6, "Equity Method Investments," for further discussion of the Company's evaluation of impairment of its equity method investments during the three years ended December 31, 2019.

13. *Use of estimates* —The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, equity, revenues and expenses reported in the financial statements and accompanying notes. The most significant estimates relate to the depreciation of vessels and other property, amortization of drydocking costs, judgements involved in identifying performance obligations in revenue contracts, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation, estimates used in assessing the recoverability of equity method investments and other long-lived assets, liabilities incurred relating to pension benefits, and income taxes. Actual results could differ from those estimates.

14. *Recently adopted accounting standards* — In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842), a standard that requires lessees to increase transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the balance sheet. The requirements of this standard include a significant increase in required disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The FASB has issued several amendments and practical expedients to the standard, including clarifying guidance, transition relief on comparative reporting at adoption, the lessee practical expedient, which allows lessees, as an accounting policy election made by class of underlying asset, to choose not to separate non-lease components from lease components and instead combine the separate lease and non-lease components and account for them as a single lease components, the lessor practical expedient, which allows entities to choose to aggregate non-lease components with the associated lease components and to account for the combined components as required by the practical expedient, a practical expedient, which allows lessees to elect as an accounting policy not to apply the provisions of ASC 842 to short term leases, and codification improvements to clarify that lessees and lessors are exempt from certain interim disclosure requirement associated with adopting the new leases standard. The new standard is effective for us beginning January 1, 2019 and we adopted the standard using the modified retrospective transition approach, which allows the Company to recognize a cumulative effect adjustment to the opening balance of accumulated deficit in the period of adoption rather than restate our comparative prior year periods. Based on our analysis, the cumulative effect adjustment to the opening balance of accumulated deficit is zero because (i) we do not have any unamortized initial direct costs as of January 1, 2019 that need to be written off; (ii) we do not have any deferred gain or loss from our previous sale and operating leaseback transactions that need to be recognized; and (iii) the timing and pattern of revenue recognition under our revenue contracts that have lease and non-lease components is the same and even if accounted for separately, the lease component of such contracts would be considered operating leases. We elected certain available practical expedients and

implemented internal controls and key system functionality to enable the preparation of financial information on adoption. See Note 15, “Revenue” and Note 16, “Leases,” for further information and the impact of adopting ASC 842 on January 1, 2019.

In August 2018, the SEC issued a final rule that amends certain of its disclosure requirements. The amendments are intended to facilitate the disclosure of information to investors and simplify compliance without significantly changing the information provided to investors. The amendments require registrants to include a reconciliation of changes in stockholders’ equity in their interim financial statements. As a result, registrants will have to provide the reconciliation for both the year-to-date and quarterly periods as well as comparable periods in Form 10-Q, but only for the year-to-date periods in registration statements. While the amendments adopted in August 2018 are effective on November 5, 2018, the SEC staff issued a Compliance and Disclosure Interpretation (C&DI) that provides an extended transition period for companies to comply with the requirement to provide a reconciliation of changes in stockholders’ equity in their interim financial statements, allowing a registrant to not comply with that requirement until the Form 10-Q for the quarter that begins after November 5, 2018. Accordingly, the Company began providing the new interim reconciliations of shareholders’ equity required by the rule in the Form 10-Q for the three months ended March 31, 2019.

15. *Recently issued accounting standards* — In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit losses* (ASC 326), which amends the guidance on the impairment of financial instruments. The standard adds an impairment model known as the current expected credit loss (“CECL”) model that is based on expected losses rather than incurred losses. Under the new guidance, an entity is required to recognize as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses. Unlike the incurred loss models under existing standards, the CECL model does not specify a threshold for the recognition of an impairment allowance. Rather, an entity will recognize its estimate of expected credit losses for financial assets as of the end of the reporting period. Credit impairment will be recognized as an allowance or contra-asset rather than as a direct write-down of the amortized cost basis of a financial asset. However, the carrying amount of a financial asset that is deemed uncollectible will be written off in a manner consistent with existing standards. In addition, for financial guarantees in the scope of ASC 326, entities must measure the expected credit losses arising from the contingent aspect under the CECL model in addition to recognizing the liability for the noncontingent aspect of the guarantee under ASC 460, *Guarantees*. A standalone liability representing the amount that it expects to pay on the guarantee related to expected credit losses is required for the contingent aspect. Financial assets measured at fair value through net income are scoped out of CECL. The ASU requires a cumulative-effect adjustment to the retained earnings as of the beginning of the first reporting period in which the guidance is effective. Periods prior to the adoption date that are presented for comparative purposes are not to be adjusted. In November 2018, the FASB issued ASU 2018-19, *Financial Instruments – Credit losses* (ASC 326), which clarifies that operating lease receivables are not within the scope of ASC 326 and should instead be accounted for under the new leasing standard, ASC 842. The standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2019 and early adoption is permitted. We are in the process of evaluating financial assets on our balance sheet for potential credit losses under the CECL model, including assessing changes that might be necessary to information technology systems, processes and internal controls to capture new data and address changes in financial reporting. Most of our voyage receivables are operating lease receivables, which are not in the scope of ASC 326. Upon adoption of ASC 326, management expects that based on our current portfolio of financial assets, we will recognize an immaterial cumulative-effect increase to the accumulated deficit as of January 1, 2020 due to (i) an increase in our allowance for doubtful accounts; and (ii) the recognition of guarantee liabilities associated with the contingent aspect of our current financial guarantee obligations.

In August 2018, the FASB issued ASU 2018-14, *Defined Benefit Plans* (ASC 715), which amends ASC 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. ASU 2018-14 adds requirements for an entity to disclose the following: (1) the weighted average interest crediting rates used in the entity’s cash balance pension plans and other similar plans; (2) a narrative description of the reasons for significant gains and losses affecting the benefit obligation for the period; and (3) an explanation of any other significant changes in the benefit obligation or plan assets that are not otherwise apparent in the other disclosures required by ASC 715. Further, the ASU removes guidance that requires the following disclosures: (1) the amounts in accumulated other comprehensive income expected to be recognized as part of net periodic benefit cost over the next year; (2) information about plan assets to be returned to the entity, including amounts and expected timing; (3) information about benefits covered by related-party insurance and annuity contracts and significant transactions between the plan and related parties; and (4) effects of a one-percentage-point change in the assumed health care costs and the effect of this change in rates on service cost, interest cost, and the benefit obligation for postretirement health care benefits. The standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2020 and early adoption is permitted. Management does not expect the adoption of this accounting standard to have a material impact on the Company’s consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement* (ASC 820), which changes the fair value measurement disclosure requirements. The new disclosure requirements are: (1) changes in unrealized gains or losses included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period; and (2) the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements. The eliminated disclosure requirements are: (1) transfers between Level 1 and Level 2 of the fair value hierarchy; and (2) policies related to valuation processes and the timing of transfers between levels of the fair value hierarchy. Under ASU 2018-13, entities are no longer required to estimate and disclose the timing of liquidity events for investments measured at fair value. Instead, the requirement to disclose such events applies only when they have been communicated to the reporting entities by the investees or announced publicly. The standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2019 and early adoption is permitted. Management does not expect the adoption of this accounting standard to have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40) - Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* ("ASU 2018-15"), which aligns the accounting for implementation costs incurred in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software, in order to determine the applicable costs to capitalize and the applicable costs to expense as incurred. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. The standard can be applied either prospectively to implementation costs incurred after the date of adoption or retrospectively to all arrangements. The Company intends to adopt ASU 2018-15 using the prospective approach and the adoption is not expected to have a material impact on the Company's consolidated financial statements.

NOTE 3 — EARNINGS PER COMMON SHARE:

Basic earnings per common share is computed by dividing earnings, after the deduction of dividends and undistributed earnings allocated to participating securities, by the weighted average number of common shares outstanding during the period.

The computation of diluted earnings per share assumes the issuance of common stock for all potentially dilutive stock options and restricted stock units not classified as participating securities. Participating securities are defined by ASC 260, *Earnings Per Share,* as unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents and are included in the computation of earnings per share pursuant to the two-class method.

There were 48,014, 42,449 and 35,876 weighted average shares of unvested restricted common stock shares considered to be participating securities for the years ended December 31, 2019, 2018 and 2017, respectively. Such participating securities are allocated a portion of income, but not losses under the two-class method. As of December 31, 2019, there were 276,430 shares of restricted stock units and 538,632 stock options outstanding considered to be potentially dilutive securities.

The components of the calculation of basic and diluted earnings per share are as follows:

	2019	2018	2017
Net loss	$ (830)	$ (88,940)	$ (106,088)
Weighted average common shares outstanding:			
Basic	29,225,483	29,136,634	29,159,440
Diluted	29,225,483	29,136,634	29,159,440

Reconciliations of the numerator of the basic and diluted earnings per share computations are as follows:

	2019	2018	2017
Net loss allocated to:			
Common Stockholders	$ (830)	$ (88,940)	$ (106,088)
Participating securities	-	-	-
	$ (830)	$ (88,940)	$ (106,088)

There were no dilutive equity awards outstanding for the years ended December 31, 2019, 2018 and 2017. Awards of 746,616, 523,544 and 397,833 for the years ended December 31, 2019, 2018 and 2017, respectively, were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive.

NOTE 4 — BUSINESS AND SEGMENT REPORTING:

The Company is engaged primarily in the ocean transportation of crude oil and petroleum products in the international market through the ownership and operation of a diversified fleet of vessels. The shipping industry has many distinct market segments based, in large part, on the size and design configuration of vessels required and, in some cases, on the flag of registry. Rates in each market segment are determined by a variety of factors affecting the supply and demand for vessels to move cargoes in the trades for which they are suited. Tankers are not bound to specific ports or schedules and therefore can respond to market opportunities by moving between trades and geographical areas. The Company charters its vessels to commercial shippers and foreign governments and governmental agencies primarily on voyage charters and on time charters.

The Company has two reportable segments: Crude Tankers and Product Carriers. The joint ventures with two floating storage and offloading service vessels are included in the Crude Tankers Segment. The joint venture with four LNG Carriers is included in Other. Adjusted income/(loss) from vessel operations for segment reporting is defined as income/(loss) from vessel operations before general and administrative expenses, provision for credit losses, third-party debt modification fees, separation and transition costs and loss on disposal of vessels and other property, including impairments. The accounting policies followed by the reportable segments are the same as those followed in the preparation of the Company's consolidated financial statements.

Information about the Company's reportable segments as of and for each of the years in the three-year period ended December 31, 2019 follows:

	Crude Tankers	Product Carriers	Other	Totals
2019				
Shipping revenues	$ 285,356	$ 80,828	$ -	$ 366,184
Time charter equivalent revenues	259,517	80,402	-	339,919
Depreciation and amortization	59,387	16,152	114	75,653
Loss on disposal of vessels and other property	82	226	-	308
Adjusted income/(loss) from vessel operations	71,344	12,319	(114)	83,549
Equity in income/(loss) of affiliated companies	19,383	-	(8,170)	11,213
Investments in and advances to affiliated companies at December 31, 2019	143,095	10,197	-	153,292
Adjusted total assets at December 31, 2019	1,284,631	313,063	-	1,597,694
Expenditures for vessels and vessel improvements	33,384	3,223	-	36,607
Payments for drydockings	16,997	2,549	-	19,546
2018				
Shipping revenues	$ 202,396	$ 67,965	$ -	$ 270,361
Time charter equivalent revenues	175,524	67,576	-	243,100
Depreciation and amortization	54,431	17,862	135	72,428
Loss/(gain) on disposal of vessels and other property, including impairments	22,992	(3,312)	-	19,680
Adjusted income/(loss) from vessel operations	2,194	(12,002)	567	(9,241)
Equity in income of affiliated companies	19,582	-	9,850	29,432
Investments in and advances to affiliated companies at December 31, 2018	143,789	12,321	112,212	268,322
Adjusted total assets at December 31, 2018	1,285,433	328,792	112,212	1,726,437
Expenditures for vessels and vessel improvements	146,322	2,624	-	148,946
Payments for drydockings	4,121	399	-	4,520
2017				
Shipping revenues	$ 192,426	$ 97,675	$ -	$ 290,101
Time charter equivalent revenues	178,812	96,183	-	274,995
Depreciation and amortization	56,302	22,418	133	78,853
Loss on disposal of vessels and other property, including impairments	85,625	1,230	-	86,855
Adjusted income/(loss) from vessel operations	21,623	(8,385)	(31)	13,207
Equity in income of affiliated companies	34,577	-	14,389	48,966
Investments in and advances to affiliated companies at December 31, 2017	260,884	15,612	102,398	378,894
Adjusted total assets at December 31, 2017	1,104,714	382,905	102,025	1,589,644
Expenditures for vessels and vessel improvements	172,164	1,371	-	173,535
Payments for drydockings	17,606	3,790	-	21,396

Reconciliations of time charter equivalent revenues of the segments to shipping revenues as reported in the consolidated statements of operations follow:

	2019	2018	2017
Time charter equivalent revenues	$ 339,919	$ 243,100	$ 274,995
Add: Voyage expenses	26,265	27,261	15,106
Shipping revenues	$ 366,184	$ 270,361	$ 290,101

Consistent with general practice in the shipping industry, the Company uses time charter equivalent revenues, which represents shipping revenues less voyage expenses, as a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. Time charter equivalent revenues, a non-GAAP measure, provides additional meaningful information in conjunction with shipping revenues, the most directly comparable GAAP measure, because it assists Company management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance.

Reconciliations of adjusted income/(loss) from vessel operations of the segments to loss before income taxes, as reported in the consolidated statements of operations follow:

	2019	2018	2017
Total adjusted income/(loss) from vessel operations of all segments	$ 83,549	$ (9,241)	$ 13,207
General and administrative expenses	(26,798)	(24,304)	(24,453)
Provision for credit losses	(1,245)	-	-
Third-party debt modification fees	(30)	(1,306)	(9,240)
Separation and transition costs	-	-	(604)
Loss on disposal of vessels and other property, including impairments	(308)	(19,680)	(86,855)
Consolidated income/(loss) from vessel operations	55,168	(54,531)	(107,945)
Equity in income of affiliated companies	11,213	29,432	48,966
Other expense	(943)	(3,715)	(5,818)
Interest expense	(66,267)	(60,231)	(41,247)
Loss before income taxes	$ (829)	$ (89,045)	$ (106,044)

Reconciliations of total assets of the segments to amounts included in the consolidated balance sheets follow:

	December 31, 2019	December 31, 2018
Total assets of all segments	$ 1,597,694	$ 1,726,437
Corporate unrestricted cash and cash equivalents	89,671	58,313
Restricted cash	60,572	59,331
Other unallocated amounts	5,564	4,520
Consolidated total assets	$ 1,753,501	$ 1,848,601

Certain additional information about the Company's operations for each of the years in the three year period ended December 31, 2019 follows:

	Crude Tankers	Product Carriers	Other	Consolidated
Total vessels, deferred drydock and other property at December 31, 2019	$ 1,051,848	$ 263,651	$ 142	$ 1,315,641
Total vessels, deferred drydock and other property at December 31, 2018	1,057,994	289,317	257	1,347,568
Total vessels, deferred drydock and other property at December 31, 2017	800,362	339,627	374	1,140,363

NOTE 5 — VESSELS, DEFERRED DRYDOCK AND OTHER PROPERTY:

Vessels and other property, excluding vessel held for sale, consist of the following:

	December 31, 2019	December 31, 2018
Vessels, at cost	$ 1,650,670	$ 1,629,647
Accumulated depreciation	(361,088)	(301,885)
Vessels, net	1,289,582	1,327,762
Other property, at cost	6,714	8,199
Accumulated depreciation and amortization	(3,780)	(5,166)
Other property, net	2,934	3,033
Total Vessels and other property	$ 1,292,516	$ 1,330,795

All of the Company's vessels are pledged as collateral under either the 2017 Term Loan Facility, Sinosure Credit Facility, or ABN Term Loan Facility (see Note 8, "Debt"). The aggregate carrying value of the 27 vessels pledged as collateral under the 2017 Term Loan Facility, the six vessels pledged as collateral under Sinosure Credit Facility, and the vessel pledged as collateral under the ABN

Term Loan Facility at December 31, 2019 was $799,732, $433,865, and $52,774, respectively. A breakdown of the carrying value of the Company's owned vessels by reportable segment and fleet as of December 31, 2019 and 2018 follows:

As of December 31, 2019	Cost	Accumulated Depreciation	Net Carrying Value	Average Vessel Age (by dwt)	Number of Owned Vessels
Crude Tankers					
VLCC	$ 1,028,760	$ (236,217)	$ 792,543	8.6	13
Suezmax	117,338	(10,007)	107,331	2.4	2
Aframax[1]	96,038	(19,659)	76,379	14.1	3
Panamax	59,181	(5,223)	53,958	17.2	7
Total Crude Tankers	1,301,317	(271,106)	1,030,211 [2]	9.4	25
Product Carriers					
LR2	73,681	(14,714)	58,967	5.4	1
LR1 [4]	108,251	(22,420)	85,831	11.0	4
MR	167,421	(52,848)	114,573	9.0	4
Total Product Carriers	349,353	(89,982)	259,371 [3]	9.3	9
Fleet Total	$ 1,650,670	$ (361,088)	$ 1,289,582	9.4	34

(1) Net carrying value includes assets capitalized on two bareboat chartered-in Aframaxes.

(2) Includes four VLCCs, one Aframax, and one Panamax with an aggregate carrying value of $305,866, which the Company believes exceeds their aggregate market values (estimated by taking an average of two third party vessel appraisals) of approximately $253,125 by $52,741.

(3) Includes one LR2, four LR1s and four MRs with an aggregate carrying value of $257,496, which the Company believes exceeds their aggregate market values (estimated by taking an average of two third party vessel appraisals) of approximately $206,500 by $50,996.

(4) Includes a deposit of $1,875 made pursuant to a memorandum of agreement entered into for the acquisition of a 2009-built LR1, which was delivered during the first quarter of 2020.

As of December 31, 2018	Cost	Accumulated Depreciation	Net Carrying Value	Average Vessel Age (by dwt)	Number of Owned Vessels
Crude Tankers					
VLCC (includes ULCC)	$ 998,038	$ (200,706)	$ 797,332	7.6	13
Suezmax	117,339	(5,914)	111,425	1.4	2
Aframax	95,116	(15,445)	79,671	13.1	3
Panamax	56,357	(2,447)	53,910	16.2	7
Total Crude Tankers	1,266,850	(224,512)	1,042,338	8.4	25
Product Carriers					
LR2	73,681	(12,009)	61,672	4.4	1
LR1	106,376	(17,772)	88,604	10.0	4
MR	182,740	(47,592)	135,148	10.0	6
Total Product Carriers	362,797	(77,373)	285,424	9.1	11
Fleet Total	$ 1,629,647	$ (301,885)	$ 1,327,762	8.5	36

Vessel activity for the three years ended December 31, 2019 is summarized as follows:

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance at January 1, 2017	$ 1,478,940	$ (381,449)	$ 1,097,491
Purchases and vessel additions	174,108	-	
Disposals and transfer to held for sale	(23,266)	2,232	
Depreciation	-	(59,883)	
Impairment	(225,422)	137,013	
Balance at December 31, 2017	1,404,360	(302,087)	1,102,273
Purchases and vessel additions	459,608	-	
Disposals	(176,300)	16,097	
Depreciation	-	(56,711)	
Impairment	(58,021)	40,816	
Balance at December 31, 2018	1,629,647	(301,885)	1,327,762
Purchases and vessel additions	38,138	-	
Disposals	(17,115)	1,105	
Depreciation	-	(60,308)	
Balance at December 31, 2019	$ 1,650,670	$ (361,088)	$ 1,289,582

The total of purchases and vessel additions will differ from expenditures for vessels as shown in the consolidated statements of cash flows because of the timing of when payments were made.

Vessel Impairments

The Company gave consideration as to whether events or changes in circumstances had occurred since December 31, 2018 that could indicate that the carrying amounts of the vessels in the Company's fleet may not be recoverable as of December 31, 2019 and concluded that there were no such events or changes in circumstances.

During the year ended December 31, 2018, the Company gave consideration on a quarterly basis as to whether events or changes in circumstances had occurred since December 31, 2017 that could indicate that the carrying amounts of the vessels in the Company's fleet may not be recoverable. Factors considered included declines in valuations during 2018 for vessels of certain sizes and ages, any negative changes in forecasted near term charter rates, and an increase in the likelihood that the Company will sell certain of its vessels before the end of their estimated useful lives in conjunction with the Company's fleet renewal program. The Company concluded that the increased likelihood of disposal prior to the end of their respective useful lives constituted impairment triggering events for one Panamax and two Aframaxes that were being actively marketed for sale as of June 30, 2018; one VLCC that was held-for-sale as of September 30, 2018; and as of December 31, 2018, one MR that had an increased likelihood of disposal prior to the end of its useful life.

In developing estimates of undiscounted future cash flows for performing Step 1 of the impairment tests as of June 30, 2018, the Company utilized weighted probabilities assigned to possible outcomes for each of the three vessels for which impairment trigger events were determined to exist. The Company entered into a memorandum of agreement for the sale of the Panamax vessel in early July 2018. Accordingly, a 100% probability was attributed to the vessel being sold before the end of its useful life. As the Company is considering selling the other two vessels as a part of its fleet renewal program, 50% probabilities were assigned to the possibility that the two Aframax vessels would be sold prior to the end of their respective useful lives. In estimating the fair value of the vessels for the purposes of Step 2 of the impairment tests, the Company considered the market approach by using the sales price per the memorandum of agreement. Based on the tests performed, the sum of the undiscounted cash flows for each of the two Aframax vessels was more than its carrying value as of June 30, 2018 and the sum of the undiscounted cash flows for the Panamax vessel was less than its carrying value as of June 30, 2018. Accordingly, an impairment charge totaling $948 was recorded for the Panamax vessel to write-down its carrying value to its estimated fair value at June 30, 2018.

Held-for-sale impairment charges aggregating $16,419 were recorded during the third quarter of 2018 including (i) a charge of $14,226 to write the value of the VLCC held-for-sale at September 30, 2018 down to its estimated fair value; (ii) a charge of $361 for estimated costs to sell the vessel; and (iii) a charge of $1,832 for the write-off of other assets associated with the operations of the vessel. The amount of the charge to write down the vessel to its fair value was determined using the market approach by utilizing the sales price per the memorandum of agreement.

In developing estimates of undiscounted future cash flows for performing Step 1 of the impairment test as of December 31, 2018, the Company utilized weighted probabilities assigned to possible outcomes for the MR for which an impairment triggering event was

determined to exist. As the Company was considering selling the MR as a part of its fleet renewal program, a 50% probability was assigned to the possibility that the vessel would be sold prior to the end of its useful life. In estimating the fair value of the vessel for the purposes of Step 2 of the impairment test, the Company considered the market approach by utilizing a combination of third party appraisals and recently executed vessel sale transactions. Based on the tests performed, the sum of the undiscounted cash flows for the vessel was less than its carrying value as of December 31, 2018. Accordingly, an impairment charge totaling $1,670 was recorded to write-down the vessel's carrying value to its estimated fair value at December 31, 2018.

The Company gave consideration as to whether events or changes in circumstances had occurred since December 31, 2016 that could indicate that the carrying amounts of the vessels in the Company's fleet may not be recoverable as of December 31, 2017. Factors considered included declines in valuations during 2017 for vessels of certain sizes and ages, any negative changes in forecasted near term charter rates, and an increase in the likelihood that the Company would sell certain of its vessels before the end of their estimated useful lives in conjunction with the Company's fleet renewal program. The Company concluded that the above indicators constituted impairment trigger events for eighteen vessels (one ULCC, one VLCC, six Aframaxes, eight Panamaxes and two LR1s) as of December 31, 2017 and three vessels (one Panamax and two MRs) as of September 30, 2017.

In developing estimates of undiscounted future cash flows for performing Step 1 of the impairment tests, the Company utilized weighted probabilities assigned to possible outcomes for the vessels that the Company was considering to sell or recycle before the end of their respective useful lives in conjunction with the Company's fleet renewal program. The Company made assumptions about future performance, with significant assumptions being related to charter rates, ship operating expenses, utilization, drydocking requirements, residual value and the estimated remaining useful lives of the vessels. These assumptions are based on historical trends as well as future expectations. The estimated daily time charter equivalent rates used for unfixed days were based on a combination of (i) internally forecasted rates that are consistent with forecasts provided to the Company's senior management and Board of Directors, and (ii) the trailing 12-year historical average rates, based on monthly average rates published by a third party maritime research service. The internally forecasted rates were based on management's evaluation of current economic data and trends in the shipping and oil and gas industries. Management used the published 12-year historical average rates in its assumptions because it is management's belief that the 12-year period captures an even distribution of strong and weak charter rate periods, which results in the use of an average mid-cycle rate that is in line with management's forecast of a return to mid-cycle charter rate levels in the medium term. Recognizing that the transportation of crude oil and petroleum products is cyclical and subject to significant volatility based on factors beyond the Company's control, management believes the use of estimates based on the combination of internally forecasted rates and 12-year historical average rates calculated as of the reporting date to be reasonable.

Estimated outflows for operating expenses and drydocking requirements are based on historical and budgeted costs and are adjusted for assumed inflation. Utilization was based on historical levels achieved and estimates of a residual value for recyclings are based upon published 12-year historical data or the pattern of scrap rates used in management's evaluation of salvage value for purposes of recording depreciation.

In estimating the fair value of the vessels for the purposes of Step 2 of the impairment tests, the Company considered the market and income approaches by using a combination of third party appraisals, current recycling market data, and discounted cash flow models prepared by the Company. In preparing the discounted cash flow models, the Company used a methodology consistent with that described above and discounted the cash flows using its current estimate of INSW's weighted average cost of capital. Based on the tests performed, impairment charges totaling $81,062 and $7,346 were recorded on twelve vessels (one ULCC, one VLCC, four Aframaxes and six Panamaxes) at December 31, 2017 and three vessels (one Panamax and two MRs) as of September 30, 2017, respectively to write-down their carrying values to their estimated fair values.

Vessel Acquisitions and Deliveries

In December 2019, the Company entered into a memorandum of agreement for the acquisition of a 2009-built LR1 for a purchase price of $18,750, which was delivered during the first quarter of 2020. The Company made a deposit of $1,875 as of December 31, 2019.

On June 14, 2018, the Company completed its acquisition of six 300,000 DWT VLCCs including one 2015-built and five 2016-built. The Company purchased the outstanding shares of Gener8 Maritime Subsidiary VII, Inc., which has been renamed Seaways Subsidiary VII, Inc., a corporation incorporated under the laws of the Marshall Islands and the sole owner of six limited liability companies each of which holds title to a VLCC tanker. The acquisition was completed pursuant to the terms of the Stock Purchase and Sale Agreement dated as of April 18, 2018, by and among Seaways Holding Corporation, a corporation incorporated under the laws of

the Marshall Islands and a wholly-owned subsidiary of the Company, Euronav NV ("Euronav"), a corporation incorporated and existing under the laws of the Kingdom of Belgium, and Euronav MI II Inc. (as successor to Euronav MI Inc.), a corporation incorporated under the laws of the Marshall Islands and a wholly-owned subsidiary of Euronav. In accordance with ASC 2017-01, Business Combinations (Topic 805), this acquisition did not constitute the acquisition of a business, and therefore was accounted for as an asset acquisition. The purchase price for the acquisition was $434,000, inclusive of assumed debt secured by the six vessels (see Note 8, “Debt”). On June 14, 2018, the Company paid to Euronav cash consideration of approximately $120,025, with the difference reflecting assumed debt and accrued interest thereon through the acquisition date. The balance payable to Euronav for the other assets and liabilities of Gener8 Maritime Subsidiary VII, Inc. acquired was determined to be $20,935 and was paid to Euronav in October 2018.

During 2017, the Company acquired two 2017-built Suezmax tankers for an aggregate price of $116,000, which were delivered in July 2017, and one 2010-built VLCC tanker for a price of $53,000, which was delivered in November 2017.

Vessel Sales

During 2019, the Company recognized a net aggregate loss of $291 on disposal of two 2004-built MRs. During the last quarter of 2019, the Company entered into memorandums of agreements to sell a 2002-built Aframax and a 2001-built Aframax for delivery to buyers prior to April 2020. The 2002-built Aframax was delivered to its buyer in January 2020. The Company expects to recognize an aggregate gain on both sales.

During 2018, the Company recognized a net aggregate gain on disposal of vessels and other property of $643, primarily relating to (i) the sale of a 2002-built MR which was held-for-sale as of December 31, 2017; (ii) the sale of three 2004-built MRs, a 1998-built MR, a 2000-built VLCC, a 2001-built VLCC, two 2001-built Aframaxes, and a 2002-built Panamax; (iii) the sale and leaseback of two 2009-built Aframaxes, and (iv) the sale of a 2003-built ULCC in conjunction with the acquisition of the six VLCCs discussed above.

During 2017, the Company recognized an aggregate gain on disposal of vessels of $1,594 relating to the sale of a 2001-built MR and a 2004-built MR. During the last quarter of 2017, the Company entered into memorandums of agreement for the sale of a 2002-built MR and a 2004-built MR, which were delivered to buyers during the first quarter of 2018. The 2002-built MR had been classified as vessel held for sale as of December 31, 2017. The Company recognized gains on such sales in 2018.

Drydocking activity for the three years ended December 31, 2019 is summarized as follows:

	2019	2018	2017
Balance at January 1	$ 16,773	$ 30,528	$ 30,557
Additions	21,086	5,616	19,205
Sub-total	37,859	36,144	49,762
Drydock amortization	(14,685)	(15,084)	(18,367)
Amount charged to loss on disposal of vessels	(49)	(4,287)	(867)
Balance at December 31	$ 23,125	$ 16,773	$ 30,528

NOTE 6 — EQUITY METHOD INVESTMENTS:

Investments in affiliated companies include joint ventures accounted for using the equity method. As of December 31, 2019, the Company had an approximate 50% interest in two joint ventures. The two joint ventures converted two ULCCs to Floating Storage and Offloading Service vessels (collectively the “FSO Joint Venture”).

FSO Joint Venture

The Company has a 50% interest in this joint venture. The FSO Joint Venture financed the purchase of the two ULCCs from each of Euronav NV and INSW and their conversion costs through partner loans and a long-term bank financing, which was secured by, among other things, the service contracts with Maersk Oil Qatar AS and the FSOs themselves. In July 2017, the FSO Joint Venture repaid the principal balance outstanding on the bank financing facility, using cash on hand.

In May 2017, the FSO Joint Venture signed two five-year service contracts with North Oil Company (“NOC”), the new operator of the Al Shaheen oil field, off the coast of Qatar, relating to the two FSO service vessels. The shareholders of NOC are Qatar Petroleum

Oil & Gas Limited and Total E&P Golfe Limited. Such contracts commenced during the third quarter of 2017 at the expiry of the previous contracts with Maersk Oil Qatar AS.

On March 29, 2018, the FSO Joint Venture executed an agreement on a $220,000 secured credit facility (the "FSO Loan Agreement"). The FSO Loan Agreement is among TI Africa and TI Asia, as joint and several borrowers, ABN AMRO Bank N.V. and ING Belgium SA/NV, as Lenders, Mandated Lead Arrangers and Swap Banks, and ING Bank N.V., as Agent and as Security Trustee. The FSO Loan Agreement provides for (i) a term loan of $110,000 (the "FSO Term Loan"), which is repayable in scheduled quarterly installments over the course of the two service contracts for the FSO Asia and FSO Africa with North Oil Company; maturing in July 2022 and September 2022, respectively; and (ii) a revolving credit facility of $110,000 (the "FSO Revolver"), which revolving credit commitment reduces quarterly over the course of the foregoing two service contracts. The FSO Joint Venture drew down and distributed the entire $110,000 of proceeds of the FSO Term Loan on April 26, 2018 to INSW, which has guaranteed the FSO Term Loan and which has used the proceeds for general corporate purposes, including to fund partially the purchase of six VLCCs (See Note 5, "Vessels, Deferred Drydock and Other Property"). The FSO Joint Venture also borrowed the entire $110,000 available under the FSO Revolver and distributed the proceeds on April 26, 2018 to Euronav, which has guaranteed the FSO Revolver. The FSO Term Loan and the FSO Revolver are secured by, among other things, a first preferred vessel mortgage on the FSO Africa and FSO Asia, an assignment of the service contracts for the FSO Africa and FSO Asia and the aforementioned guarantees of the FSO Term Loan by INSW and the guarantee of the FSO Revolver by Euronav. The FSO Loan Agreement has a financial covenant that the Debt Service Cover Ratio (as defined in the agreement) shall be equal to or greater than 1.10 to 1.00. Approximately $69,592 and $93,033 was outstanding under the FSO Term Loan as of December 31, 2019 and 2018, respectively. The FSO Joint Venture has agreed to pay a commitment fee ("FSO Commitment Fee") of 0.7% on any undrawn amount under the FSO Revolver. INSW has agreed to pay Euronav an amount equal to the first 0.3% of the 0.7% FSO Commitment Fee and, to the extent the FSO Revolver is fully drawn, to pay Euronav an amount equal to the first 0.3% of the amount of loan interest payable under the FSO Revolver.

Interest payable on the FSO Term Loan and on the FSO Revolver is based on three month, six month or twelve month LIBOR, as selected by the FSO Joint Venture, plus a 2.00% margin. The FSO Joint Venture has entered into swap transactions which fix the interest rate on the FSO Loan Agreement at a blended rate of approximately 4.858% per annum, effective as of June 29, 2018. The interest rate swap covers a notional amount of $139,184 and $186,066 as of December 31, 2019 and 2018, respectively. As of December 31, 2019 and 2018, the FSO Joint Venture had a liability of $2,447 and $1,008, respectivelty, for the fair value of the swaps associated with the FSO Joint Venture. The Company's share of the effective portion of such amounts, aggregating a loss of $1,224 and $504 at December 31, 2019 and 2018, respectively, is included in accumulated other comprehensive loss in the accompanying consolidated balance sheets.

As of December 31, 2019 the maximum aggregate potential amount of future principal payments (undiscounted) relating to the FSO Joint Venture's secured bank debt and interest rate swap obligations that INSW could be required to make was $70,822, and the carrying value of the Company's guaranty of such FSO Joint Venture obligations in the accompanying consolidated balance sheet as of December 31, 2019 was $264.

The FSO Joint Venture is party to a number of contracts to which INSW serves as guarantor. See Note 12, "Related Parties," for additional information relating to guarantees.

LNG Joint Venture

In November 2004, the Company formed a joint venture with Qatar Gas Transport Company Limited (Nakilat) ("QGTC") whereby companies in which the Company holds a 49.9% interest ordered four 216,200 cbm LNG Carriers. Upon delivery in late 2007 and early 2008, these vessels commenced 25-year time charters to Qatar Liquefied Gas Company Limited (2) (''LNG Charterer''). QGTC subsequently contributed its ownership interests in the joint venture to its wholly owned subsidiary, Nakilat Marine Services Ltd. The aggregate construction cost for such newbuildings was financed by the joint venture through long-term bank financing that is nonrecourse to the partners and partner contributions.

The joint venture has entered into floating-to-fixed interest rate swaps with a group of major financial institutions pursuant to which it pays fixed rates of approximately 4.9% and receives a floating rate based on LIBOR. The interest rate swap agreements have maturity dates ranging from July to November 2022 and cover notional amounts aggregating $532,746 at December 31, 2018. These swaps were being accounted for as cash flow hedges. As of December 31, 2018, the joint venture had recorded a liability of $37,687 for the fair value of these swaps. The Company's share of the effective portion of the fair value of these swaps, $18,713 at December 31, 2018, was included in accumulated other comprehensive loss in the accompanying consolidated balance sheet as of December 31, 2018.

On October 7, 2019, the Company sold its 49.9% ownership interest in the LNG Joint Venture with Nakilat to Nakilat pursuant to a share purchase agreement. The purchase price for the transaction was $123,000, excluding fees and expenses. The share purchase agreement contains specified representations, warranties, covenants and indemnification provisions of the parties customary for transactions of this type. In addition, in connection with the transaction, various other agreements governing the LNG Joint Venture and the LNG Joint Venture's relationships with its counterparties were also amended to reflect the change in ownership and related matters. The Company recorded a cash gain on the sale of $3,033 and reclassified the Company's share of the unrealized losses associated with the interest rate swaps held by the LNG Joint Venture of $21,615 into earnings from Accumulated Other Comprehensive Loss.

Impairment of Equity Method Investments

Management gave consideration as to whether events or changes in circumstances had occurred since December 31, 2016, 2017, and 2018 respectively, that could indicate that the carrying amounts of its investments in the FSO Joint Venture and LNG Joint Venture were not recoverable as of December 31, 2017, 2018, and 2019, respectively. Management concluded that no such events or changes in circumstances had occurred during the years ended December 31, 2017 and 2018. During the year ended December 31, 2019, the LNG Joint Venture was sold by the Company for an amount in excess of its carrying value, and as of December 31, 2019, the Company qualitatively and quantitatively evaluated its investment in the FSO Joint Venture and determined that an other-than-temporary impairment did not exist.

The FSO Joint Venture has had preliminary discussions with NOC regarding the employment of its FSO vessels subsequent to the expiry of their current contracts in 2022. The Company will monitor such discussions for evidence of an other-than-temporary decline in the fair value of the Company's investment in the FSO Joint Venture below its carrying value.

Financial Information of Significant Equity Method Investments

Investments in and advances to affiliated companies as reflected in the accompanying consolidated balance sheet as of December 31, 2019 consisted of: FSO Joint Venture of $137,083 and Other of $16,209 (which primarily relates to working capital deposits that the Company maintains for commercial pools in which it participates).

Financial information for the equity method investees that were significant for the three years ended December 31, 2019, including the results of the LNG Joint Venture for the period January 1, 2019 through October 6, 2019, adjusted for basis and accounting policy differences, is as follows:

For the year ended December 31, 2019	FSO Asia	FSO Africa	LNG	Others	Total
Shipping revenues	$ 52,757	$ 52,866	$ 87,823	$ -	$ 193,446
Ship operating expenses	(29,919)	(29,727)	(43,853)	-	(103,499)
Income from vessel operations	22,838	23,139	43,970	-	89,947
Other income	146	148	1,165	-	1,459
Interest expense	(4,482)	(4,633)	(23,637)	-	(32,752)
Income tax provision	(1,692)	(1,707)	-	-	(3,399)
Net income	16,810	16,947	21,498	-	55,255
Percentage of ownership in equity investees	50.0%	50.0%	49.9%		
Equity in income of affiliated companies, before consolidating and reconciling adjustments	$ 8,405	$ 8,474	$ 10,727	$ 109	$ 27,715
Gain on sale of investment in affiliated companies	-	-	3,033	-	3,033
Release other comprehensive loss upon sale of investment in affiliated companies	-	-	(21,615)	-	(21,615)
Amortization on deferred gain on 2009 sale of TI Africa to FSO Joint Venture	1,196	1,199	-	-	2,395
Amortization of interest capitalized during construction of LNG vessels	-	-	(320)	-	(320)
Other	-	-	5	-	5
Equity in income/(loss) of affiliated companies	$ 9,601	$ 9,673	$ (8,170)	$ 109	$ 11,213

For the year ended December 31, 2018	FSO Asia	FSO Africa	LNG	Others	Total
Shipping revenues	$ 49,323	$ 49,130	$ 111,118	-	$ 209,571
Ship operating expenses	(26,970)	(26,928)	(58,643)	-	(112,541)
Income from vessel operations	22,353	22,202	52,475	-	97,030
Other income	154	164	1,176	-	1,494
Interest expense	(3,732)	(3,856)	(33,088)	-	(40,676)
Income tax provision	(1,730)	(1,703)	-	-	(3,433)
Net income	17,045	16,807	20,563	-	54,415
Percentage of ownership in equity investees	50.0%	50.0%	49.9%		
Equity in income of affiliated companies, before consolidating and reconciling adjustments	$ 8,523	$ 8,404	$ 10,260	262	$ 27,449
Amortization on deferred gain on 2009 sale of TI Africa to FSO Joint Venture	1,196	1,199	-	-	2,395
Amortization of interest capitalized during construction of LNG vessels	-	-	(419)	-	(419)
Other	-	-	7	-	7
Equity in income of affiliated companies	$ 9,719	$ 9,603	$ 9,848	$ 262	$ 29,432

For the year ended December 31, 2017	FSO Asia	FSO Africa	LNG	Others	Total
Shipping revenues	$ 58,245	$ 61,250	$ 115,421	-	$ 234,916
Ship operating expenses	(26,476)	(26,278)	(53,474)	-	(106,228)
Income from vessel operations	31,769	34,972	61,947	-	128,688
Other income	199	181	3,117	-	3,497
Interest expense	(1,342)	(83)	(35,406)	-	(36,831)
Income tax (provision)/benefit	(2,824)	938	-	-	(1,886)
Net income	27,802	36,008	29,658	-	93,468
Percentage of ownership in equity investees	50.0%	50.0%	49.9%		
Equity in income of affiliated companies, before consolidating and reconciling adjustments	$ 13,901	$ 18,004	$ 14,799	406	$ 47,110
Amortization on deferred gain on 2009 sale of TI Africa to FSO Joint Venture	1,149	1,152	-	-	2,301
Amortization of interest capitalized during construction of LNG vessels	-	-	(419)	-	(419)
Other	-	(33)	7	-	(26)
Equity in income of affiliated companies	$ 15,050	$ 19,123	$ 14,387	$ 406	$ 48,966

The tables below present the financial position for the equity method investees that were significant and a reconciliation of the Company's share of the joint ventures' total equity to the investments in and advances to affiliates line on the consolidated balance sheets as of December 31, 2019 and 2018:

As of December 31, 2019	FSO Asia	FSO Africa	LNG	Other [1]	Total
Cash and cash equivalents	$ 917	$ 1,701	$ -	$ -	$ 2,618
Trade receivables	8,891	8,915	-	-	17,806
Other receivables	192	192	-	-	384
Total current assets	10,000	10,808	-	-	20,808
Vessels less accumulated depreciation	259,583	264,219	-	-	523,802
Total Assets	$ 269,583	$ 275,027	$ -	$ -	$ 544,610
Accounts payable and accrued expenses	$ 757	$ 858	$ -	$ -	$ 1,615
Income tax payable	1,965	-	-	-	1,965
Current portion of long term debt	23,968	24,856	-	-	48,824
Current portion of derivative liability	673	697	-	-	1,370
Total current liabilities	27,363	26,411	-	-	53,774
Long-term debt	43,927	45,567	-	-	89,494
Long-term derivative liability	520	557	-	-	1,077
Deferred tax liabilities	4,679	1,992	-	-	6,671
Advances from shareholders [2]	-	46,431	-	-	46,431
Total Liabilities	76,489	120,958	-	-	197,447
Equity	193,094	154,069	-	-	347,163
Total Liabilities and Equity	$ 269,583	$ 275,027	$ -	$ -	$ 544,610
Percentage of ownership in equity investees	50.0%	50.0%			
INSW share of affiliate's equity, before consolidating and reconciling adjustments	$ 96,547	$ 77,034	$ -	$ -	$ 173,581
Impairment of equity method investments	(15,977)	(14,498)	-	-	(30,475)
Advances from shareholders of FSO Joint Venture [2]	-	23,216	-	-	23,216
Unamortized deferred gain on 2009 sale of TI Africa to FSO Joint Venture, net	(14,578)	(14,925)	-	-	(29,503)
INSW guarantee for FSO Term Loan	109	155	-	-	264
Other [1]	-	-	-	16,209	16,209
Investments in and advances to affiliated companies	$ 66,101	$ 70,982	$ -	$ 16,209	$ 153,292

As of December 31, 2018	FSO Asia	FSO Africa	LNG	Other [1]	Total
Cash and cash equivalents	$ 2,561	$ 484	$ 17,380	$ -	$ 20,425
Restricted cash, current portion	-	-	11,853	-	11,853
Trade receivables	8,290	8,289	144	-	16,723
Other receivables	305	302	3,915	-	4,522
Inventory	-	-	2,245	-	2,245
Total current assets	11,156	9,075	35,537	-	55,768
Restricted cash, long term portion	-	-	45,247	-	45,247
Trade receivables	11,239	-	-	-	11,239
Vessels less accumulated depreciation	276,329	281,244	706,902	-	1,264,475
Deferred drydock expenditures, net	-	-	16,378	-	16,378
Other assets	2,084	1,928	-	-	4,012
Total Assets	$ 300,808	$ 292,247	$ 804,064	$ -	$ 1,397,119
Accounts payable and accrued expenses	$ 530	$ 380	$ 12,270	$ -	$ 13,180
Current portion of long term debt	23,015	23,867	46,691	-	93,573
Current portion of derivative liability	148	149	11,273	-	11,570
Total current liabilities	23,693	24,396	70,234	-	118,323
Long-term debt	68,327	70,857	502,223	-	641,407
Long-term derivative liability	342	369	26,413	-	27,124
Deferred tax liabilities	5,861	1,852	-	-	7,713
Advances from shareholders [2]	-	57,331	-	-	57,331
Total Liabilities	98,223	154,805	598,870	-	851,898
Equity	202,585	137,441	205,195	-	545,221
Total Liabilities and Equity	$ 300,808	$ 292,246	$ 804,065	$ -	$ 1,397,119
Percentage of ownership in equity investees	50.0%	50.0%	49.9%		
INSW share of affiliate's equity, before consolidating and reconciling adjustments	$ 101,293	$ 68,720	$ 102,392	$ -	$ 272,405
Impairment of equity method investments	(15,977)	(14,498)	-	-	(30,475)
Advances from shareholders of FSO Joint Venture	-	28,666	-	-	28,666
Unamortized deferred gain on 2009 sale of TI Africa to FSO Joint Venture, net	(15,769)	(16,120)	-	-	(31,889)
Unamortized interest capitalized during construction of LNG vessels	-	-	9,856	-	9,856
INSW guarantee for FSO Term Loan	292	381	-	-	673
Other	-	-	(36)	19,122	19,086
Investments in and advances to affiliated companies	$ 69,839	$ 67,149	$ 112,212	$ 19,122	$ 268,322

(1) Primarily relates to working capital deposits that the Company maintains with the commercial pools in which it participates.
(2) Such advances are unsecured, interest free and not repayable within one year.

The tables below present the cash flows for the equity method investees that were significant in 2019 for each of the three years ended December 31, 2019:

FSO Asia	2019	2018	2017
Net cash provided by operating activities	$ 46,572	$ 34,545	$ 47,220
Cash flows from financing activities:			
Proceeds from bank loan	-	108,000	-
Repayment of bank loan	(23,016)	(16,658)	(75,343)
Repayment of advances from shareholders	-	(125,294)	(6,500)
Cash dividends paid	(25,200)	-	-
Net cash used in financing activities	(48,216)	(33,952)	(81,843)
Net (decrease)/increase in cash and cash equivalents	(1,644)	593	(34,623)
Cash and cash equivalents at beginning of year	2,561	1,968	36,591
Cash and cash equivalents at end of year	$ 917	$ 2,561	$ 1,968

FSO Africa	2019	2018	2017
Net cash provided by operating activities	$ 35,984	$ 44,597	$ 52,134
Cash flows from financing activities:			
Proceeds from bank loan	-	112,000	-
Repayment of bank loan	(23,867)	(17,275)	-
Repayment of advances from shareholders	(10,900)	(142,900)	(75,000)
Net cash used in financing activities	(34,767)	(48,175)	(75,000)
Net increase/(decrease) in cash and cash equivalents	1,217	(3,578)	(22,866)
Cash, cash equivalents and restricted cash at beginning of year	484	4,062	26,928
Cash, cash equivalents and restricted cash at end of year	$ 1,701	$ 484	$ 4,062

LNG	2019[3]	2018	2017
Net cash provided by operating activities	$ 43,475	$ 57,375	$ 37,191
Cash flow from investing activities:			
Expenditures for vessels and vessel improvements	(334)	(496)	-
Net cash used in investing activities	(334)	(496)	-
Cash flows from financing activities:			
Principal repayments on debt	(34,830)	(44,124)	(41,698)
Cash dividends paid	-	(20,650)	-
Net cash used in financing activities	(34,830)	(64,774)	(41,698)
Net increase/(decrease) in cash and cash equivalents	8,311	(7,895)	(4,507)
Cash, cash equivalents and restricted cash at beginning of the period	74,480	82,375	86,882
Cash, cash equivalents and restricted cash at end of the period	$ 82,791	$ 74,480	$ 82,375

(3) For the period from January 1, 2019 through October 6, 2019.

See Note 9, “Fair Value of Financial Instruments, Derivatives and Fair Value Disclosures,” and Note 14, “Accumulated Other Comprehensive Loss,” for additional disclosures relating to the FSO and LNG joint venture interest rate swap agreements.

NOTE 7 —VARIABLE INTEREST ENTITIES (“VIEs”):

At December 31, 2019, the Company participates in six commercial pools and two joint ventures. Commercial pools operate a large number of vessels as an integrated transportation system, which offers customers greater flexibility and a higher level of service while achieving scheduling efficiencies. Participants in the commercial pools contribute one or more vessels and generally provide an initial contribution towards the working capital of the pool at the time they enter their vessels. The pools finance their operations primarily through the earnings that they generate.

INSW enters into joint ventures to take advantage of commercial opportunities. In each joint venture, the INSW entities have the same relative rights and obligations and financial risks and rewards as its partners. INSW evaluated all nine arrangements to determine if they were variable interest entities (“VIEs”). INSW determined that one of the pools and the two joint ventures met the criteria of a VIE and, therefore, INSW reviewed its participation in these VIEs to determine if it was the primary beneficiary of any of them.

INSW reviewed the legal documents that govern the creation and management of the VIEs described above and also analyzed its involvement to determine if INSW was a primary beneficiary in any of these VIEs. A VIE for which INSW is determined to be the primary beneficiary is required to be consolidated in its financial statements.

The formation agreements for the commercial pool state that the board of the pool has decision making power over their significant decisions. In addition, all such decisions must be approved unanimously by the board. Since INSW shares power to make all significant economic decisions that affect the pool and does not control a majority of the board, INSW is not considered a primary beneficiary of the pool.

The FSO joint ventures described in Note 6, “Equity Method Investments,” were determined to be VIEs. The formation agreements of the joint ventures state that all significant decisions must be approved by the majority of the board. As a result, INSW shares power to make all significant economic decisions that affect this joint venture and does not control a majority of the board and is not considered a primary beneficiary. Accordingly, INSW accounts for these investments under the equity method of accounting.

The joint ventures’ formation agreements require INSW and its joint venture partner to provide financial support as needed. INSW has provided and will continue to provide such support as described in Note 6, “Equity Method Investments.”

The following table presents the carrying amounts of assets and liabilities in the consolidated balance sheets related to the VIEs described above as of December 31, 2019 and 2018:

Consolidated Balance Sheet as of December 31,	2019	2018
Investments in Affiliated Companies	$ 140,915	$ 139,359

In accordance with accounting guidance, the Company evaluated its maximum exposure to loss related to these VIEs by assuming a complete loss of the Company’s investment in these VIEs and the Company’s potential obligations under its guarantee of the FSO Term Loan and associated interest rate swap. The table below compares the Company’s liability in the consolidated balance sheet to the maximum exposure to loss at December 31, 2019:

	Consolidated Balance Sheet	Maximum Exposure to Loss
Other Liabilities	$ 264	$ 211,738

In addition, as of December 31, 2019, the Company had approximately $20,756 of trade receivables from the pool that was determined to be a VIE. These trade receivables, which are included in voyage receivables in the accompanying consolidated balance sheet, have been excluded from the above tables and the calculation of INSW’s maximum exposure to loss. The Company does not record the maximum exposure to loss as a liability because it does not believe that such a loss is probable of occurring as of December 31, 2019.

NOTE 8 —DEBT:

Debt consists of the following:

	December 31, 2019	December 31, 2018
2017 Term Loan Facility, due 2022, net of unamortized discount and deferred finance costs of $11,211 and $20,032	$ 320,309	$ 444,344
ABN Term Loan Facility, due 2023, net of unamortized deferred finance costs of $610 and $845	22,638	25,879
Sinosure Credit Facility, due 2027-2028, net of unamortized deferred finance costs of $2,262 and $2,664	267,443	290,620
8.5% Senior Notes, due 2023, net of unamortized deferred finance costs of $1,142 and $1,402	23,858	23,598
10.75% Subordinated Notes, due 2023, net of unamortized deferred finance costs of $1,084 and $1,705	26,847	26,226
	661,095	810,667
Less current portion	(70,350)	(51,555)
Long-term portion	$ 590,745	$ 759,112

On January 28, 2020, except for the Sinosure Credit Facility and the 8.5% Senior Notes, the outstanding principal on all of the Company's other debt facilities listed above were paid off or repurchased and the underlying credit agreements or Indentures were terminated in accordance with their respective terms in conjunction with the Company closing on the 2020 Debt Facilities, described below.

Capitalized terms used hereafter have the meaning given in these consolidated financial statements or in the respective transaction documents referred to below, including subsequent amendments thereto.

2020 Debt Facilities

On January 23, 2020, International Seaways, Inc., International Seaways Operating Corporation (the "Borrower") and certain of their subsidiaries entered into a credit agreement (the "Credit Agreement") comprising $390,000 of secured debt facilities (the "2020 Debt Facilities") with Nordea Bank Abp, New York Branch ("Nordea"), ABN AMRO Capital USA LLC ("ABN"), Crédit Agricole Corporate & Investment Bank, DNB Capital LLC and Skandinaviska Enskilda Banken AB (PUBL), or their respective affilates, as mandated lead arrangers and bookrunners, and BNP Paribas and Danish Ship Finance A/S, as lead arrangers. Nordea is acting as administrative agent, collateral agent and security trustee under the Credit Agreement, and ABN is acting as sustainability coordinator.

The 2020 Debt Facilities consist of (i) a five-year senior secured term loan facility in an aggregate principal amount of $300,000 (the "Core Term Loan Facility"); (ii) a five-year revolving credit facility in an aggregate principal amount of $40,000 (the "Core Revolving Facility"); and (iii) a senior secured term loan credit facility with a maturity date of June 30, 2022 in an aggregate principal amount of $50,000 (the "Transition Term Loan Facility"). The Core Term Loan Facility contains an uncommitted accordion feature whereby, for a period of up to 18 months following the closing date, the amount of the loan thereunder may be increased up to an additional $100,000 for the acquisition of Additional Vessels, subject to certain conditions.

The Core Term Loan Facility and the Core Revolving Facility are secured by a first lien on 14 of the Company's vessels built in 2009 or later (the "Core Collateral Vessels"), along with their earnings, insurances and certain other assets, while the Transition Term Loan Facility is secured by a first lien on 12 of the Company's vessels built in 2006 or earlier (the "Transition Collateral Vessels"), along with their earnings, insurances and certain other assets. In addition, both facilities are secured by liens on the collateral relating to the other facilities, as well as certain additional assets of the Borrower.

On January 28, 2020, the available amounts under the Core Term Loan Facility and the Transition Term Loan Facility were drawn in full, and $20,000 of the $40,000 available under the Core Revolving Facility was also drawn. Those proceeds, together with available cash, were used to (i) repay the $331,519 outstanding principal balance under the 2017 Debt Facilities, (ii) repay the $23,248 outstanding principal balance under the ABN Term Loan Facility, (iii) repurchase the $27,931 outstanding principal amount of the Company's 10.75% subordinated notes due 2023 issued pursuant to an indenture dated June 13, 2018 with GLAS Trust Company LLC, as trustee, as amended, and (iv) pay certain expenses related to the refinancing, including certain structuring and arrangement fees, commitment, legal and administrative fees.

The Core Term Loan Facility amortizes in 19 quarterly installments of approximately $9,476 commencing June 30, 2020 and matures on January 23, 2025, with a balloon payment of approximately $120,000 due at maturity. The Core Revolving Facility also matures on

January 23, 2025. The Transition Term Loan Facility amortizes in 10 quarterly installments of $5,000 commencing March 31, 2020 and matures on June 30, 2022. The maturity dates for the 2020 Debt Facilities are subject to acceleration upon the occurrence of certain events (as described in the Credit Agreement).

Interest on the Core Term Loan Facility and the Core Revolving Facility (together, the “Core Facilities”) is calculated based upon LIBOR plus the Applicable Core Margin (each as defined in the Credit Agreement). The initial Applicable Core Margin of 2.60%, will be adjusted down or up by 0.20% based on the Company’s total leverage ratio, with a leverage ratio of less than 4.0:1 reducing the Applicable Core Margin to 2.40% and a leverage ratio of 6.0:1 or greater increasing the Applicable Core Margin to 2.80%. Borrowings under the Transition Term Loan Facility bear interest at LIBOR plus 3.50% (subject to increase to 4.00% after 18 months if 40% or more of the Transition Term Loan Facility remains outstanding).

The Core Facilities also include a sustainability-linked pricing mechanism. The adjustment in pricing will be linked to the carbon efficiency of the INSW fleet as it relates to reductions in CO2 emissions year-over-year, such that it aligns with the International Maritime Organization’s 50% industry reduction target in GHG emissions by 2050. This key performance indicator is to be calculated in a manner consistent with the de-carbonization trajectory outlined in the Poseidon Principles, the global framework by which financial institutions can assess the climate alignment of their ship finance portfolios relative to established de-carbonization trajectories. The Company will be required to deliver a sustainability certificate commencing with the year ending December 31, 2021. If the fleet sustainability score in respect of the relevant year is lower than the fleet sustainability score for the prior year, the Applicable Core Margin will be decreased by 0.025% per annum, while if the score is higher than that of the previous year, the Applicable Core Margin will be increased by that same amount (but in no case will any such adjustment result in the Applicable Core Margin being increased or decreased from the otherwise-applicable Applicable Core Margin by more than 0.025% per annum in the aggregate).

The 2020 Debt Facilities contain customary representations, warranties, restrictions and covenants applicable to the Company, the Borrower and the subsidiary guarantors (and in certain cases, other subsidiaries), including financial covenants that require the Company (i) to maintain a minimum liquidity level of the greater of $50,000 and 5% of the Company’s Consolidated Indebtedness; (ii) to ensure the Company’s and its consolidated subsidiaries’ Maximum Leverage Ratio will not exceed 0.60 to 1.00 at any time; (iii) to ensure that Current Assets exceeds Current Liabilities (which is defined to exclude the current potion of Consolidated Indebtedness); (iv) to ensure the aggregate Fair Market Value of the Core Collateral Vessels will not be less than 135% of the aggregate outstanding principal amount of the Core Term Loans and Revolving Loans and the aggregate Fair Market Value of the Transition Collateral Vessels will not be less than 175% of the aggregate outstanding principal amount of the Transition Term Loans, respectively; and (v) to ensure the ratio of Consolidated EBITDA to Consolidated Cash Interest Expense will not be lower than (A) 2.25:1.00, for the period ending on June 30, 2020 and (B) 2.50:1.00 at all times thereafter.

Sinosure Credit Facility

In June 2018, as part of the acquisition of the six VLCCs, the Company financed the acquisition price of $434,000 with the assumption of debt secured by the six vessels under a China Export & Credit Insurance Corporation ("Sinosure") credit facility funded by The Export-Import Bank of China, Bank of China (New York Branch) and Citibank, N.A. The Company acceded as a guarantor to the Sinosure Credit Facility agreement originally dated November 30, 2015; as supplemented by a supplemental agreement dated December 28, 2015; as amended and restated by an amending and restating deed dated June 29, 2016; as supplemented by a supplemental agreement dated November 8, 2017; as supplemented by a consent, supplemental and amendment letter, dated April 2, 2018 (the facility agreement as of such date, the "Original Sinosure Facility"); and as amended and restated by an amending and restating agreement dated June 13, 2018 (the "2018 Amending and Restating Agreement"), by and among Seaways Subsidiary VII, Inc., Seaways Holding Corporation, a wholly owned subsidiary of the Company, the Company, Citibank, N.A. (London Branch), the Export-Import Bank of China and Bank of China (New York Branch) (and its successors and assigns) and certain other parties thereto (the "Sinosure Credit Facility"). The Sinosure Credit Facility is a term loan facility comprised of six loans, each secured by one of the six VLCCs. As of the closing date of the 6 VLCC acquisition transaction, it had a principal amount outstanding of $310,968 and bears interest at a rate of 3-month LIBOR plus a margin of 2%. Each loan under the Sinosure Facility requires quarterly amortization payments of 1 2/3% (based on the original outstanding amount of each Vessel loan) together with a balloon repayment payable on the termination date of each loan. Each of the loans under the Sinosure Credit Facility will mature 144 months after its initial utilization date. The 2018 Amending and Restating Agreement effects certain amendments to the Original Sinosure Facility as agreed between the parties thereto and necessitated by the Transaction. The Sinosure Credit Facility is guaranteed by the Company and Seaways Holding Corporation.

The Company paid to Euronav cash consideration of approximately $120,025, with the difference reflecting assumed debt and accrued interest thereon through the closing date. Supplemental cash flow information for the year ended December 31, 2018 associated with the aforementioned non-cash assumption of debt in relation to the acquisition of six VLCCs aggregating $310,968 were non-cash investing activities and financing activities.

Under the Sinosure Credit Facility, the Obligors (as defined in the Sinosure Credit Facility) are required to comply with various collateral maintenance and financial covenants, including with respect to:

(i) minimum security coverage, which shall not be less than 135% of the aggregate loan principal outstanding under the Sinosure Credit Facility. Any non-compliance with the minimum security coverage shall not constitute an event of default so long as within thirty days of such non-compliance, Seaways Subsidiary VII, Inc. has either provided additional collateral or prepaid a portion of the outstanding loan balance to cure such non-compliance;

(ii) maximum consolidated leverage ratio, which shall not be greater than 0.60 to 1.00 on any testing date;

(iii) minimum consolidated liquidity, under which unrestricted consolidated cash and cash equivalents shall be no less than $25,000 at any time and total consolidated cash and cash equivalents (including cash restricted under the Sinosure Credit Facility) shall not be less than the greater of $50,000 or 5.0% of Total Indebtedness (as defined in the Sinosure Credit Facility) or $9,000 (i.e., $1,500 per each VLCC securing the Sinosure Credit Facility); and

(iv) interest expense coverage ratio, which for Seaways Holding Corporation, shall not be less than 2.00 to 1.00 during the period commencing on July 1, 2018 through June 30, 2019 and will be calculated on a trailing six, nine and twelve-month basis from December 31, 2018, March 31, 2019 and June 30, 2019, respectively. For the Company, the interest expense coverage ratio shall not be less than 2.25 to 1.00 for the period commencing on July 1, 2019 through June 30, 2020 and no less than 2.50 to 1.00 for the period commencing on July 1, 2020 and thereafter and shall be calculated on a trailing twelve-month basis. No event of default under this covenant will occur if the failure to comply is capable of remedy and is remedied within thirty days of the Facility Agent giving notice to the Company or (if earlier) any Obligor becoming aware of the failure to comply, and (i) if such action is being taken with respect to a Test Date falling on or prior to December 31, 2020, then such remedy shall be in the form of cash and cash equivalents being (or having been) deposited by Seaways Holding Corporation to a restricted Minimum Liquidity Account within the thirty day period mentioned above in the manner and in the amounts required to remedy such breach as tested at the Seaways Holding Corporation level and (ii) if such action is being taken with respect to a Test Date falling on or after January 1, 2021, then any such remedy and the form of the same shall be considered and determined by the lenders under the Sinosure Credit Facility in their absolute discretion.

The Sinosure Credit Facility also requires the Company to comply with a number of covenants, including the delivery of quarterly and annual financial statements, budgets and annual projections; maintaining required insurances; compliance with laws (including environmental); compliance with the Employee Retirement Income Security Act of 1974 ("ERISA"); maintenance of flag and class of the collateral vessels; restrictions on consolidations, mergers or sales of assets; limitations on liens; limitations on issuance of certain equity interests; limitations on transactions with affiliates; and other customary covenants and related provisions.

As of December 31, 2019, the Company was in compliance with all these covenants.

8.5% Senior Notes

On May 31, 2018, the Company completed a registered public offering of $25,000 aggregate principal amount of its 8.5% senior unsecured notes due 2023 (the "8.5% Senior Notes"), which resulted in aggregate net proceeds to the Company of approximately $23,458, after deducting commissions and estimated expenses. The Company used the net proceeds to fund the acquisition of 6 VLCCs described above, to repay a portion of its then outstanding 2017 Term Loan Facility and for general corporate purposes.

The Company issued the Notes under an indenture dated as of May 31, 2018 (the "Base Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "Trustee"), as supplemented by a supplemental indenture dated as of May 31, 2018 (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Company and the Trustee. The Notes will mature on June 30, 2023 and bear interest at a rate of 8.50% per annum. Interest on the Notes is payable in arrears on March 30, June 30, September 30 and December 30 of each year. The terms of the Indenture, among other things, limit the Company's ability to merge, consolidate or sell assets.

The Company may redeem the Notes at its option, in whole or in part, at any time on or after June 30, 2020 at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the redemption date. In addition, if the Company undergoes a Change of Control (as defined in the Indenture) the Company may be required to repurchase all of the Notes at a purchase price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest (including additional interest, if any), to, but excluding, the repurchase date.

The Indenture contains certain restrictive covenants, including covenants that, subject to certain exceptions and qualifications, restrict our ability to make certain payments if a default under the Indenture has occurred and is continuing or will result therefrom and require us to limit the amount of debt we incur, maintain a certain minimum net worth and provide certain reports. The Indenture also provides for certain customary events of default (subject, in certain cases, to receipt of notice of default and/or customary grace or cure periods).

Pursuant to the limitation on borrowings covenant, the Company shall not permit Total Borrowings (as defined in the Indenture) to equal or exceed 70% of Total Assets (as defined in the Indenture). The Company shall also ensure that Net Worth (defined as Total Assets, less Intangible assets and Total Borrowings, as defined in the Indenture) exceeds $600,000 pursuant to the Minimum Net Worth covenant.

The Company was in compliance with financial covenants under the 8.5% Senior Notes as of December 31, 2019.

2017 Debt Facilities

On June 22, 2017, INSW, its wholly owned subsidiary, International Seaways Operating Corporation (the “Administrative Borrower” or “ISOC”) and certain of its subsidiaries entered into secured debt facilities with Jefferies Finance LLC and JP Morgan Chase Bank, N.A., as joint lead arrangers, UBS Securities LLC, as joint bookrunner, DNB Markets Inc., Fearnley Securities AS, Pareto Securities Inc. and Skandinaviska Enskilda Banken AB (Publ) as co-managers, and the other lenders party thereto, consisting of (i) a revolving credit facility of $50,000 (the “2017 Revolver Facility”) and (ii) a term loan of $500,000 (the “2017 Term Loan Facility” and together with the 2017 Revolver Facility, the “2017 Debt Facilities”) containing an accordion feature whereby the 2017 Term Loan Facility could be increased up to an additional $50,000 subject to certain conditions.

The 2017 Debt Facilities were secured by a first lien on substantially all of the assets of the Administrative Borrower and certain of its subsidiaries. On June 22, 2017, the proceeds received from the 2017 Term Loan Facility were used to repay the $458,416 outstanding balance under the INSW Facilities (defined below) and to pay certain expenses related to the refinancing. The remaining proceeds were used for general corporate purposes, including fleet renewal and growth.

On July 24, 2017, the Company entered into an amendment of the 2017 Debt Facilities (the “First Amendment”) to effect the increase of the 2017 Term Loan Facility by $50,000, pursuant to the accordion feature described above. Except as related to such increase, no other terms of the 2017 Debt Facilities were amended.

On June 14, 2018, the Company entered into an amendment of the 2017 Debt Facilities (the “2017 Debt Facilities Second Amendment”). The amendment (i) increased the interest rate margin from 5.50% per annum to 6.00% per annum and (ii) allowed a dividend of $110,000 to be made from the Company's FSO Joint Venture to the Company without incorporating such funds into the cash sweep provisions of the 2017 Debt Facilities, (iii) permitted the acquisition of Seaways Subsidiary VII, Inc. and its subsidiaries as Unrestricted Subsidiaries (as defined in the 2017 Debt Facilities) and permitted those entities and their assets to be subject to the Sinosure Credit Facility and be subject to its liens and permitted the funding of the certain liquidity and other accounts in connection with that acquisition and (iv) made certain other amendments to covenants under the 2017 Debt Facilities. As a condition to the effectiveness of the 2017 Debt Facilities, the Company prepaid $60,000 of the amount outstanding under the 2017 Term Loan Facility together with a premium equal to 1% of the $60,000 prepayment and paid a fee to the lenders of 1% of the 2017 Debt Facilities outstanding after that repayment.

On July 31, 2019, the Company made a prepayment of $10,000 on the 2017 Term Loan Facility using restricted cash set aside from the proceeds of vessel sales. On October 8, 2019, the Company made an additional prepayment of $100,000 on the 2017 Term Loan Facility using restricted cash set aside from the proceeds of vessel sales and a portion of the proceeds from the sale of the Company’s equity interest in the LNG Joint Venture (see Note 6, “Equity Method Investments”).

The 2017 Term Loan Facility amortized in quarterly installments equal to 1.25% of the original principal amount of the loan, reduced by the $60,000 prepayment made in 2018 and the $110,000 prepayments made in 2019 as discussed above which was applied pro rata

to the remaining payments including the balloon. The 2017 Term Loan Facility was subject to additional mandatory annual prepayments in an aggregate principal amount of 75% of Excess Cash Flow, as defined in the credit agreement. Based on actual results for the year ended December 31, 2019, Management estimated that it would have been required to make a mandatory principal prepayment of $24,831 during the first quarter of 2020, pursuant to the terms of the 2017 Term Loan Facility. Such amount is included in current installments of long-term debt in the accompanying balance sheet as of December 31, 2019.

As set forth in the 2017 Debt Facilities credit agreement, the 2017 Debt Facilities contain certain restrictions relating to new borrowings and INSW's ability to receive cash dividends, loans or advances from ISOC and its subsidiaries that are Restricted Subsidiaries. As of December 31, 2019, permitted cash dividends that can be distributed to INSW by ISOC under the 2017 Term Loan Facility was $2,056. This restriction was eliminated with the extinguishment of the 2017 Debt Facilities in January 2020.

The 2017 Debt Facilities had covenants to maintain the aggregate Fair Market Value (as defined in the credit agreement) of the Collateral Vessels at greater than or equal to $300,000 at the end of each fiscal quarter and to ensure that at any time, the outstanding principal amounts of the 2017 Debt Facilities and certain other secured indebtedness permitted under credit agreement minus the amount of unrestricted cash and cash equivalents does not exceed 65% of the aggregate Fair Market Value of the Collateral Vessels (as defined in the 2017 Debt Facilities) plus the aggregate Fair Market Value of certain joint venture equity interests and Seaways Subsidiary VII, Inc.

The Company was in compliance with the above financial covenants as of December 31, 2019.

ABN Term Loan Facility

On June 7, 2018, the Company entered into a credit agreement, secured by the Seaways Raffles, a VLCC tanker, by and among, inter alia, Seaways Shipping Corporation, a Marshall Islands corporation and wholly-owned indirect subsidiary of the Company, the Company (as a guarantor), another guarantor which is an indirect subsidiary of the Company, the lenders named therein and ABN AMRO Capital USA LLC as mandated lead arranger and facility agent (the "ABN Term Loan Facility"), for an aggregate principal amount of up to the lesser of (i) $29,150, and (ii) 55% of the fair market value of the Seaways Raffles. On June 12, 2018, the Company drew down approximately $28,463. The ABN Term Loan Facility bore interest at a rate of three-month LIBOR plus a margin of 3.25% and was repayable in 19 quarterly installments of approximately $869 with a final balloon payment due on the maturity date in the second quarter of 2023. Additionally, the ABN Term Loan Facility includes certain financial covenants and is guaranteed by the Company. The Company's guarantee is unsecured. The Company used the proceeds from the ABN Term Loan Facility to fund a portion of its acquisition of six VLCCs.

The ABN Term Loan Facility required Seaways Shipping Corporation to maintain a minimum unrestricted cash balance of $825 per vessel and a balance of $2,500 and up to $2,100 in a debt service reserve accounts and a dry dock reserve account, respectively, and provided for a restriction on dividends unless minimum unrestricted cash levels are maintained and Seaways Shipping Corporation is in compliance with its covenants. The ABN Term Loan Facility also had a vessel value maintenance clause that requires the Company to ensure that the fair market value of the Seaways Raffles is at all times not less than 150% of the outstanding principal amount of the loan.

The ABN Term Loan Facility also required the Company to comply with a number of covenants, including the delivery of quarterly and annual financial statements, budgets and annual projections; maintaining required insurances; compliance with laws (including environmental); compliance with ERISA; maintenance of flag and class of the Seaways Raffles; restrictions on consolidations, mergers or sales of assets; limitations on liens; limitations on issuance of certain equity interests; limitations on the payment of dividends or other distributions; limitations on transactions with affiliates; and other customary covenants and related provisions.

The Company was in compliance with these covenants as of December 31, 2019.

10.75% Subordinated Notes

On June 13, 2018, the Company completed the sale of $30,000 of its 10.75% subordinated step-up notes due 2023 (the "10.75% Subordinated Notes") in a private placement to certain funds and accounts managed by BlackRock, Inc. ("BlackRock") (the "Private Placement"). The 10.75% Subordinated Notes were unsecured and ranked junior to the 8.5% Senior Notes, the Company's guarantees of the 2017 Debt Facilities, the ABN Term Loan Facility and Sinosure Credit Facility and other unsubordinated indebtedness of the Company. The Private Placement resulted in aggregate proceeds to the Company of approximately $28,000, after deducting fees paid to the purchasers of those notes and estimated expenses. The Company used the net proceeds from the Private Placement to fund a

portion of the acquisition of six VLCCs and the offer to prepay $60,000 of the 2017 Debt Facilities pursuant to the Second Amendment.

The 10.75% Subordinated Notes were issued under an indenture dated as of June 13, 2018 (the "Subordinated Notes Indenture"), between the Company and GLAS Trust Company LLC, as trustee (the "Subordinated Notes Trustee"). On December 28, 2018, the Company entered into a supplemental indenture (the "First Supplemental Indenture") with the Subordinated Notes Trustee to amend the terms of the 10.75% Subordinated Notes to, among other matters, more closely reflect the asset sale provisions of the 2017 Term Loan Facility. As a condition to the effectiveness of the First Supplemental Amendment, the Company paid a fee to the holders of the Notes of 0.50% of the outstanding amounts of the Notes.

The 10.75% Subordinated Notes bore interest from June 13, 2018 at an annual rate of 10.75%. Interest on the 10.75% Subordinated Notes was payable quarterly in arrears on the 15th day of March, June, September and December of each year.

The 10.75% Subordinated Notes were permitted to be redeemed, in whole or in part, at any time prior to June 15, 2020, at a redemption price equal to 100% of the aggregate principal amount of the 10.75% Subordinated Notes being redeemed, plus accrued and unpaid interest to, but not including, the date of redemption, plus a "make-whole" premium. The 10.75% Subordinated Notes were not registered under the Securities Act of 1933, as amended (the "Securities Act").

On September 17, 2018, the Company repurchased $2,069 of the 10.75% Subordinated Notes at a price equal to 100% of the principal amount.

On December 31, 2019, the Company entered into a note repurchase agreement with Blackrock to repurchase the outstanding balance of the 10.75% Subordinated notes of $27,931, at a price equal to 100% of the principal amount plus an aggregate repurchase premium of $992, in conjunction with the closing of the 2020 Debt Facilities in January 2020. The Company prepaid the repurchase premium, which is included in prepaid expenses and other current assets in the accompanying consolidated balance sheet as of December 31, 2019.

The Subordinated Notes Indenture contained covenants requiring the Company to maintain a minimum net worth similar to that required by the 8.5% Senior Notes. The Subordinated Notes Indenture also contained covenants restricting the ability of the Company and its subsidiaries to incur additional indebtedness, sell assets, incur liens, amend the 2017 Debt Facilities, enter into sale and leaseback transactions and enter into certain extraordinary transactions. In addition, the Subordinated Notes Indenture prohibited the Company from paying any dividends unless certain financial and other conditions are satisfied. The Subordinated Notes Indenture also contained events of default consistent with those under the 2017 Debt Facilities.

The Company was in compliance with the covenants under the Subordinated Notes Indenture as of December 31, 2019.

INSW Facilities

On June 22, 2017, the agreements governing the INSW Facilities — a secured term loan facility in the aggregate amount of $628,375 (the "INSW Term Loan") and a secured revolving loan facility of up to $50,000 (the "INSW Revolver Facility"), dated as of August 5, 2014, as amended by that certain First Amendment, dated as of June 3, 2015, that certain Second Amendment, dated as of July 18, 2016, that certain Third Amendment, dated as of September 20, 2016 and that certain Fourth Amendment, dated as of November 30, 2016, among INSW, OIN Delaware LLC (the sole member of which is INSW), certain INSW subsidiaries, Jefferies Finance LLC, as administrative agent, and other lenders party thereto, were terminated in accordance with their terms.

Interest Expense

The following table summarizes interest expense, including amortization of issuance and deferred financing costs (for additional information related to deferred financing costs see Note 2, "Significant Accounting Policies"), commitment, administrative and other fees, recognized during the years ended December 31, 2019, 2018 and 2017 with respect to the Company's debt facilities:

Debt facility	2019	2018	2017
2017 Term Loan Facility, due 2022	$ 41,483	$ 45,601	$ 22,546
2017 Revolver Facility	848	475	495
ABN Term Loan Facility, due 2023	1,716	1,024	-
Sinosure Credit Facility, due 2027 - 2028	14,903	8,350	-
8.5% Senior Notes, due 2023	2,390	1,396	-
10.75% Subordinated Notes, due 2023	3,642	2,032	-
INSW Facilities, due 2019	-	-	16,743
Total debt related interest expense	$ 64,982	$ 58,878	$ 39,784

The following table summarizes interest paid, excluding deferred financing fees paid, during the years ended December 31, 2019, 2018 and 2017 with respect to the Company's debt facilities:

Debt facility	2019	2018	2017
2017 Term Loan Facility, due 2022	$ 36,236	$ 42,825	$ 16,319
2017 Revolver Facility	710	442	316
ABN Term Loan Facility, due 2023	1,504	795	-
Sinosure Credit Facility, due 2027 - 2028	14,200	7,225	-
8.5% Senior Notes, due 2023	2,130	1,250	-
10.75% Subordinated Notes, due 2023	3,021	1,591	-
INSW Facilities, due 2019	-	-	16,732
Total debt related interest expense paid	$ 57,801	$ 54,128	$ 33,367

Debt Modifications, Repurchases and Extinguishments

In connection with the $10,000 prepayment of the 2017 Term Loan Facility in July 2019 and the $100,000 prepayment of the 2017 Term Loan Facility in October 2019, which were treated as a partial extinguishments, the Company recognized aggregate net losses of $4,658 for the year ended December 31, 2019. The net losses have been included in other expense in the consolidated statement of operations. The net losses reflect a 1% prepayment fee of $1,100 and a write-off of $3,558 of unamortized original issue discount and deferred financing costs.

During the year ended December 31, 2018, the Company incurred debt issuance and amendment costs aggregating $14,648 in connection with the ABN Term Loan Facility, Sinosure Credit Facility, 8.5% Senior Notes, 10.75% Subordinated Notes (and the subsequent amendment thereto), and the 2017 Debt Facilities Second Amendment. (See Note 2, "Significant Accounting Policies," for additional information relating to deferred financing charges). Debt issuance and amendment fees paid to all lenders and third-party fees associated with the ABN Term Loan Facility, Sinosure Credit Facility, 8.5% Senior Notes, and 10.75% Subordinated Notes totaled $7,677, of which $7,568 were capitalized as deferred finance charges and $109 was expensed and is included in third-party debt modification fees in the consolidated statement of operations. Debt amendment fees paid to lenders and third-party fees associated with the 2017 Debt Facilities Second Amendment totaled $6,971, of which $4,479 were capitalized as deferred finance charges. The remaining $2,492 was expensed, of which $1,197 is included in third-party debt modification fees in the consolidated statement of operations and $1,295 of debt extinguishment costs are included in other expense in the consolidated statement of operations. In addition, aggregate net losses of $2,400 for the year ended December 31, 2018 recognized on the repurchases of the Company's debt facilities, is included in other expense in the consolidated statement of operations. The net loss reflects a write-off of unamortized original issue discount and deferred financing costs associated with the principal prepayment of $60,000 made in connection with the 2017 Debt Facilities Second Amendment and the repurchase of $2,069 of the 10.75% Subordinated Notes, which were treated as partial extinguishments. Debt issuance and amendment costs incurred and capitalized as deferred finance charges have been treated as a reduction of debt on the consolidated balance sheets.

During the year ended December 31, 2017, the Company incurred issuance costs aggregating $24,307 in connection with the 2017 Debt Facilities. Issuance costs paid to all lenders and third-party fees associated with lenders of the 2017 Debt Facilities who had not participated in the INSW Facilities aggregating $15,067 were capitalized as deferred finance charges. Third party fees associated with the First Amendment and with lenders of the 2017 Debt Facilities who had participated in the INSW Facilities aggregating $9,240, for the year ended December 31, 2017 were expensed and included in third-party debt modification fees in the consolidated statement of operations. In addition, an aggregate net loss of $7,020 for the year ended December 31, 2017 realized on the modification of the

Company's debt facilities, is included in other expense in the consolidated statement of operations. The net loss reflects a write-off of unamortized original issue discount and deferred financing costs associated with the INSW Facilities, which were treated as partial extinguishments. Issuance costs incurred with respect to the 2017 Debt Facilities have been treated as a reduction of debt proceeds.

As of December 31, 2019, the aggregate annual principal payments required to be made on the Company's debt facilities are as follows:

Year	Amount
2020	$ 70,350
2021	45,520
2022	296,814
2023	89,330
2024	23,579
Thereafter	151,811
Aggregate principal payments required	$ 677,404

NOTE 9 — FAIR VALUE OF FINANCIAL INSTRUMENTS, DERIVATIVES AND FAIR VALUE DISCLOSURES:

The estimated fair values of the Company's financial instruments, other than derivatives that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, at December 31, 2019 and 2018 are as follows:

	Fair Value	Level 1	Level 2
December 31, 2019:			
Cash and cash equivalents [1]	$ 150,243	$ 150,243	$ -
2017 Term Loan Facility	(333,177)	-	(333,177)
ABN Term Loan Facility	(23,248)	-	(23,248)
Sinosure Credit Facility	(269,705)	-	(269,705)
8.5% Senior Notes	(26,120)	(26,120)	-
10.75% Subordinated Notes	(32,649)	-	(32,649)
December 31, 2018:			
Cash and cash equivalents [1]	$ 117,644	$ 117,644	$ -
2017 Term Loan Facility	(459,731)	-	(459,731)
ABN Term Loan Facility	(26,724)	-	(26,724)
Sinosure Credit Facility	(293,284)	-	(293,284)
8.5% Senior Notes	(22,960)	(22,960)	-
10.75% Subordinated Notes	(29,094)	-	(29,094)

(1) Includes non-current restricted cash of $60,572 and $59,331 at December 31, 2019 and 2018, respectively.

Derivatives

The Company uses interest rate caps, collars and swaps for the management of interest rate risk exposure associated with changes in LIBOR interest rate payments due on its credit facilities. During 2019, the Company was a party to an interest rate cap agreement ("Interest Rate Cap") with a major financial institution covering a notional amount of $350,000 to limit the floating interest rate exposure associated with the 2017 Term Loan Facility. The Interest Rate Cap had a cap rate of 2.605% through the termination date of December 31, 2020. In July 2019, the Company in a cashless transaction replaced the existing Interest Rate Cap with an interest rate collar agreement ("Interest Rate Collar"), which was composed of an interest rate cap and an interest rate floor. The Interest Rate Collar agreement was designated and qualified as a cash flow hedge and contained no leverage features. The Interest Rate Collar, which continued to cover a notional amount of $350,000, was effective July 31, 2019 and provided for the following rates based on one-month LIBOR:

- Balance of 2019 through December 31, 2020: cap rate of 1.98%, floor rate of 1.98%; and
- December 31, 2020 through December 31, 2022: cap rate of 2.26%, floor rate of 1.25%.

The Company determined that as of September 30, 2019, the outstanding principal on the 2017 Term Loan Facility would fall below the notional amount of the Interest Rate Collar during its term as a result of a $100,000 prepayment made on October 8, 2019 using a substantial portion of the proceeds from the sale of the LNG Joint Venture (See Note 8, “Debt”). Accordingly, hedge accounting on the Interest Rate Collar was discontinued as of September 30, 2019 and beginning in October 2019, changes in the mark-to-market valuation of the Interest Rate Collar were no longer deferred through Other Comprehensive Income/(Loss) and amounts previously deferred in Accumulated Other Comprehensive Loss remained so classified until the forecasted interest accrual transactions either affect earnings or become not probable of occurring. Changes in the fair value of the interest rate collar recorded through earnings during the fourth quarter of 2019 totaled an aggregate gain of $923.

In connection with its entry into the Core Term Loan Facility (see Note 8, “Debt”), the Company, in a cashless transaction, converted the $350,000 notional interest rate collar into a $250,000 notional pay-fixed, receive-three-month LIBOR interest rate swap subject to a 0% floor. The term of the new hedging arrangement was extended to coincide with the maturity of the Core Term Loan Facility at a fixed rate of 1.97%. The Company expects to be able to re-designate all or a significant portion of the notional amount of the interest rate swap for cash flow hedge accounting for its remaining term. As of December 31, 2019, the Company released accumulated other comprehensive loss of $469 to earnings as it was probable that the expected notional amount of the re-designated hedge will fall below the notional amount of the Interest Rate Collar.

The Company is also party to a floating-to-fixed interest rate swap agreement with a major financial institution covering the balance outstanding under the Sinosure Credit Facility that effectively converts the Company’s interest rate exposure from a floating rate based on three-month LIBOR to a fixed rate through the termination date. The interest rate swap agreement is designated and qualifies as a cash flow hedge and contains no leverage features. In May 2019, the Company extended the maturity date of the interest rate swap from March 21, 2022 to March 21, 2025 and reduced the fixed three-month rate from 2.99% to 2.76%, effective March 21, 2019.

Tabular disclosure of derivatives location

Derivatives are recorded in the balance sheet on a net basis by counterparty when a legal right of offset exists. The following tables present information with respect to the fair values of derivatives reflected in the December 31, 2019 and 2018 balance sheets on a gross basis by transaction:

Fair Values of Derivative Instruments:

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Amount	Balance Sheet Location	Amount
December 31, 2019:				
Derivatives not designated as hedging instruments:				
Interest rate collar:				
Current portion	Current portion of derivative asset	$ -	Current portion of derivative liability	$ (1,230)
Long-term portion	Long-term derivative asset	-	Long-term derivative liability	(577)
Derivatives designated as hedging instruments:				
Interest rate swaps:				
Current portion	Current portion of derivative asset	-	Current portion of derivative liability	(2,384)
Long-term portion	Long-term derivative asset	-	Long-term derivative liability	(5,968)
Total derivatives		$ -		$ (10,159)
December 31, 2018:				
Derivatives designated as hedging instruments:				
Interest rate cap:				
Current portion	Current portion of derivative asset	$ 460	Current portion of derivative liability	$ -
Long-term portion	Long-term derivative asset	704	Long-term derivative liability	-
Interest rate swaps:				
Current portion	Current portion of derivative asset	-	Current portion of derivative liability	(707)
Long-term portion	Long-term derivative asset	-	Long-term derivative liability	(1,922)
Total derivatives		$ 1,164		$ (2,629)

The following tables present information with respect to gains and losses on derivative positions reflected in the consolidated statements of operations or in the consolidated statements of other comprehensive loss.

The effect of cash flow hedging relationships recognized in other comprehensive loss excluding amounts reclassified from accumulated other comprehensive loss, including hedges of equity method investees, for the years ended December 31, 2019, 2018 and 2017 follows:

	2019	2018	2017
Derivatives designated as hedging instruments:			
Interest rate swaps	$ (16,189)	$ (1,948)	$ (1,132)
Interest rate cap/collar	(3,795)	261	(8)
Derivatives not designated as hedging instruments:			
Interest rate collar	858	-	-
Total other comprehensive loss	$ (19,126)	$ (1,687)	$ (1,140)

The effect of cash flow hedging relationships on the consolidated statements of operations is presented excluding hedges of equity method investees. The effect of the Company's cash flow hedging relationships on the consolidated statement of operations for the years ended December 31, 2019, 2018 and 2017 is shown below:

	2019	2018	2017
Derivatives designated as hedging instruments:			
Interest rate swaps	$ 1,467	$ 471	$ -
Interest rate cap/collar	99	21	131
Derivatives not designated as hedging instruments:			
Interest rate collar	(65)	-	-
Total interest expense	$ 1,501	$ 492	$ 131

See Note 6, "Equity Method Investments," for additional information relating to derivatives held by the Company's equity method investees and Note 14, "Accumulated Other Comprehensive Loss," for disclosures relating to the impact of derivative instruments on accumulated other comprehensive loss.

Fair Value Hierarchy

The following table presents the fair values, which are pre-tax, for assets and liabilities measured on a recurring basis (excluding investments in affiliated companies):

	Fair Value	Level 2[(1)]
Assets/(Liabilities) at December 31, 2019:		
Derivative Assets (interest rate swaps and collar)	$ -	$ -
Derivative Liabilities (interest rate swaps and collar)	(10,159)	(10,159)
Assets/(Liabilities) at December 31,2018:		
Derivative Assets (interest rate cap)	$ 1,164	1,164
Derivative Liabilities (interest rate swaps)	(2,629)	$ (2,629)

(1) For the interest rate cap, collar and swaps, fair values are derived using valuation models that utilize the income valuation approach. These valuation models take into account contract terms such as maturity, as well as other inputs such as interest rate yield curves and creditworthiness of the counterparty and the Company.

NOTE 10 — ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES:

	December 31, 2019	December 31, 2018
Accounts payable	$ 4,988	$ 1,164
Payroll and benefits	5,585	4,510
Interest	594	770
Due to owners on chartered in vessels	1,108	870
Accrued drydock, repairs and vessel betterment costs	3,150	1,974
Bunkers and lubricants	538	1,833
Charter revenues received in advance	272	450
Insurance	539	573
Accrued vessel expenses	8,003	6,816
Accrued general and administrative expenses	1,052	1,398
Other	1,725	2,650
Total accounts payable, accrued expense and other current liabilities	$ 27,554	$ 23,008

NOTE 11 —TAXES:

Income taxes are provided using the asset and liability method, such that income taxes are recorded based on amounts refundable or payable in the current year and include the results of any differences in the basis of assets and liabilities between U.S. GAAP and tax reporting. The Company derives substantially all of its gross income from the use and operation of vessels in international commerce. The Company's entities that own and operate vessels are primarily domiciled in the Marshall Islands, which does not impose income tax on shipping operations. The Company also has or had subsidiaries in various jurisdictions that performed administrative, commercial or technical management functions. These subsidiaries are subject to income taxes based on the services performed in countries in which those particular offices are located and, accordingly, current and deferred income taxes are recorded.

INSW, including its subsidiaries, which are disregarded entities for U.S. Federal income tax purposes, is exempt from taxation on its U.S. source shipping income under Section 883 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") and U.S. Treasury Department regulations. INSW qualified for this exemption because its common shares were treated as primarily and regularly traded on an established securities market in the United States or another qualified country and for more than half of the days in the taxable year ended December 31, 2019, less than 50 percent of the total vote and value of the Company's stock was held by one or more shareholders who each owned 5% or more of the vote and value of the Company's stock. Beginning in 2020, to the extent INSW is unable to qualify for exemption from tax under Section 883, INSW will be subject to U.S. federal taxation of 4% of its U.S. source shipping income on a gross basis without the benefit of deductions. Shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the U.S. will be considered to be 50% derived from sources within the U.S. Shipping income attributable to transportation that both begins and ends in the U.S. will be considered to be 100% derived from sources within the U.S. INSW does not engage in transportation that gives rise to 100% U.S. source income. Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the U.S. Shipping income derived from sources outside the U.S. will not be subject to any U.S. federal income tax. INSW's vessels operate in various parts of the world, including to or from U.S. ports. There can be no assurance that INSW will continue to qualify for the Section 883 exemption.

A substantial portion of income earned by INSW is not subject to income tax, and no deferred taxes are provided on the temporary differences between the tax and financial statement basis of the underlying assets and liabilities for those subsidiaries not subject to income tax in their respective countries of incorporation.

The Marshall Islands impose tonnage taxes, which are assessed on the tonnage of certain of the Company's vessels. These tonnage taxes are included in vessel expenses in the accompanying consolidated statements of operations.

The components of the income tax (provision)/benefit follow:

	2019	2018	2017
Current	$ (1)	$ 105	$ (44)
Deferred	-	-	-
Income tax (provision)/benefit	$ (1)	$ 105	$ (44)

The differences between income taxes expected at the Marshall Islands statutory income tax rate of zero percent and the reported income tax (provisions)/benefits are summarized as follows:

	2019	2018	2017
Marshall Islands statutory income tax rate	- %	- %	- %
Change in valuation allowance	0.66 %	(0.66)%	(0.78)%
Liquidation of subsidiaries	- %	- %	0.88 %
Income subject to tax in other jurisdictions	(0.83)%	0.54 %	(0.06)%
Effective income tax rate	(0.17)%	(0.12)%	0.04 %

The significant components of the Company's deferred tax liabilities and assets follow:

	December 31, 2019	December 31, 2018
Deferred tax assets:		
Net operating loss carryforwards	$ 1,836	$ 1,435
Excess of tax over book basis of depreciable assets	548	548
Pensions	1,797	2,007
Total deferred tax assets	4,181	3,990
Less: Valuation allowance	(4,181)	(3,990)
Deferred tax assets, net	-	-
Net noncurrent deferred tax assets/(liabilities)	$ -	$ -

As of December 31, 2019 and 2018, the Company had net operating loss carryforwards of $10,804 and $8,441, respectively. The net operating loss carryforward of $10,804 as of December 31, 2019 has an indefinite life.

The Company believes that it is more likely than not that the benefit from its net operating loss carryforwards and certain other deferred tax assets will not be realized and has maintained a valuation allowance of $4,181 and $3,990, respectively, as of December 31, 2019 and 2018. If or when recognized, the tax benefits related to any reversal of the valuation allowance on deferred tax assets will be accounted for as a reduction of income tax expense in the period such reversal occurs. During 2019, the Company increased its valuation allowance by $191 primarily as a result of a change in net operating loss carryforwards and unfunded benefit obligation related to defined benefit pension plan in the United Kingdom.

The following is tabular rollforward of the Company's unrecognized tax benefits (excluding interest and penalties) which are included in other current liabilities in the consolidated balance sheets:

	2019	2018
Balance of unrecognized tax benefits as of January 1,	$ 7	$ 153
Decreases for positions taken in prior years	-	(70)
Increases for positions taken in current year	-	1
Settlement	-	(77)
Balance of unrecognized tax benefits as of December 31,	$ 7	$ 7

The Company records interest on unrecognized tax benefits in its provision for income taxes. Accrued interest is included in other current liabilities in the consolidated balance sheets. As of December 31, 2019 and 2018, the Company has recognized a total liability for interest of $5 and $4, respectively.

NOTE 12 —RELATED PARTIES:

Guarantees

The FSO Joint Venture is a party to a number of contracts: (a) the FSO Joint Venture is an obligor pursuant to a guarantee facility agreement dated as of July 14, 2017, by and among, the FSO Joint Venture, ING Belgium NV/SA, as issuing bank, and Euronav and INSW, as guarantors (the ''Guarantee Facility''); (b) the FSO Joint Venture is party to two service contracts with NOC (the ''NOC Service Contracts'') and (c) the FSO Joint Venture is a borrower under a $220,000 secured credit facility by and among TI Africa and TI Asia, as joint and several borrowers, ABN AMRO Bank N.V. and ING Belgium SA/NV, as Lenders, Mandated Lead Arrangers and Swap Banks, and ING Bank N.V., as Agent and as Security Trustee. INSW severally guarantees the obligations of the FSO Joint Venture pursuant to the Guarantee Facility.

The FSO Joint Venture drew down on a $220,000 credit facility in April 2018. The Company provided a guarantee for the $110,000 FSO Term Loan portion of the facility, which amortizes over the remaining terms of the NOC Service Contracts, which expire in July 2022 and September 2022. INSW's guarantee of the FSO Term Loan has financial covenants that provide (i) INSW's Liquid Assets shall not be less than the higher of $50,000 and 5% of Total Indebtedness of INSW, (ii) INSW shall have Cash of at least $30,000 and (iii) INSW is in compliance with the Loan to Value Test (as such capitalized terms are defined in the Company guarantee or in the case of the Loan to Value Test, as defined in the credit agreement underlying the Company's 2017 Debt Facilities (see

Note 8, “Debt”). As of December 31, 2019, the maximum aggregate potential amount of future payments (undiscounted) that INSW could be required to make in relation to its equity method investees secured bank debt and interest rate swap obligations was $70,822 and the carrying value of the Company's guaranty in the accompanying condensed consolidated balance sheets was $264.

INSW maintained a guarantee in favor of Qatar Liquefied Gas Company Limited (2) (‘‘LNG Charterer’’) relating to certain LNG Tanker Time Charter Party Agreements with the LNG Charterer and each of Overseas LNG H1 Corporation, Overseas LNG H2 Corporation, Overseas LNG S1 Corporation and Overseas LNG S2 Corporation (such agreements, the ‘‘LNG Charter Party Agreements,’’ and such guarantee, the ‘‘LNG Performance Guarantee’’). INSW was obligated to pay Nakilat an annual fee of $100 until such time that Nakilat ceases to provide a guarantee in favor of the LNG charterer relating to performance under the LNG Charter Party Agreements. INSW’s guarantee and obligation to pay a fee to Nakilat terminated in October 2019, upon the sale of INSW’s equity interest in the LNG Joint Venture (see Note 6, “Equity Method Investments”).

OSG continued to provide a guarantee in favor of the LNG Charterer relating to the LNG Charter Party Agreements (such guarantees, the ‘‘OSG LNG Performance Guarantee’’). INSW indemnified OSG for any liabilities arising from the OSG LNG Performance Guarantee pursuant to the terms of the Separation and Distribution Agreement. In connection with the OSG LNG Performance Guarantee, INSW was obligated to pay an annual fee of $145 to OSG for 2019. OSG’s guarantee and INSW’s obligation to pay OSG a fee terminated in October 2019, upon the sale of INSW’s equity interest in the LNG Joint Venture.

NOTE 13 — CAPITAL STOCK AND STOCK COMPENSATION:

The Company accounts for stock compensation expense in accordance with the fair value based method required by ASC 718, *Compensation – Stock Compensation*. Such fair value based method requires share based payment transactions to be measured based on the fair value of the equity instruments issued.

Effective November 18, 2016, INSW adopted, incentive compensation plans (the “Incentive Plans” as further described below) in order to facilitate the grant of equity and cash incentives to directors, employees, including executive officers and consultants of the Company and certain of its affiliates and to enable the Company and certain of its affiliates to obtain and retain the services of these individuals, which is essential to our long-term success. INSW reserved 2,000,000 shares for issuance under its management incentive plan and 400,000 shares for issuance under its non-employee director incentive compensation plan.

Information regarding share-based compensation awards granted by INSW follows:

Director Compensation — Restricted Common Stock

INSW awarded a total of 51,107, 47,501 and 38,938 restricted common stock shares during the years ended December 31, 2019, 2018 and 2017 to its non-employee directors. The weighted average fair value of INSW’s stock on the measurement date of such awards was $18.00 (2019), $18.82 (2018) and $20.03 (2017) per share. Such restricted shares awards vest in full on the earlier of the next annual meeting of the stockholders or anniversary date, subject to each director continuing to provide services to INSW through such date. The restricted share awards granted may not be transferred, pledged, assigned or otherwise encumbered prior to vesting. Prior to the vesting date, a holder of restricted share awards has all the rights of a shareholder of INSW, including the right to vote such shares and the right to receive dividends paid with respect to such shares at the same time as common shareholders generally.

Management Compensation

Capitalized terms that follow are defined herein or in the Employee Matters Agreement.

(i) Restricted Stock Units

During the years ended December 31, 2019, 2018 and 2017, the Company awarded 63,998, 55,536 and 66,503 time-based restricted stock units (“RSUs”) to certain of its employees, including senior officers, respectively. The average grant date fair value of these awards was $17.21 (2019), $17.46 (2018) and $18.91 (2017) per RSU. Each RSU represents a contingent right to receive one share of INSW common stock upon vesting. Each award of RSUs will vest in equal installments on each of the first three anniversaries of the grant date.

In addition, in July 2019, the Company granted 26,451 time-based RSUs to its employees. The weighted average grant date fair value of these awards was $19.00 per RSU. Each award of RSUs will vest in equal installments on each of the first two anniversaries of the grant date.

Also, in December 2019, the Company granted 44,466 time-based RSUs to certain employees, including senior officers. The weighted average grant date fair value of these awards was $27.66 per RSU. Each award of RSUs will vest on the first anniversary of the grant date.

RSUs may not be transferred, pledged, assigned or otherwise encumbered until they are settled. Settlement of vested RSUs may be in either shares of common stock or cash, as determined at the discretion of the Human Resources and Compensation Committee, and shall occur as soon as practicable after the vesting date. If the RSUs are settled in shares of common stock, following the settlement of such shares, the grantee will be the record owner of the shares of common stock and will have all the rights of a shareholder of the Company, including the right to vote such shares and the right to receive dividends paid with respect to such shares of common stock. RSUs which have not become vested as of the date of a grantee's termination from the Company will be forfeited without the payment of any consideration, unless otherwise provided for.

During the year ended December 31, 2019, the Company awarded 63,994 performance-based RSUs to its senior officers. The weighted average grant date fair value of the awards with performance conditions was determined to be $17.21 per RSU. The weighted average grant date fair value of the TSR based performance awards, which have a market condition, was estimated using a Monte Carlo probability model and determined to be $16.68 per RSU. Each performance stock unit represents a contingent right to receive RSUs based upon the covered employees being continuously employed through the end of the period over which the performance goals are measured and shall vest as follows: (i) one-half of the target RSUs shall vest on December 31, 2021, subject to INSW's return on invested capital ("ROIC") performance in the three-year ROIC performance period relative to a target rate (the "ROIC Target") set forth in the award agreements; and (ii) one-half of the target RSUs shall vest on December 31, 2021, subject to INSW's three-year total shareholder return ("TSR") performance relative to that of a performance peer group over a three-year performance period ("TSR Target"). Vesting is subject in each case to the Human Resources and Compensation Committee of the Company's Board of Directors' certification of achievement of the performance measures and targets no later than March 15, 2022.

In addition, in April 2019, the Company awarded an executive officer 11,882 performance-based restricted stock units, representing the last tranche of the award originally made on February 14, 2017. The grant date fair value of the performance award was determined to be $17.21 per RSU. Each performance stock unit represents a contingent right to receive RSUs based upon certain performance related goals being met and the covered employees being continuously employed through the end of the period over which the performance goals are measured. This performance award which would have vested on December 31, 2019, is subject to INSW's ROIC performance for the year ended December 31, 2019 relative to a target rate set forth in the award agreement. Vesting is subject to INSW's Human Resources and Compensation Committee's certification of achievement of the performance measure and target no later than March 31, 2020. The performance condition in this award was achieved at a payout of approximately 126% of target.

During the year ended December 31, 2018, the Company awarded 55,534 performance-based RSUs to its senior officers. The weighted average grant date fair value of the awards with performance conditions was determined to be $17.46 per RSU. The weighted average grant date fair value of the TSR based performance awards, which have a market condition, was estimated using a Monte Carlo probability model and determined to be $18.87 per RSU. Each performance stock unit represents a contingent right to receive RSUs based upon the covered employees being continuously employed through the end of the period over which the performance goals are measured and shall vest as follows: (i) one-half of the target RSUs shall vest on December 31, 2020, subject to INSW's ROIC performance in the three-year ROIC performance period relative to the ROIC Target set forth in the award agreements; and (ii) one-half of the target RSUs shall vest on December 31, 2020, subject to INSW's three-year TSR performance relative to the TSR Target. Vesting is subject in each case to the Human Resources and Compensation Committee of the Company's Board of Directors' certification of achievement of the performance measures and targets no later than March 15, 2021.

In addition, in April 2018, the Company awarded an executive officer, 11,882 performance-based restricted stock units, representing the 2018 tranche of the award originally made on February 14, 2017. The grant date fair value of the performance award was determined to be $17.46 per RSU. Each performance stock unit represents a contingent right to receive RSUs based upon certain performance related goals being met and the covered employee being continuously employed through the end of the period over which the performance goals are measured. This performance award which vested on December 31, 2018, was subject to INSW's ROIC performance for the year ended December 31, 2018 relative to a target rate set forth in the award agreement. The performance condition in this award was achieved at a payout of approximately 72% of target.

During the year ended December 31, 2017 the Company awarded 30,856 performance-based RSUs to its senior officers. The weighted average grant date fair value of the awards with performance conditions was determined to be $19.73 per RSU. The weighted average grant date fair value of the TSR based performance awards, which have a market condition, was estimated using a Monte Carlo probability model and determined to be $24.35 per RSU. Each performance stock unit represents a contingent right to receive RSUs based upon the covered employees being continuously employed through the end of the period over which the performance goals are measured and shall vest as follows: (i) one-third of the target RSUs shall vest on December 31, 2019, subject to INSW's three-year earnings per share ("EPS") performance in the three-year EPS performance period relative to a target (the "EPS Target") set forth in the award agreements; (ii) one-third of the target RSUs shall vest on December 31, 2019, subject to INSW's ROIC performance in the three-year ROIC performance period relative to the ROIC Target set forth in the award agreements; and (iii) one-third of the target RSUs will be subject to INSW's three-year TSR performance relative to the TSR Target. Vesting is subject in each case to the Human Resources and Compensation Committee's certification of achievement of the performance measures and targets no later than March 15, 2020. The TSR Target performance condition in this award was achieved at a payout of 150% of target as of the performance period end date of December 31, 2019. The EPS Target and ROIC Target were not achieved as of the performance period end date of December 31, 2019. Accordingly, for financial reporting purposes, no compensation cost was recognized for the portion of these awards relating to performance conditions.

In addition, during the year ended December 31, 2017, INSW granted 29,206 performance-based RSUs (11,383 of which represented the 2017 tranche of the awards originally made on October 12, 2015) to certain members of its senior management. The grant date fair value of the performance awards was determined to be $19.13 per RSU. Each performance stock unit represents a contingent right to receive RSUs based upon certain performance related goals being met and the covered employees being continuously employed through the end of the period over which the performance goals are measured. These performance awards which vested on December 31, 2017, were subject to INSW's ROIC performance for the year ended December 31, 2017 relative to a target rate set forth in the award agreements. The performance condition in this award was achieved and resulted in payouts ranging from 130% to 150% of target.

Settlement of the vested INSW performance-based RSUs may be in either shares of common stock or cash, as determined by the Human Resources and Compensation Committee in its discretion, and shall occur as soon as practicable after the vesting date.

(ii) Stock Options

During the years ended December 31, 2019, 2018 and 2017, the Company awarded to certain senior officers an aggregate of 137,847, 124,955 and 148,271 stock options, respectively. Each stock option represents an option to purchase one share of INSW common stock for an exercise price of $17.21 per share for options granted in 2019, an exercise price of $17.46 per share for options granted in 2018, and an exercise price that ranged between $18.21 and $22.42 per share for options granted in 2017. The weighted average grant date fair value of the options granted in 2019, 2018 and 2017 was $7.99, $7.76 and $8.48 per option, respectively. The fair values of the options were estimated using the Black-Scholes option pricing model with inputs that include the INSW stock price, the INSW exercise price and the following weighted average assumptions: risk free interest rates of 2.36% (2019), 2.67% (2018) and rates that ranged between 1.95% and 2.11% (2017), dividend yields of 0.0%, expected stock price volatility factors of .46 (2019), .42 (2018) and .44 (2017), and expected lives at inception of six years, respectively. Stock options may not be transferred, pledged, assigned or otherwise encumbered prior to vesting. Each stock option will vest in equal installments on each of the first three anniversaries of the award date. The stock options expire on the business day immediately preceding the tenth anniversary of the award date. If a stock option grantee's employment is terminated for cause (as defined in the applicable Form of Grant Agreement), stock options (whether then vested or exercisable or not) will lapse and will not be exercisable. If a stock option grantee's employment is terminated for reasons other than cause, the option recipient may exercise the vested portion of the stock option but only within such period of time ending on the earlier to occur of (i) the 90th day ending after the option recipient's employment terminated and (ii) the expiration of the options, provided that if the Optionee's employment terminates for death or disability the vested portion of the option may be exercised until the earlier of (i) the first anniversary of employment termination and (ii) the expiration date of the options.

Share Repurchases

In connection with the settlement of vested restricted stock units, the Company repurchased 21,589, 28,002 and 13,961 shares of common stock during the years ended December 31, 2019, 2018 and 2017 at an average cost of $17.07, $17.81 and $18.66 per share, respectively (based on the market prices on the dates of vesting), from certain members of management to cover withholding taxes. During the first quarter of 2020, an additional 4,381 shares of common stock were repurchased from certain members of management at an average cost of $29.76 per share in relation to restricted stock units that vested on December 31, 2019.

On May 2, 2017, the Company's Board of Directors approved a resolution authorizing the Company to implement a stock repurchase program. Under the program, the Company may opportunistically repurchase up to $30,000 worth of shares of the Company's common stock from time to time over a 24-month period, on the open market or otherwise, in such quantities, at such prices, in such manner and on such terms and conditions as management determines is in the best interests of the Company. Shares owned by employees, directors and other affiliates of the Company will not be eligible for repurchase under this program without further authorization from the Board. On March 5, 2019, the Company's Board of Directors approved a resolution reauthorizing the Company's $30,000 stock repurchase program for another 24-month period ending March 5, 2021. No shares were repurchased under such program during the years ended December 31, 2019 and 2018. During the year ended December 31, 2017, the Company repurchased and retired 160,000 shares of its common stock in open-market purchases at an average price of $19.86 per share, for a total cost of $3,177.

Activity with respect to restricted common stock and restricted stock units under INSW compensation plans is summarized as follows:

	Common Stock
Nonvested Shares Outstanding at December 31, 2016	117,258
Granted	165,503
Vested ($18.21 - $19.13 per share) [1]	(108,584)
Nonvested Shares Outstanding at December 31, 2017	174,177
Granted [2]	173,573
Forfeitures [3]	(19,995)
Vested ($18.62 - $24.05 per share) [1]	(97,554)
Nonvested Shares Outstanding at December 31, 2018	230,201
Granted [2]	270,096
Forfeitures [3]	(20,570)
Vested ($17.46- $29.61 per share) [1]	(126,863)
Nonvested Shares Outstanding at December 31, 2019	352,864

(1) Includes 21,529 (2019), 21,752 (2018) and 18,144 (2017) shares of common stock sold back to the Company by employees to cover withholding taxes in the year of vesting or during the first quarter of the subsequent year.
(2) Includes 8,198 and 3,120 incremental performance restricted stock units earned as a result of above target achievement of market condition at December 31, 2019 and 2018, respectively.
(3) Represents restricted stock units forfeited because performance targets were not achieved as of the measurement date.

Activity with respect to stock options under INSW compensation plans is summarized as follows:

	Common Stock
Options Outstanding at December 31, 2016	127,559
Granted	148,271
Exercised	-
Options Outstanding at December 31, 2017	275,830
Granted	124,955
Exercised	-
Options Outstanding at December 31, 2018	400,785
Granted	137,847
Exercised	-
Options Outstanding at December 31, 2019	538,632
Options Exercisable at December 31, 2019	294,555

The weighted average remaining contractual life of the outstanding and exercisable stock options at December 31, 2019 was 7.63 years and 6.72 years, respectively. The range of exercise prices of the stock options outstanding and exercisable at December 31, 2019 was between $17.21 and $30.93 per share, and between $17.46 and $30.93 per share, respectively. The weighted average exercise price of the stock options outstanding and exercisable at December 31, 2019 was $19.25 and $20.68, respectively. The aggregate intrinsic value of the INSW stock options outstanding and exercisable at December 31, 2019 was $5,681 and $2,697, respectively.

Compensation expense is recognized over the vesting period applicable to each grant, using the straight-line method.

Compensation expense with respect to restricted common stock and restricted stock units outstanding for the years ended December 31, 2019, 2018 and 2017 was $3,216, $2,272 and $2,982, respectively. Compensation expense relating to stock options for the years ended December 31, 2019, 2018 and 2017 was $1,062, $890 and $826 respectively.

As of December 31, 2019, there was $5,772 of unrecognized compensation cost related to INSW nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted average period of 1.52 years.

NOTE 14 —ACCUMULATED OTHER COMPREHENSIVE LOSS:

The components of accumulated other comprehensive loss, net of related taxes, in the consolidated balance sheets follow:

	December 31, 2019	December 31, 2018
Unrealized losses on derivative instruments	$ (11,732)	$ (21,520)
Items not yet recognized as a component of net periodic benefit cost (pension plans)	(8,838)	(8,409)
	$ (20,570)	$ (29,929)

The following tables present the changes in the balances of each component of accumulated other comprehensive loss, net of related taxes, for the three years ended December 31, 2019.

	Unrealized losses on cash flow hedges	Items not yet recognized as a component of net periodic benefit cost (pension plans)	Total
Balance at December 31, 2016	$ (40,317)	$ (11,950)	$ (52,267)
Current period change, excluding amounts reclassified from accumulated other comprehensive loss	(1,140)	17	(1,123)
Amounts reclassified from accumulated other comprehensive loss	12,468	515	12,983
Balance at December 31, 2017	(28,989)	(11,418)	(40,407)
Current period change, excluding amounts reclassified from accumulated other comprehensive loss	(1,687)	1,107	(580)
Amounts reclassified from accumulated other comprehensive loss	9,156	1,902	11,058
Balance at December 31, 2018	(21,520)	$ (8,409)	(29,929)
Current period change, excluding amounts reclassified from accumulated other comprehensive loss	(19,126)	(818)	(19,944)
Amounts reclassified from accumulated other comprehensive loss	28,914	389	29,303
Balance at December 31, 2019	$ (11,732)	$ (8,838)	$ (20,570)

The following table presents information with respect to amounts reclassified out of accumulated other comprehensive loss for the three years ended December 31, 2019.

Accumulated Other Comprehensive Loss Component	2019	2018	2017	Statement of Operations Line Item
Reclassifications of losses on cash flow hedges:				
Interest rate swaps entered into by the Company's equity method joint venture investees	$ 26,490	$ 8,664	$ 12,337	Equity in income of affiliated companies
Interest rate swaps entered into by the Company's subsidiaries	1,467	471	-	Interest expense
Interest rate cap/collar entered into by the Company's subsidiaries	99	21	131	Interest expense
Reclassifications of losses on derivatives subsequent to discontinuation of hedge accounting				
Interest rate collar entered into by the Company's subsidiaries	858	-	-	Interest expense
Items not yet recognized as a component of net periodic benefit cost (pension plans):				
Net periodic benefit costs associated with pension and postretirement benefit plans	389	1,902	515	Other expense
	$ 29,303	$ 11,058	$ 12,983	Total before and net of tax

The following amounts are included in accumulated other comprehensive loss at December 31, 2019, which have not yet been recognized in net periodic cost: unrecognized prior service costs of $1,441 ($1,081 net of tax) and unrecognized actuarial losses of $9,148 ($7,757 net of tax). The prior service costs and actuarial losses included in accumulated other comprehensive loss and expected to be recognized in net periodic cost during 2020 are losses of $77 (gross and net of tax) and $320 (gross and net of tax), respectively.

At December 31, 2019, the Company expects that it will reclassify $4,871 (gross and net of tax) of net losses on derivative instruments from accumulated other comprehensive loss to earnings during the next twelve months due to the payment of variable rate interest associated with floating rate debt of INSW's equity method investees and the interest rate collar and swaps held by the Company.

See Note 6, "Equity Method Investments," for additional information relating to derivatives held by the Company's equity method investees and Note 9, "Fair Value of Financial Instruments, Derivatives and Fair Value," for additional disclosures relating to derivative instruments.

NOTE 15 — REVENUE:

The adoption of ASC 842 had no impact on shipping revenues for the year ended December 31, 2019 as the timing and pattern of revenue recognition under our revenue contracts that have lease and non-lease components is the same even when accounted for separately under ASC 842 and ASC 606, respectively.

Revenue Recognition

The majority of the Company's contracts for pool revenues, time and bareboat charter revenues, and voyage charter revenues are accounted for as lease revenue under ASC 842. The Company's contracts with pools are cancellable with up to 90 days' notice. As of December 31, 2019, six of the Company's vessels are operating under six-month time charter contracts to customers with expiry dates ranging from January 2020 to June 2020. Upon their expiry in January 2020, the Company extended two of such charters for an additional six months through July 2020. The Company's contracts with customers for voyage charters are short term and vary in length based upon the duration of each voyage. Lease revenue for non-variable lease payments are recognized over the lease term on a straight-line basis and lease revenue for variable lease payments (e.g., demurrage) are recognized in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. See Note 2, "Significant Accounting Policies," for additional detail on the Company's accounting policies regarding revenue recognition for leases.

Lightering services provided by the Company's Crude Tanker Lightering Business and voyage charter contracts that do not meet the definition of a lease are accounted for as service revenues under ASC 606. In accordance with ASC 606, revenue is recognized when a customer obtains control of or consumes promised services. The amount of revenue recognized reflects the consideration to which the

Company expects to be entitled to receive in exchange for these services. See Note 2, “Significant Accounting Policies,” for additional detail on the Company’s accounting policies regarding service revenue recognition and costs to obtain or fulfill a contract.

The following table presents the Company’s revenues from leases accounted for under ASC 842 and revenues from services accounted for under ASC 606 for the years ended December 31, 2019 and 2018:

	Crude Tankers	Product Carriers	Other	Totals
For the year ended December 31, 2019:				
Revenues from leases				
Pool revenues	$ 173,751	$ 80,304	$ -	$ 254,055
Time and bareboat charter revenues	27,535	90	-	27,625
Voyage charter revenues from non-variable lease payments	29,786	434	-	30,220
Voyage charter revenues from variable lease payments	2,574	-	-	2,574
Revenues from services				
Voyage charter revenues				
Lightering services	51,710	-	-	51,710
Total shipping revenues	$ 285,356	$ 80,828	$ -	$ 366,184
For the year ended December 31, 2018:				
Revenues from leases				
Pool revenues	$ 111,214	$ 65,992	$ -	$ 177,206
Time and bareboat charter revenues	24,088	1,873	-	25,961
Voyage charter revenues from non-variable lease payments	20,682	100	-	20,782
Voyage charter revenues from variable lease payments	1,346	-	-	1,346
Revenues from services				
Voyage charter revenues				
Lightering services	45,066	-	-	45,066
Total shipping revenues	$ 202,396	$ 67,965	$ -	$ 270,361

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers, and significant changes in contract assets and liabilities balances, associated with revenue from services accounted for under ASC 606. Balances related to revenues from leases accounted for under ASC 842 are excluded from the table below.

	Voyage receivables - Billed receivables	Contract assets (Unbilled voyage receivables)	Contract liabilities (Deferred revenues and off hires)
Opening balance as of January 1, 2019	$ 6,632	$ 1,931	$ -
Closing balance as of December 31, 2019	2,727	-	-

We receive payments from customers based on the distribution schedule established in our contracts. Contract assets relate to our conditional right to consideration for our completed performance under contracts and decrease when the right to consideration becomes unconditional or payments are received. Contract liabilities include payments received in advance of performance under contracts and are recognized when performance under the respective contract has been completed. Deferred revenues allocated to unsatisfied performance obligations will be recognized over time as the services are performed.

Performance Obligations

All of the Company's performance obligations, and associated revenue, are generally transferred to customers over time. The expected duration of services is less than one year. Positive/(negative) adjustments to revenues from performance obligations satisfied in

previous periods recognized during the years ended December 31, 2019 and 2018 were ($493) and ($39), respectively. These adjustments to revenue were related to changes in estimates of performance obligations related to voyage charters.

Costs to Obtain or Fulfill a Contract

As of December 31, 2019, there were no unamortized deferred costs of obtaining or fulfilling a contract.

NOTE 16 — LEASES:

The adoption of ASC 842 had a material impact in our consolidated balance sheet due to the recognition of ROU assets and corresponding operating lease liabilities as disclosed below but did not have an impact in our lease expenses as disclosed below for the year ended December 31, 2019. Certain amounts recorded for prepaid/accrued charter hire expenses associated with historical operating leases were reclassified to the newly captioned Operating lease right-of-use asset in the consolidated balance sheet as of December 31, 2019. The expense for leases under the ASC 842 will continue to be classified in their historical statements of operations captions (primarily in Charter hire expenses, General and administrative, Voyage expenses, and Vessel expenses).

As permitted under ASC 842, the Company has elected not to apply the provisions of ASC 842 to short term leases, which include: (i) tanker vessels chartered-in where the duration of the charter was one year or less at inception; (ii) workboats employed in the Crude Tankers Lightering business that are cancellable upon 180 days' notice; and (iii) short term leases of office and other space.

Contracts under which the Company is a Lessee

The Company currently has two major categories of leases - chartered-in vessels and leased office and other space. The expenses recognized during the year ended December 31, 2019 for the lease component of these leases are as follows:

	Statement of Operations Line Item	2019
Operating lease cost		
Vessel assets	Charter hire expenses	$ 15,089
Office and other space	General and administrative	996
	Voyage expenses	168
Short-term lease cost		
Vessel assets [1]	Charter hire expenses	10,769
Office and other space	General and administrative	116
	Voyage expenses	52
	Vessel expenses	8
Total lease cost		$ 27,198

(1) Excludes vessels spot chartered-in under operating leases and employed in the Crude Tankers Lightering business for periods of less than one month each, totaling $10,586 for the year ended December 31, 2019 including both lease and non-lease components.

Supplemental cash flow information related to leases was as follows:

	2019
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows used for operating leases	$ 16,178

Supplemental balance sheet information related to leases was as follows:

	December 31, 2019
Operating lease right-of-use assets	$ 33,718
Current portion of operating lease liabilities	$ (12,958)
Long-term operating lease liabilities	(17,953)
Total operating lease liabilities	$ (30,911)
Weighted average remaining lease term - operating leases	3.24 years
Weighted average discount rate - operating leases	7.16%

1. Charters-in of vessel assets:

As of December 31, 2019, INSW had commitments to charter in three MRs, two Aframaxes, one LR1 and one workboat employed in the Crude Tankers Lightering business. All of the charters-in, of which the two Aframaxes are bareboat charters with expiry dates ranging from December 2023 to March 2024 and the others are time charters with expiry dates ranging from June 2020 to August 2021, are accounted for as operating leases. Some of the Company's time charters contain renewal options to extend the leases for 12 months. The Company's bareboat charters contain purchase options commencing in the first quarter of 2021. As of December 31, 2019, the Company has determined that the purchase options are not yet reasonably certain of being exercised. Lease liabilities related to time charters-in vessels exclude estimated days that the vessels will not be available for employment due to drydock because the Company does not pay charter hire when time chartered-in vessels are not available for its use.

Payments of lease liabilities and related number of operating days under these operating leases as of December 31, 2019 and December 31, 2018 (prior to adoption of ASC 842 effective January 1, 2019) are as follows:

Bareboat Charters-in:

At December 31, 2019	Amount	Operating Days
2020	$ 6,295	732
2021	6,278	730
2022	6,278	730
2023	4,532	556
Total lease payments	23,383	2,748
less imputed interest	(2,931)	
Total operating lease liabilities	$ 20,452	

At December 31, 2018 (prior to adoption of ASC 842 effective January 1, 2019)	Amount	Operating Days
2019	$ 6,278	730
2020	6,295	732
2021	6,278	730
2022	6,278	730
2023	4,782	556
Net minimum lease payments	$ 29,911	3,478

Time Charters-in:

At December 31, 2019	Amount	Operating Days
2020	$ 6,302	1,269
2021	2,170	408
Total lease payments (lease component only)	8,472	1,677
less imputed interest	(339)	
Total operating lease liabilities	$ 8,133	

At December 31, 2018 (prior to adoption of ASC 842 effective January 1, 2019)	Amount		Operating Days
2019	$ 12,934	(1)	1,421
Net minimum lease payments	$ 12,934		1,421

(1) Includes non-lease components totaling approximately $5,530 related to the Company's time charters, which are accounted for under ASC 842 effective January 1, 2019 and therefore excluded from the operating lease liability, and approximately $3,615 related to short term leases of workboats employed in the Crude Tankers Lightering business that are not in scope of ASC 842 based on the Company's accounting policy election.

2. Office and other space:

The Company has operating leases for office and lightering workboat dock space. These leases have expiry dates ranging from August 2021 to December 2024. The lease for the workboat dock space contains renewal options executable by the Company for periods through December 2027. We have determined that the options through December 2024 are reasonably certain to be executed by the Company, and accordingly are included in the lease liability and right of use asset calculations for such lease.

Payments of lease liabilities for office and other space as of December 31, 2019 and December 31, 2018 (prior to adoption of ASC 842 effective January 1, 2019) are as follows:

At December 31, 2019	Amount
2020	$ 1,166
2021	838
2022	173
2023	178
2024	178
Total lease payments	2,533
less imputed interest	(207)
Total operating lease liabilities	$ 2,326

At December 31, 2018 (prior to adoption of ASC 842 effective January 1, 2019)	Amount
2019	$ 1,219
2020	1,152
2021	665
Net minimum lease payments	$ 3,036

Contracts under which the Company is a Lessor

See Note 15, “Revenue,” for discussion on the Company’s revenues from operating leases accounted for under the lease guidance (ASC 842).

The future minimum revenues, before reduction for brokerage commissions, expected to be received on non-cancelable time charters and the related revenue days as of December 31, 2019 and December 31, 2018 (prior to adoption of ASC 842 effective January 1, 2019) are as follows:

At December 31, 2019	Amount	Revenue Days
2020	$ 7,901	489
Future minimum revenues	$ 7,901	489

At December 31, 2018 (prior to adoption of ASC 842 effective January 1, 2019)	Amount	Revenue Days
2019	$ 2,587	221
Future minimum revenues	$ 2,587	221

Future minimum revenues do not include (i) the Company's share of time charters entered into by the pools in which it participates, and (ii) the Company's share of time charters entered into by the joint ventures, which the Company accounts for under the equity method. Revenues from a time charter are not generally received when a vessel is off-hire, including time required for normal periodic maintenance of the vessel. In arriving at the minimum future charter revenues, an estimated time off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future.

NOTE 17 —PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS:

Pension plans

The Company has obligations outstanding under a defined benefit pension plan in the U.K. The plan provides defined benefits based on years of service and final average salary. The plan was closed to new entrants and accrual from June 2014. The Company has provided a guarantee to the trustees of the OSG Ship Management (UK) Ltd. Retirement Benefits Plan (the "Scheme") in the amount of the unfunded deficiency calculated on a solvency basis, if the principal employer fails to make the required periodic contributions to the Scheme.

Information with respect to the Scheme for which INSW uses a December 31 measurement date, is as follows:

	December 31, 2019	December 31, 2018
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 23,814	$ 31,527
Prior service cost	-	152
Interest cost on benefit obligation	657	707
Actuarial losses/(gains)	2,761	(2,848)
Benefits paid	(820)	(696)
Settlements	-	(3,706)
Foreign exchange losses/(gains)	1,069	(1,322)
Benefit obligation at year end	27,481	23,814
Change in plan assets:		
Fair value of plan assets at beginning of year	22,785	29,527
Actual return on plan assets	3,341	(1,009)
Employer contributions	639	-
Benefits paid	(820)	(696)
Settlements	-	(3,761)
Foreign exchange gains/(losses)	1,049	(1,276)
Fair value of plan assets at year end	26,994	22,785
Unfunded status at December 31	$ (487)	$ (1,029)

The unfunded benefit obligation for the pension plan is included in other liabilities in the consolidated balance sheets.

Information for the defined benefit pension plan with accumulated benefit obligations in excess of plan assets follows:

	December 31, 2019	December 31, 2018
Projected benefit obligation	$ 27,481	$ 23,814
Accumulated benefit obligation	27,481	23,814
Fair value of plan assets	26,994	22,785

Information for net periodic benefit costs for the years ended December 31, 2019, 2018 and 2017 follows:

	2019	2018	2017
Components of expense:			
Plan administration costs	$ -	$ -	$ 64
Interest cost on benefit obligation	657	707	797
Expected return on plan assets	(1,017)	(1,029)	(1,041)
Amortization of prior-service costs	74	71	68
Recognized net actuarial loss	315	388	447
Recognized settlement loss	-	1,442	-
Net periodic benefit cost	$ 29	$ 1,579	$ 335

Unrecognized actuarial losses are amortized over a period of twenty years, which at the time selected, represented the term to retirement of the youngest member of the Scheme.

The weighted-average assumptions used to determine benefit obligations follow:

	December 31, 2019	December 31, 2018
Discount rate	2.00%	2.80%

The selection of a single discount rate for the defined benefit plan was derived from bond yield curves, which the Company believed as of such dates to be appropriate for the plan, reflecting the length of the liabilities and the yields obtainable on investment grade bonds. The assumption for a long-term rate of return on assets was based on a weighted average of rates of return on the investment sectors in which the assets are invested.

The weighted-average assumptions used to determine net periodic benefit costs follow:

	2019	2018	2017
Discount rate	2.80%	2.40%	2.60%
Expected (long-term) return on plan assets	4.46%	3.85%	3.85%
Rate of future compensation increases	-	-	-

Expected benefit payments are as follows:

	Pension benefits
2020	$ 822
2021	827
2022	843
2023	871
2024	997
Years 2025-2029	6,059
	$ 10,419

The fair values of the Company's pension plan assets at December 31, 2019, by asset category are as follows:

Description	Fair Value	Level 1	Level 2 [1]
Cash and cash equivalents	$ 549	$ 549	$ -
Managed funds	26,445	-	26,445
Total	$ 26,994	$ 549	$ 26,445

(1) Quoted prices for the managed funds are not available from an active market source since such investments are pooled investment funds. The unitized pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value, determined in accordance with fair value principles, provided by the pooled investment manager.

A target allocation of 80% is maintained with return seeking assets, with the balance of 20% invested in liability driven investments to target a 100% match to interest rate risks by asset value (mainly government bonds).

The Company contributed $639, $0 and $787 to the Scheme in 2019, 2018 and 2017, respectively. The Company expects that its contribution to the Scheme in 2020 will be approximately $683.

Defined Contribution Plans

The Company has defined contribution plans covering all eligible shore-based employees in the U.K. and U.S. Contributions are limited to amounts allowable for income tax purposes and include employer matching contributions to the plans. All contributions to the plans are at the discretion of the Company or as mandated by statutory laws. The contributions to the plans during the three years ended December 31, 2019 were not material.

NOTE 18 — OTHER EXPENSE:

For the year ended December 31,	2019	2018	2017
Investment income - interest	$ 2,767	$ 1,300	$ 676
Net actuarial gain/(loss) on defined benefit pension plan	628	(902)	526
Write-off of deferred financing costs	(3,558)	(2,400)	(7,020)
Loss on extinguishment of debt	(1,100)	(1,295)	-
Other	320	(418)	-
	$ (943)	$ (3,715)	$ (5,818)

Refer to Note 8, "Debt," for additional information relating to write-off of deferred financing costs and loss on extinguishment of debt.

NOTE 19 — 2019 AND 2018 QUARTERLY RESULTS OF OPERATIONS (UNAUDITED):

Selected Financial Data for the Quarter Ended	March 31,	June 30,	Sept. 30,	Dec. 31,
2019				
Shipping revenues	$ 101,874	$ 69,010	$ 71,278	$ 124,022
Gain/(loss) on disposal of vessels and other property	48	(1,548)	1,472	(280)
Income/(loss) from vessel operations	19,324	(7,934)	(2,843)	46,621
Interest expense	(17,533)	(17,443)	(17,010)	(14,281)
Income tax provision	-	-	-	(1)
Net income/(loss)	10,897	(16,523)	(11,095)	15,891
Basic and Diluted net income/(loss) per share	$ 0.37	$ (0.57)	$ (0.38)	$ 0.54

Selected Financial Data for the Quarter Ended	March 31,	June 30,	Sept. 30,	Dec. 31,
2018				
Shipping revenues	$ 51,978	$ 56,909	$ 60,926	$ 100,548
(Loss)/gain on disposal of vessels and other property, including impairments	(6,573)	6,740	(17,360)	(2,487)
(Loss)/income from vessel operations	(26,706)	(9,669)	(36,021)	17,865
Interest expense	(11,621)	(13,086)	(17,320)	(18,204)
Income tax (provision)/benefit	(8)	-	(3)	116
Net (loss)/income	(29,316)	(18,796)	(47,786)	6,958
Basic and Diluted net (loss)/income per share	$ (1.01)	$ (0.65)	$ (1.64)	$ 0.24

NOTE 20 — CONTINGENCIES:

INSW's policy for recording legal costs related to contingencies is to expense such legal costs as incurred.

Multi-Employer Plans

The Merchant Navy Officers Pension Fund ("MNOPF") is a multi-employer defined benefit pension plan covering British crew members that served as officers on board INSW's vessels (as well as vessels of other owners). The trustees of the plan have indicated that, under the terms of the High Court ruling in 2005, which established the liability of past employers to fund the deficit on the Post 1978 section of MNOPF, calls for further contributions may be required if additional actuarial deficits arise or if other employers liable for contributions are not able to pay their share in the future. As the amount of any such assessment cannot be reasonably estimated, no reserves have been recorded for this contingency in INSW's consolidated financial statements as of December 31, 2019. The next deficit valuation is as of March 31, 2021.

The Merchant Navy Ratings Pension Fund ("MNRPF") is a multi-employer defined benefit pension plan covering British crew members that served as ratings (seamen) on board INSW's vessels (as well as vessels of other owners) more than 20 years ago. Participating employers include current employers, historic employers that have made voluntary contributions, and historic employers such as INSW that have made no deficit contributions. Calls for contributions may be required if additional actuarial deficits arise or if other employers liable for contributions are unable to pay their share in the future. As the amount of any such assessment cannot be reasonably estimated, no reserves have been recorded in INSW's consolidated financial statements as of December 31, 2019. The next deficit valuation is due March 31, 2020.

Galveston

In late September 2017, an industrial accident at a dock facility in Galveston, Texas resulted in fatalities to two temporary employees (the "decedents") of a subsidiary of the Company. In accordance with law, an investigation of the accident was conducted by the Occupational Safety and Health Administration and local law enforcement. The subsidiary cooperated in providing requested information to investigators, and to date, no citations or other adverse enforcement actions have been issued to and/or taken against the subsidiary.

Additionally, two wrongful death lawsuits (the "lawsuits") relating to the accident, each of which claims damages in excess of $25,000, were filed in state court in Texas (Harris County District Court) and identified the subsidiary as one of several defendants. The lawsuits have been settled as to most of the original defendants, with the exception of the subsidiary, and the remaining disputes were removed to federal court in Houston, Texas (Southern District) in January 2018. The subsidiary has filed its answer to those complaints, generally denying the allegations and stating certain affirmative defenses. The subsidiary has filed a motion for summary judgment seeking dismissal of all claims being asserted against it in the lawsuits based on its position that it was the decedents' borrowing employer, and therefore has tort immunity under the Longshore and Harbor Workers' Compensation Act, 33 U.S.C. §§ 900-950. The motion for summary judgment is currently pending and awaiting the federal court's decision, but it cannot be predicted when a decision will be issued. There is currently no trial setting in the case. The Company and the subsidiary intend to continue vigorously defending the lawsuits. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. Accordingly, the Company is currently unable to predict the ultimate timing or outcome of, or to reasonably estimate the possible loss or a range of possible loss resulting from, the lawsuits.

Further, certain of the other original defendants in the wrongful death/personal injury actions (the "T&T Defendants") made demands to the subsidiary and its insurers for contractual defense, indemnity and additional insured coverage for all claims being asserted against the T&T Defendants arising out of the incident, including all amounts paid by the T&T Defendants in settlement of those claims, as well as its costs of defense. The subsidiary and its excess insurers filed an action for declaratory judgment in federal court in Texas (Southern District) seeking judgment that they did not owe contractual indemnification obligations to the T&T Defendants. In July 2018 the federal court overseeing the declaratory judgment action issued an order dismissing the case on the basis that it lacked subject-matter jurisdiction to hear the dispute. This was not a decision on the merits of the underlying contractual dispute. The subsidiary and its excess insurers filed an appeal of that decision in the U.S. Fifth Circuit Court of Appeals. In the meantime, the T&T Defendants filed a new lawsuit in a Texas state court to assert their contractual claims against the subsidiary and its insurers, which the defendants then removed to federal court in Houston, Texas. In early 2019, a settlement of the T&T Defendants' claims against the subsidiary and its insurers was reached, and funding of same has been issued by the subsidiary's insurers. Pursuant to the terms of the settlement, all litigation concerning these claims has been dismissed with prejudice.

Finally, in February 2018, the subsidiary and its insurers settled three "bystander" claims made by crewmembers aboard a vessel under charter to the subsidiary for alleged emotional and other personal injuries. The subsidiary has initiated arbitration in Houston, Texas against the employer of the bystanders to seek full recovery of this payment pursuant to indemnity provisions in the charter between the subsidiary and the employer. The arbitration panel issued its decision in August 2019, providing for the recovery of a portion of the indemnity payment and also for associated costs. Any eventual recovery will be for the benefit of the subsidiary's insurers.

Spin-Off Related Agreements

On November 30, 2016, INSW was spun off from OSG as a separate publicly traded company. In connection with the spin-off, INSW and OSG entered into several agreements, including a separation and distribution agreement, an employee matters agreement and a transition services agreement. While most of the obligations under those agreements were subsequently fulfilled, certain provisions (including in particular mutual indemnification provisions under the separation and distribution agreement and the employee matters agreement) continue in force.

Legal Proceedings Arising in the Ordinary Course of Business

The Company is a party, as plaintiff or defendant, to various suits in the ordinary course of business for monetary relief arising principally from personal injuries, wrongful death, collision or other casualty and to claims arising under charter parties and other contract disputes. A substantial majority of such personal injury, wrongful death, collision or other casualty claims against the Company are covered by insurance (subject to deductibles not material in amount). Each of the claims involves an amount which, in the opinion of management, should not be material to the Company's financial position, results of operations and cash flows.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of International Seaways, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of International Seaways, Inc. (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income/(loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and the financial statement schedule listed in the Index at Item 15(a)(2) (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 Company at December 31, 2019 and 2018 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, 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 Company's internal control over financial reporting as of December 31, 2019, 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 March 3, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company'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 Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the 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.

/s/Ernst & Young LLP

We have served as the Company's auditor since 2017.

New York, New York
March 3, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of International Seaways, Inc.

Opinion on Internal Control over Financial Reporting

We have audited International Seaways, Inc.'s internal control over financial reporting as of December 31, 2019, 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, International Seaways, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of International Seaways, Inc. as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income/(loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and the financial statement schedule listed in the Index at Item 15(a)(2)(collectively referred to as the "consolidated financial statements") of the Company and our report dated March 3, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company'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 Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company'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 Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our 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.

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 LLP

New York, New York
March 3, 2020

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

As of the end of the period covered by this Annual Report on Form 10-K, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of December 31, 2019 to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's report on internal control over financial reporting

Management of the Company is responsible for the establishment and maintenance of adequate internal control over financial reporting for the Company. Internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, 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. The Company's system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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 (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

Management, with participation of the CEO and CFO, has performed an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2019, based on the provisions of "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management has concluded the Company's internal control over financial reporting was effective as of December 31, 2019.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2019 has been audited by Ernst & Young LLP, the Company's independent registered public accounting firm, as stated in their report included in Item 8, "Financial Statements and Supplementary Data."

(c) Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting during the fourth quarter of fiscal year 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

Dollar amounts in Part III are expressed in whole dollars unless otherwise noted.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

See Item 14 below.

Executive Officers

The table below sets forth the name and age of each executive officer of the Company and the date such executive officer was elected to his or her current position with the Company. The term of office of each executive officer continues until the first meeting of the Board of Directors of the Company immediately following the next annual meeting of its stockholders, and until the election and qualification of his or her successor. There is no family relationship between the executive officers.

Name	Age	Position(s) Held	Has Served as Such Since
Lois K. Zabrocky	50	President and Chief Executive Officer and Director	May 2018 and November 2016
Jeffrey D. Pribor	62	Chief Financial Officer, Senior Vice President and Treasurer	November 2016
James D. Small III	51	Chief Administrative Officer, Senior Vice President, Secretary and General Counsel	November 2016
Derek Solon	43	Vice President and Chief Commercial Officer	February 2017 and November 2016
William Nugent	52	Vice President and Head of Ship Operations	February 2017 and November 2016
Adewale O. Oshodi	40	Vice President and Controller	November 2016

The business experience and certain other background information regarding our executive officers is set forth below.

Lois K. Zabrocky. Ms. Zabrocky has served as a Director of the Company since May 2018. Until her appointment to the role of Chief Executive Officer of the Company, Ms. Zabrocky served as Senior Vice President and Head of OSG's International Flag Strategic Business Unit with responsibility for the strategic plan and profit and loss performance of OSG's international tanker fleet comprised of 50 vessels and approximately 300 shoreside staff. Ms. Zabrocky served in various roles during her 25 years at OSG. Ms. Zabrocky served as Senior Vice President of OSG from June 2008 through August 2014 when she was appointed as Co-President of OSG and Head of the International Flag Strategic Business Unit of OSG. Ms. Zabrocky served as Chief Commercial Officer, International Flag Strategic Business Unit of OSG from May 2011 until her appointment as Head of International Flag Strategic Business Unit and as the Head of International Product Carrier and Gas Strategic Business Unit for at least four years prior to May 2011.

Jeffrey D. Pribor. From 2013 until his appointment to the role of Chief Financial Officer, Senior Vice President and Treasurer of the Company, Mr. Pribor was the Global Head of Maritime Investment Banking at Jefferies & Company, Inc. Previously, he was Executive Vice President and Chief Financial Officer of General Maritime Corporation, one of the world's leading tanker shipping companies, from September 2004 to February 2013. Prior to General Maritime, from 2002 to 2004, Mr. Pribor was Managing Director and President of DnB NOR Markets, Inc. From 2001 to 2002, Mr. Pribor was Managing Director and Group Head of Transportation Banking at ABN AMRO, Inc. From 1996 to 2001, Mr. Pribor was Managing Director and Sector Head of Transportation and Logistics investment banking for ING Barings.

James D. Small III. Mr. Small has served as Chief Administrative Officer, Senior Vice President, Secretary and General Counsel of the Company since November 30, 2016. He served as Senior Vice President, Secretary and General Counsel of OSG from March 2015 until November 30, 2016. Prior to joining OSG in March 2015, Mr. Small worked for more than 18 years at Cleary Gottlieb Steen & Hamilton LLP ("Cleary Gottlieb"), a law firm, the last seven years as counsel. At Cleary Gottlieb, Mr. Small's practice focused on corporate and financial transactions, U.S. securities law matters in U.S. and international capital markets transactions, mergers and acquisitions, and general corporate transactions. As counsel at Cleary Gottlieb, Mr. Small provided legal services to OSG between 2013 and February 2015.

Derek Solon. Mr. Solon has served as Vice President of the Company since February 2017 and Chief Commercial Officer of the Company since November 30, 2016. Mr. Solon was Vice President, Commercial for OSG's International Flag Strategic Business Unit

from 2014 until November 30, 2016. Prior to assuming that role he served as Vice President, Sale & Purchase since 2012. Before joining OSG, Mr. Solon was a Marine Projects Broker at Poten & Partners in New York from 2003 to 2012. Prior to joining the commercial shipping industry, Mr. Solon served as an officer in the United States Navy since 1998.

William Nugent. Mr. Nugent has served as Vice President of the Company since February 2017 and Head of Ship Operations of the Company since November 30, 2016. He served as Vice President and Head of Ship Operations for OSG's International Flag Strategic Business Unit since July 2014. Prior to this, he was responsible for the Technical Services Group, OSG's global engineering team. He joined OSG in 2006 as Assistant Vice President for New Construction, was promoted to head of the department in 2008 and oversaw the construction of ships, tugs and barges in China, Korea, and the United States. Mr. Nugent previously worked for OSG from 2000 to 2002 overseeing construction of ships in Korea. In all, Mr. Nugent has overseen construction of more than 50 vessels. Earlier in his career, Mr. Nugent was Director of Basic Design and Project Manager for Alion Science and Technology and John J. McMullen Associates, Inc., respectively.

Adewale O. Oshodi. Mr. Oshodi has been a Vice President and the Controller of the Company since November 30, 2016. He served as the Controller of OSG from July 2014 to November 30, 2016 and as Secretary of OSG from July 2014 until March 2015. He was Director, Corporate Reporting from September 2010 when he joined OSG until July 2014. Mr. Oshodi began his career in the New York commercial audit practice of Deloitte & Touche, LLP in 2000. As an Audit Manager between 2005 and 2008 and as an Audit Senior Manager between 2008 and 2010, Mr. Oshodi worked primarily on audits of companies in the maritime industry.

Code of Business Conduct and Ethics

The Company has adopted a code of business conduct and ethics which is an integral part of the Company's business conduct compliance program and embodies the commitment of the Company and its subsidiaries to conduct operations in accordance with the highest legal and ethical standards. The Code of Business Conduct and Ethics applies to all of the Company's officers, directors and employees. Each is responsible for understanding and complying with the Code of Business Conduct and Ethics. The Company also has an Insider Trading Policy which prohibits the Company's directors and employees from purchasing or selling securities of the Company while in possession of material nonpublic information or otherwise using such information for their personal benefit. The Insider Trading Policy also prohibits the Company directors and employees from hedging their ownership of securities of the Company. In addition, the Company has an Anti-Bribery and Corruption Policy which memorializes the Company's commitment to adhere faithfully to both the letter and spirit of all applicable anti-bribery legislation in the conduct of the Company's business activities worldwide. The Code of Business Conduct and Ethics, the Insider Trading Policy and the Anti-Bribery and Corruption Policy are posted on the Company's website, which is www.intlseas.com, and are available in print upon the request of any stockholder of the Company. The Company intends to use its website as a method of disseminating this disclosure, as permitted by applicable SEC rules. Any such disclosure will be posted to the Company website within four business days following the date of any such amendment. The Company's website and the information contained on that site, or connected to that site, are not incorporated by reference in this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

See Item 14 below.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table provides information as of December 31, 2019 with respect to the Company's equity compensation plans, which have been approved by the Company's shareholders. For a description of the material features of the Company's equity compensation plans and a description of shares withheld in connection with the vesting of previously-granted equity awards, see Note 13, "Capital Stock and Stock Compensation," to the consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	538,632	$ $ 19.25	319,907 *

* Consists of 259,133 shares eligible to be granted under the Company's 2016 Management Incentive Compensation Plan and 60,774 shares under the 2016 Non-Employee Director Incentive Compensation Plan.

See also Item 14 below.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

See Item 14 below.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Except for the table in Item 12 above, the information called for under Items 10, 11, 12, 13 and 14 is incorporated herein by reference from the definitive Proxy Statement to be filed by the Company no later than 120 days after December 31, 2019, in connection with its 2020 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) The following consolidated financial statements of the Company are filed in response to Item 8.

Consolidated Balance Sheets at December 31, 2019 and 2018.

Consolidated Statements of Operations for the Years Ended December 31, 2019, 2018 and 2017.

Consolidated Statements of Comprehensive Income/(Loss) for the Years Ended December 31, 2019, 2018 and 2017.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2019, 2018 and 2017.

Consolidated Statements of Changes in Equity for the Years Ended December 31, 2019, 2018 and 2017.

Notes to Consolidated Financial Statements.

Reports of Independent Registered Public Accounting Firm.

(a)(2) I-Condensed Financial Information of Parent Company

All other Schedules of the Company have been omitted since they are not applicable or are not required.

(a)(3) The following exhibits are included in response to Item 15(b):

2.1	Separation and Distribution Agreement dated as of November 30, 2016 by and between Overseas Shipholding Group, Inc. and Registrant (schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K; the Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request) (filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
3.1	Amended and Restated Articles of Incorporation (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
3.2	Amended and Restated By-Laws (filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
4.1	Registration Rights Agreements dated as of November 30, 2016 between Registrant and certain stockholders party thereto (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
4.2	Indenture, dated May 31, 2018, between the Registrant and The Bank of New York Mellon, as trustee (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated May 31, 2018 and incorporated by reference herein).
4.3	First Supplemental Indenture, dated May 31, 2018, between the Registrant and The Bank of New York Mellon, as trustee (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K dated May 31, 2018 and incorporated by reference herein).
4.4	Form of Global Note (included as Exhibit A to the First Supplemental Indenture filed as Exhibit 4.3).
4.5	Indenture, dated June 13, 2018, between the Registrant and GLAS Trust Company LLC, as trustee (the "GLAS Trust Indenture") (filed as Exhibit 4.4 to the Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2018 and incorporated by reference herein).

4.6	Form of Notes (included as Exhibit A to Annex I to the GLAS Trust Indenture filed as Exhibit 4.5).
4.7	First Supplemental Indenture, dated December 28, 2018, to the GLAS Trust Indenture (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated December 28, 2018 and incorporated by reference herein).
*10.1	International Seaways, Inc. Non-Employee Director Incentive Compensation Plan (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated November 25, 2016 and incorporated herein by reference).
*10.1.1	Form of International Seaways, Inc. Non-Executive Director Incentive Compensation Plan Restricted Stock Grant Agreement (filed as Exhibit 10.1.1 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2	International Seaways, Inc. Management Incentive Compensation Plan ("MICP") (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 25, 2016 and incorporated herein by reference).
*10.2.1	Form of International Seaways, Inc. MICP Stock Option Grant Agreement (filed as Exhibit 10.2.1 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2.2	Form of International Seaways, Inc. MICP Restricted Stock Unit Grant Agreement (filed as Exhibit 10.2.2 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2.3	Form of International Seaways, Inc. MICP Performance-Based Restricted Stock Unit Grant Agreement (filed as Exhibit 10.2.3 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2.4	Form of International Seaways, Inc. MICP Alternate Stock Option Grant Agreement (filed as Exhibit 10.2.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated by reference herein).
*10.2.5	Form of International Seaways, Inc. MICP Alternate Restricted Stock Unit ("RSU") Grant Agreement (filed as Exhibit 10.2.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated by reference herein).
*10.2.6	Form of International Seaways, Inc. MICP Alternate Performance RSU Grant Agreement (filed as Exhibit 10.2.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated by reference herein).
10.3	Form of Employee Matters Agreement between Overseas Shipholding Group, Inc. and the Registrant (filed as Exhibit 10.7 to Amendment No. 2 to the Registrant's Registration Statement on Form 10 filed on October 21, 2016 and incorporated herein by reference).
*10.3.1	Form of Enhanced Severance Agreement (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated herein by reference).
*10.4	Employment Agreement dated September 29, 2014 between Overseas Shipholding Group, Inc. and Lois K. Zabrocky (filed as Exhibit 10.13 to Overseas Shipholding Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference).
*10.5	Amendment No. 1 to Lois K. Zabrocky's Employment Agreement dated March 30, 2016 (filed as Exhibit 10.2 to Overseas Shipholding Group, Inc.'s Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference).
*10.6	Amendment No. 2 to Lois K. Zabrocky's Employment Agreement dated August 3, 2016 (filed as Exhibit 10.10 to Amendment No. 4 to the Registrant's Registration Statement on Form 10 filed on November 4, 2016 and incorporated herein by reference).

*10.7	Form of Amendment No. 3 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.8 to Amendment No. 2 to the Registrant's Registration Statement on Form 10 filed on October 21, 2016 and incorporated herein by reference).
*10.8	Amendment No. 4 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated herein by reference).
*10.8.1	Amendment No. 5 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 5, 2019 and incorporated herein by reference).
*10.9	Employment Agreement dated February 13, 2015 between Overseas Shipholding Group, Inc. and James D. Small III (filed as Exhibit 10.29 to Overseas Shipholding Group, Inc.'s Annual Report on Form 10-K for 2014 and incorporated herein by reference).
*10.10	Amendment No. 1 to James D. Small III's Employment Agreement dated March 30, 2016 (filed as Exhibit 10.4 to Overseas Shipholding Group, Inc.'s Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference).
*10.11	Amendment No. 2 to James D. Small III's Employment Agreement dated August 3, 2016 (filed as Exhibit 10.14 to Amendment No. 4 to the Registrant's Registration Statement on Form 10 filed on November 4, 2016 and incorporated herein by reference).
*10.12	Form of Amendment No. 3 to James D. Small III's Employment Agreement (filed as Exhibit 10.9 to Amendment No. 2 to the Registrant's Registration Statement on Form 10 filed on October 21, 2016 and incorporated herein by reference).
*10.13	Employment Agreement dated September 29, 2014 between Overseas Shipholding Group, Inc. and Adewale O. Oshodi (filed as Exhibit 10.23 to Overseas Shipholding Group, Inc.'s Annual Report on Form 10-K for 2014 and incorporated herein by reference).
*10.14	Amendment No. 1 to Adewale O. Oshodi's Employment Agreement dated March 2, 2015 (filed as Exhibit 10.24 to Overseas Shipholding Group, Inc.'s Annual Report on Form 10-K for 2014 and incorporated herein by reference).
*10.15	Amendment No. 2 to Adewale O. Oshodi's Employment Agreement dated March 2, 2015 (filed as Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 and incorporated herein by reference).
*10.15.1	Amendment No. 3 to Adewale O. Oshodi's Employment Agreement dated March 2, 2015 (filed as Exhibit 10.3 to Registrant's Current Report on Form 8-K dated April 5, 2019 and incorporated herein by reference).
*10.16	Employment Agreement dated November 9, 2016 between the Registrant and Jeffrey D. Pribor (filed as Exhibit 10.20 to Amendment No. 6 to Registrant's Registration Statement on Form 10 filed on November 9, 2016 and incorporated herein by reference).
*10.16.1	Amendment No. 1 to Jeffrey D. Pribor's Employment Agreement dated November 9, 2016 (filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K dated April 5, 2019 and incorporated herein by reference).
*10.17	International Seaways Ship Management LLC Supplemental Executive Savings Plan (filed as Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 and incorporated herein by reference).

10.18	Credit Agreement dated as of June 22, 2017, among the Registrant, OIN Delaware LLC, International Seaways Operating Corporation and certain of its subsidiaries as other guarantors, various lenders, Jefferies Finance LLC and JP Morgan Chase Bank, N.A., as joint lead arrangers, UBS Securities LLC, as joint bookrunner, DNB Markets Inc., Fearnley Securities AS, Pareto Securities Inc. and Skandinaviska Enskilda Banken AB (Publ) as co-managers, Jefferies Finance LLC, as administrative agent, syndication agent, collateral agent and mortgage trustee ("2017 Credit Agreement") (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).
10.19	First Amendment, dated as of July 24, 2017, to the 2017 Credit Agreement (filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 and incorporated herein by reference).
10.20	Second Amendment, dated as of June 14, 2018, to the 2017 Credit Agreement (filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 and incorporated herein by reference).
10.21	$220 Million Senior Secured Credit Facility of TI Africa Limited and TI Asia Limited, as joint and several Borrowers, and ABN Amro Bank N.V. and ING Belgium SA/NV, as Mandated Lead Arrangers, dated March 29, 2018 (filed as exhibit 10.21 to the Registrant's Registration Statement on Form S-3 (File No. 333-224313) filed on May 14, 2018 and incorporated herein by reference).
10.22	Guarantee, dated March 29, 2018, relating to $220 Million Senior Secured Credit Facility dated March 29, 2018 (filed as exhibit 10.22 to the Registrant's Registration Statement on Form S-3 (File No. 333-224313) filed on May 14, 2018 and incorporated herein by reference).
10.23	Credit agreement dated as of June 7, 2018, by and among Seaways Shipping Corporation, a Marshall Islands corporation and wholly-owned subsidiary of the Registrant, the Registrant (as a guarantor), certain other guarantors which are subsidiaries of the Registrant, lenders named therein and ABN AMRO Capital USA LLC as lead arranger and facility agent (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 and incorporated herein by reference).
10.24	Amending and Restating Agreement by and among Gener8 Maritime Subsidiary VII, Inc., Seaways Holding Corporation, a wholly owned subsidiary of the Company, the Company, Citibank, N.A. (London Branch), the Export-Import Bank of China and Bank of China (New York Branch) (and its successors and assigns) and certain other parties thereto (filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 and incorporated herein by reference).
10.25	Distribution Agreement dated January 9, 2019 among the Registrant and Evercore Group L.L.C. and Jefferies LLC (filed as Exhibit 1.1 to the Registrant's Current Report on Form 8-K dated January 9, 2019 and incorporated herein by reference).
10.26	Consent letter dated March 1, 2019, relating to the Sinosure Credit Facility (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated March 1, 2019 and incorporated herein by reference).
**10.27	Note Purchase Agreement dated as of December 31, 2019 among the Registrant, and BlackRock Credit Alpha Master Fund L.P., HC NCBR Fund and The Obsidian Master Fund relating to the Notes issued under the GLAS Trust Indenture filed as Exhibit 4.5.
**10.28	Stock Purchase Agreement dated October 7, 2019 between the Registrant (as Vendor) and Nakilat Marine Services Ltd. (as Purchaser) relating to OSG Nakilat Corporation.

**10.29	$390 Million Credit Agreement dated as of January 23, 2020 among the Registrant, International Seaways Operating Corporation, the other guarantors from time to time party thereto, the lenders party thereto, Nordea Bank Abp, New York Branch, as administrative agent, collateral agent and security trustee, ABN AMRO Capital USA LLC, as sustainability coordinator, Nordea Bank Abp, New York Branch, ABN AMRO Capital USA LLC, DNB Markets, Inc., Credit Agricole Corporate & Investment Bank, and Skandinaviska Enskilda Banken AB (Publ), as mandated lead arrangers and bookrunners, and BNP Paribus and Danish Ship Finance A/S, as lead arrangers (pursuant to Item 601(b)(2) of Regulation S-K, certain exhibits and similar attachments have been omitted but will be furnished supplementally to the Commission upon request).
10.30	Side letter dated as of June 17, 2019 (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated June 24, 2019 and incorporated herein by reference).
**21	List of significant subsidiaries of the Registrant.
**23	Consent of Independent Registered Public Accounting Firm.
**31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.
**31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.
**32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

(1) The Exhibits marked with one asterisk (*) are a management contract or a compensatory plan or arrangement required to be filed as an exhibit.
(2) The Exhibits which have not previously been filed or listed are marked with two asterisks (**).

ITEM 16. FORM 10-K SUMMARY

None

SIGNATURES

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

Date: March 3, 2020

INTERNATIONAL SEAWAYS, INC.

By: /s/ Jeffrey D. Pribor
Jeffrey D. Pribor
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated. Each of such persons appoints Lois K. Zabrocky and Jeffrey D. Pribor, and each of them, as his agents and attorneys-in-fact, in his name, place and stead in all capacities, to sign and file with the SEC any amendments to this report and any exhibits and other documents in connection therewith, hereby ratifying and confirming all that such attorneys-in-fact or either of them may lawfully do or cause to be done by virtue of this power of attorney.

Name	Date
/s/ LOIS K. ZABROCKY Lois K. Zabrocky, Principal Executive Officer; Director	March 3, 2020
/s/ JEFFREY D. PRIBOR Jeffrey D. Pribor, Principal Financial Officer and Principal Accounting Officer	March 3, 2020
/s/ DOUGLAS D. WHEAT Douglas D. Wheat, Director	March 3, 2020
/s/ TIMOTHY BERNLOHR Timothy Bernlohr, Director	March 3, 2020
/s/ IAN T. BLACKLEY Ian T. Blackley, Director	March 3, 2020
/s/ RANDEE DAY Randee Day, Director	March 3, 2020
/s/ JOSEPH I. KRONSBERG Joseph I. Kronsberg, Director	March 3, 2020
/s/ DAVID I. GREENBERG David I. Greenberg, Director	March 3, 2020
/s/ TY E. WALLACH Ty E. Wallach, Director	March 3, 2020
/s/GREGORY A. WRIGHT Gregory A. Wright, Director	March 3, 2020

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES
SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF PARENT
INTERNATIONAL SEAWAYS, INC.
CONDENSED BALANCE SHEETS
AT DECEMBER 31
DOLLARS IN THOUSANDS

	December 31, 2019	December 31, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 9,059	$ 159
Other receivables	-	5
Prepaid expenses and other current assets	1,055	556
Total Current Assets	10,114	720
Restricted cash	4,000	4,000
Investment in subsidiaries	1,057,519	941,872
Investments in and advances to affiliated companies	-	112,212
Intercompany receivables	1,597	1,611
Other assets	596	282
Total Assets	$ 1,073,826	$ 1,060,697
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 728	$ 875
Total Current Liabilities	728	875
Long-term debt	50,705	49,824
Intercompany payables	100	143
Total Liabilities	51,533	50,842
Equity:		
Capital - 100,000,000 no par value shares authorized; 29,274,452 and 29,184,501		
shares issued and outstanding	1,313,178	1,309,269
Accumulated deficit	(270,315)	(269,485)
	1,042,863	1,039,784
Accumulated other comprehensive loss	(20,570)	(29,929)
Total Equity	1,022,293	1,009,855
Total Liabilities and Equity	$ 1,073,826	$ 1,060,697

See notes to condensed financial statements

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES
SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF PARENT
INTERNATIONAL SEAWAYS, INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS

	2019	2018	2017
Shipping Revenues	$ -	$ -	$ 2
Operating Expenses			
Vessel expenses	-	-	(4)
General and administrative	4,633	4,664	5,880
Third-party debt modification fees	(11)	44	-
Separation and transition costs	-	-	381
Total operating expenses	4,622	4,708	6,257
Loss from vessel operations	(4,622)	(4,708)	(6,255)
Equity in income/(loss) of affiliated companies	10,107	(80,269)	(75,790)
Operating income/(loss)	5,485	(84,977)	(82,045)
Other income/(loss)	62	(92)	(6,888)
Income/(loss) before interest expense and income taxes	5,547	(85,069)	(88,933)
Interest expense	(6,377)	(3,864)	(17,129)
Loss before income taxes	(830)	(88,933)	(106,062)
Income tax provision	-	(7)	(26)
Net loss	(830)	(88,940)	(106,088)
Other comprehensive income/(loss), net of tax:			
Net change in unrealized losses on cash flow hedges	9,788	7,469	11,328
Defined benefit pension and other postretirement benefit plans:			
Net change in unrecognized prior service cost	32	(13)	(31)
Net change in unrecognized actuarial losses	(461)	3,022	563
Other comprehensive income, net of tax	9,359	10,478	11,860
Comprehensive Income/(Loss)	$ 8,529	$ (78,462)	$ (94,228)

See notes to condensed financial statements

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES
SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF PARENT
INTERNATIONAL SEAWAYS, INC.
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS

	2019	2018	2017
Cash Flows from Operating Activities:			
Net cash (used in)/provided by operating activities	$ (8,489)	$ 3,500	$ 297,931
Cash Flows from Investing Activities:			
Capital contributions to subsidiaries	(122,784)	(56,942)	-
Distributions from subsidiaries and affiliated companies	19,068	7,360	165,168
Proceeds from sale of investments in affiliated companies	122,755	-	-
Net cash provided by/(used in) investing activities	19,039	(49,582)	165,168
Cash Flows from Financing Activities:			
Issuance of debt, net of issuance and deferred financing costs	-	51,318	-
Payments on debt	-	-	(1,546)
Extinguishment of debt	-	(2,069)	(458,416)
Premium on extinguishment of debt	(992)	-	-
Repurchases of common stock	-	-	(3,177)
Cash paid to tax authority upon vesting of stock-based compensation	(369)	(410)	(349)
Other - net	(289)	(222)	-
Net cash (used in)/provided by financing activities	(1,650)	48,617	(463,488)
Net increase/(decrease) in cash, cash equivalents and restricted cash	8,900	2,535	(389)
Cash, cash equivalents and restricted cash at beginning of year	4,159	1,624	2,013
Cash, cash equivalents and restricted cash at end of year	$ 13,059	$ 4,159	$ 1,624

See notes to condensed financial statements

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES
SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF PARENT
INTERNATIONAL SEAWAYS, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
DOLLARS IN THOUSANDS

NOTE A — BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS:

International Seaways, Inc. (the "Parent") is the Parent company that conducts substantially all of its business operations through its subsidiaries. The condensed financial information and related notes have been prepared in accordance with Rule 12.04, Schedule I of Regulation S-X. This financial information should be read in conjunction with the consolidated financial statements and notes thereto of International Seaways, Inc., and subsidiaries (collectively, the "Company").

The Parent owns 100% of International Seaways Operating Corporation ("ISOC"), which is incorporated in the Marshall Islands, and OIN Delaware LLC, which is incorporated in the state of Delaware. The Parent had a 49.9% interest in a joint venture, OSG Nakilat Corporation ("LNG Joint Venture"), which is incorporated in the Marshall Islands. The following subsidiaries of the Parent are in the process of being dissolved: ERN Holdings Inc. and Oleron Tankers S.A., which are incorporated in Panama. On November 30, 2016, pursuant to the Contribution Agreement entered into between the Parent and ISOC, the Parent contributed its ownership interests in all of its vessel owning subsidiaries and certain of its non-vessel owning subsidiaries to ISOC. ISOC and its subsidiaries own and operate a fleet of oceangoing vessels engaged in the transportation of crude oil and refined petroleum products in the international markets.

NOTE B— DEBT:

Debt consists of the following:

	December 31, 2019	December 31, 2018
8.5% Senior Notes, due 2023, net of unamortized deferred finance costs of $1,142 and $1,402	$ 23,858	$ 23,598
10.75% Subordinated Notes, due 2023, net of unamortized deferred finance costs of $1,084 and $1,705	26,847	26,226
	50,705	49,824
Less current portion	-	-
Long-term debt	$ 50,705	$ 49,824

The Parent completed the sale of $25,000 of its 8.50% notes (the "8.50% Senior Notes") in an SEC-registered offering in May 2018 and the sale of $30,000 of its 10.75% subordinated step-up notes due 2023 (the "10.75% Subordinated Notes") in a private placement to certain funds and accounts managed by BlackRock, Inc. ("BlackRock") on June 13, 2018. The Parent made capital contributions totaling $56,899 to ISOC during 2018 to finance the acquisition of the Six VLCCs and to fund general working capital needs, out of which $56,942 was paid and reflected in the condensed statement of cash flows as cash flows used in investing activities and $43 is included in intercompany receivables in the condensed consolidated balance sheet as of December 31, 2018.

On January 28, 2020, the outstanding balance of the 10.75% Subordinated Notes was repurchased using proceeds received from the 2020 Debt Facilities that were distributed by ISOC to the Parent as a return of capital.

As of December 31, 2019, the aggregate annual principal payments required to be made on the 8.5% Senior Notes and 10.75% Subordinated Notes are as follows:

Year	Amount
2020	$ -
2021	-
2022	-
2023	52,931
Aggregate principal payments required	$ 52,931

The Parent expects to recognize a net loss of $2,026 on the prepayment of the 10.75% Subordinated Notes in January 2020. The net loss reflects a write-off of $1,034 unamortized original issue discount and deferred financing costs associated with the 10.75% Subordinated Notes and a premium of $992, which was paid in December 2019.

During the year ended December 31, 2018, the Parent paid issuance costs in connection with 8.5% Senior Notes and 10.75% Subordinated Notes aggregating $3,727, of which $3,683 were capitalized as deferred finance charges and $44 is included in third-party debt modification fees in the condensed statement of operations and comprehensive loss. The net loss of $128 included in other expense for the year ended December 31, 2018 reflects a write-off of unamortized original issue discount and deferred financing costs associated with the redemption of $2,069 of the 10.75% Subordinated Notes, which were treated as partial extinguishments. Issuance costs incurred and capitalized as deferred finance charges have been treated as a reduction of debt proceeds.

An aggregate net loss of $7,020 for the year ended December 31, 2017 realized on the modification of the Parent's debt facilities, is included in other expense in the condensed statement of operations and comprehensive loss. The net loss reflects a write-off of unamortized original issue discount and deferred financing costs associated with the INSW Facilities, which were treated as partial extinguishments. The remaining balance of unamortized deferred financing costs were concurrently transferred to ISOC.

See Note 8, “Debt,” to the Company’s consolidated financial statements set forth in Item 8, “Financial Statements and Supplementary Data,” for information with respect to the Parent's debt.

NOTE C—RELATED PARTY TRANSACTIONS:

The financial statements of the Parent included related party transactions as presented in the tables below:

	2019	2018	2017
Equity in (loss)/income of affiliated companies			
ISOC	$ 18,280	$ (90,020)	$ (89,851)
Other Subsidiaries	(3)	(99)	(327)
LNG Joint Venture	(8,170)	9,850	14,388
	$ 10,107	$ (80,269)	$ (75,790)

On October 7, 2019, the Company sold its 49.9% ownership interest in the LNG Joint Venture with Qatar Gas Transport Company Limited (Nakilat) (“Nakilat”) to Nakilat pursuant to a share purchase agreement entered into on the closing date. The purchase price for the transaction was $123,000, excluding fees and expenses. The share purchase agreement contains specified representations, warranties, covenants and indemnification provisions of the parties customary for transactions of this type. In addition, in connection with the transaction, various other agreements governing the LNG Joint Venture and the LNG Joint Venture’s relationships with its counterparties were also amended to reflect the change in ownership and related matters. The Company recorded a cash gain on the sale of $3,033 and reclassified the Company’s share of the unrealized losses associated with the interest rate swaps held by the LNG Joint Venture of $21,615 into earnings from Accumulated Other Comprehensive Loss. The Company made a $122,784 capital contribution to ISOC representing the net proceeds from the sale of the LNG Joint Venture.

	2019	2018	2017
Interest income on intercompany loan with INSW Manila Inc.	$ -	$ 35	$ 131
Total included in other expense	$ -	$ 35	$ 131

The Parent had a loan receivable from INSW Manila Inc., which was entered into to finance the purchase of an office building in Manila. This loan bore interest at 4% per annum and was repayable on demand. Such loan was paid in full in 2018.

	December 31, 2019	December 31, 2018
Amounts due from related companies:		
ISOC	$ -	$ 43
INSW Manila Inc.	1,597	1,568
Intercompany receivables	$ 1,597	$ 1,611

	December 31, 2019	December 31, 2018
Amounts due to related companies:		
OIN Delaware LLC	$ 100	$ 100
OSG-NNA Ship Management Services Inc.[1]	-	43
Intercompany payables	$ 100	$ 143

(1) This subsidiary was dissolved during the year ended December 31, 2019.

In accordance with the terms of the 2017 Debt Facilities, ISOC is permitted to pay cash dividends to the Parent at the times and in the amounts necessary for the Parent to pay its operating expenses and other similar corporate overhead costs and expenses incurred in the ordinary course of its business. ISOC made cash distributions totaling $19,068 and $7,360 as return of capital to the Parent for the year ended December 31, 2019 and 2018, respectively, to cover such costs. ISOC made cash distributions totaling $487,260 to the parent including earnings distributions of $322,092 and $165,168 return of capital, for the year ended December 31, 2017 to cover such costs and to fund the repayment of the INSW facilities. The earnings distributions and return of capital distributions received by the Parent are reflected in the condensed statement of cash flows as cash flows from operating activities and investing activities, respectively.

NOTE D —CONTINGENCIES:

See Note 20, “Contingencies,” to the Company’s consolidated financial statements set forth in Item 8, “Financial Statements and Supplementary Data,” for information with respect to the Parent’s contingencies.

NOTE REPURCHASE AGREEMENT

This **NOTE REPURCHASE AGREEMENT** (this "Agreement") is dated as of December 30, 2019 and is among International Seaways, Inc., a corporation organized under the laws of the Republic of The Marshall Islands (the "Company"), and BlackRock Credit Alpha Master Fund L.P., HC NCBR Fund and The Obsidian Master Fund (the "Selling Noteholders").

BACKGROUND

WHEREAS, the Company issued $30,000,000 aggregate principal amount of its 10.75% Step-Up Notes due 2023 (the "Notes") pursuant to the Indenture, dated as of June 13, 2018, as amended on December 28, 2018 (the "Indenture"), between the Company and GLAS Trust Company LLC, as trustee (the "Trustee");

WHEREAS, pursuant to the Purchase Agreement, dated June 13, 2018, by and among the Company, the Selling Noteholders and other initial purchasers party thereto, and the Note Repurchase Agreement, dated September 17, 2018, by and between the Company and Multi-Strategy Master Fund Limited, pursuant to which the Company purchased from Multi-Strategy Master Fund Limited $2,069,000 aggregate principal amount of the Notes, the Selling Noteholders purchased from the Company and currently hold, in aggregate, $27,931,000 aggregate principal amount of the Notes set forth opposite such Selling Noteholder's name on Schedule I (the "Repurchased Notes");

WHEREAS, the Company has offered to repurchase, and the Selling Noteholders have offered to sell, the Repurchased Notes at a price equal to 100.0% of the aggregate principal amount thereof, together with accrued and unpaid interest from December 15, 2019, the most recent date on which interest has been paid pursuant to the Indenture, to, but excluding, January 15, 2020, plus an aggregate premium in the amount of $992,436 (the "Aggregate Repurchase Premium");

NOW, THEREFORE, in consideration of the premises and the agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

SALE AND REPURCHASE

Section 1.1 **Repurchase**. Subject to the terms and conditions of this Agreement, at the Closing (as defined below), the Selling Noteholders shall sell, assign, transfer, convey and deliver to the Company, and the Company shall purchase, acquire and accept from the Selling Noteholders (such sale and purchase, the "Repurchase"), the Repurchased Notes presently held by the Selling Noteholders in the form of definitive IAI Notes Nos. IAI-1, IAI-2 and IAI-4, CUSIP No. 46032V AB2 (the "Definitive Notes") attached hereto as Annex A. The purchase price for the Repurchased Notes shall be as follows: (i) for IAI Note No. IAI-1, 100.0% of the aggregate principal amount thereof plus accrued and unpaid interest thereon from December 15, 2019 to, but excluding, January 15, 2020 (the "Note 1 Repurchase Price"), plus $536,671 (the "Note 1 Repurchase Premium" and, together with the Note 1 Repurchase Price, the "Aggregate Note 1 Repurchase Price"), (ii) for IAI Note No. IAI-2, 100.0% of the aggregate principal amount thereof plus accrued and unpaid interest thereon from December 15, 2019 to, but excluding, January 15, 2020 (the "Note 2 Repurchase Price"), plus $198,480 (the "Note 2 Repurchase Premium" and, together with the Note 2 Repurchase Price, the "Aggregate Note 2 Repurchase Price") and (iii) for IAI Note No. IAI-4, 100.0% of the aggregate principal amount thereof plus accrued and unpaid

interest thereon from December 15, 2019 to, but excluding, January 15, 2020 (the "Note 4 Repurchase Price"), plus $257,285 (the "Note 4 Repurchase Premium" and, together with the Note 4 Repurchase Price, the "Aggregate Note 4 Repurchase Price". We refer to the Aggregate Note 1 Repurchase Price, the Aggregate Note 2 Repurchase Price and the Aggregate Note 4 Repurchase Price, collectively, as the "Repurchase Price".

Section 1.2 Closing.

(a) The closing of the Repurchase (the "Closing") shall take place at 1:00 p.m., New York City time on the Closing Date (as defined below) at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 or at such other time and place as may be agreed by the Company and the Selling Noteholders, subject to satisfaction or waiver of all conditions set forth in Section 1.3 hereof. The "Closing Date" shall be the later of (i) January 15, 2020 and (ii) the date on which the Funding Condition (as defined below) is satisfied. At the Closing, (a) each Selling Noteholder shall deliver or cause to be delivered to the Company all of such Selling Noteholder's right, title and interest in and to the Repurchased Notes held by it (including delivery of the respective Definitive Note to the Company or the Trustee for cancellation thereof), together with all documentation reasonably necessary to transfer to the Company its right, title and interest in and to the Repurchased Notes and (b) the Company shall pay or cause to be paid, to the respective Selling Noteholders, the Note 1 Repurchase Price, the Note 2 Repurchase Price and the Note 4 Repurchase Price, in cash, by wire transfer of immediately available funds in accordance with the wire transfer instructions provided by the Selling Noteholders to the Company.

(b) On the date hereof, the Company shall pay or cause to be paid to the respective Selling Noteholders the Note 1 Repurchase Premium, the Note 2 Repurchase Premum and the Note 4 Repurchase Premium, respectively, in cash, by wire transfer of immediately available funds in accordance with the wire transfer instructions provided by the respective Selling Noteholders to the Company.

(c) The Company and the Selling Noteholders agree that, in connection with the Repurchase and the payment of the Repurchase Price, the Selling Noteholders will, on the Closing Date, direct the escrow agent in respect of the Notes to release the funds held in escrow by it for the benefit of the Selling Noteholders pursuant to that certain Depository Agreement, dated April 9, 2019, by and between the Company and JPMorgan Chase Bank, N.A., as depository agent, such funds to be used by the Company for such purposes as the Company may deem appropriate (which may include funding a portion of the Repurchase Price).

(d) Notwithstanding anything in this Agreement to the contrary, if the Repurchase has not been consummated by February 15, 2020, this Agreement (other than the provisions of this Section 1.2(d)) shall cease to be of further effect; provided however that the Company and the Selling Noteholders agree that they shall enter into a supplemental indenture with the Trustee pursuant to which the Aggregate Repurchase Premium shall be credited against the interest payments due upon the Notes payable on March 15, 2020 (the "March Interest Payment Date") and June 15, 2020 (the "June Interest Payment Date"), with such amount to be credited first against the March Interest Payment Date and second against the June Interest Payment Date; and further provided that the Selling Noteholders agree that, notwithstanding that no such supplemental indenture has been entered into by the Company and the Trustee prior to the March Interest Payment Date or the June Interest Payment Date, they will waive (and direct the Trustee to waive) any default under the Indenture that is solely in respect of the payment of interest in an aggregate amount up to and including the Aggregate Repurchase Premium on the March Interest Payment Date and the June Interest Payment Date, respectively.

Section 1.3 Conditions.

(a) The obligations of the Company to consummate the Repurchase and to effectuate the Closing are subject to (i) the condition that the representations and warranties of the Selling Noteholders set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date and (ii) the successful refinancing of the outstanding Senior Credit Agreement (as defined in the Indenture) on terms satisfactory to the Company in its sole discretion on or prior to February 15, 2020 (the "Financing Condition"); provided that the Financing Condition may waived by the Company in its sole discretion.

(b) The obligations of the Selling Noteholders to consummate the Repurchase and to effectuate the Closing are subject to (i) the condition that the representations and warranties of the Company set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date and (ii) the full payment of the Aggregate Repurchase Premium pursuant to Section 1.2(b) hereof.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE SELLING NOTEHOLDER

Each of the Selling Noteholders hereby makes the following representations and warranties to the Company.

Section 2.1 Power; Authorization and Enforceability.

(a) It is an exempted company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands and has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. All consents, orders, approvals and other authorizations, whether governmental, corporate or otherwise, necessary for such execution, delivery and performance by it of this Agreement and the transactions contemplated hereby have been obtained and are in full force and effect.

(b) This Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 2.2 No Conflicts. The execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby does not and will not constitute or result in a breach, violation or default under: (i) any agreement or instrument, whether written or oral, express or implied, to which it is a party; (ii) its certificate of incorporation; or (iii) any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of itself, except, in each case, as would not reasonably be expected to have a material adverse effect upon its ability to consummate the Repurchase and perform its obligations under this Agreement.

Section 2.3 Title to Repurchased Notes. As of the date hereof, it is the sole legal and beneficial owner of and has good and valid title to the Repurchased Notes to be sold by it and, upon delivery to the Company of the Repurchased Notes against payment made therefor pursuant to this Agreement, good and valid title to the Repurchased Notes, free and clear of any lien, pledge, charge, security interest, mortgage, or other encumbrance or adverse claim, will pass to the Company.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby makes the following representations and warranties to each of the Selling Noteholders.

Section 3.1 **Power; Authorization and Enforceability**.

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the Republic of The Marshall Islands and has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. All consents, orders, approvals and other authorizations, whether governmental, corporate or otherwise, necessary for such execution, delivery and performance by the Company of this Agreement and the transactions contemplated hereby have been obtained and are in full force and effect.

(b) This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 3.2 **No Conflicts**. The execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby does not and will not constitute or result in a breach, violation or default under: (i) any agreement or instrument, whether written or oral, express or implied, to which the Company is a party; (ii) the Company's certificate of incorporation or bylaws; or (iii) any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of the Company, except, in each case, as would not reasonably be expected to have a material adverse effect upon the ability of Company to consummate the Repurchase and perform its obligations under this Agreement

Section 3.3 **Cancellation of the Repurchased Notes**. Upon receipt of the Repurchased Notes at the Closing, the Company will deliver the Repurchased Notes to the Trustee (together with the Definitive Notes and any other customary document reasonably requested by the Trustee) for cancellation pursuant to the Indenture and provide the Selling Noteholders with evidence of cancellation thereof.

Section 3.4 **Payment of Fees and Expenses**. The Company will pay or cause to be paid the fees, disbursements and expenses of the Selling Noteholders' counsel in connection with this Agreement and the transactions contemplated hereby, up to a maximum amount of thirty thousand dollars ($30,000).

ARTICLE IV
MISCELLANEOUS PROVISIONS

Section 4.1 **Notice**. All communications hereunder shall be in writing and effective only upon receipt and

if to the Selling Noteholders, shall be delivered, mailed or sent to:

BlackRock Financial Management, Inc.
55 East 52nd Street

New York, New York 10055
Attention: Shantanu Agrawal
Email: shantanu.agrawal@blackrock.com

with copies to:

BlackRock Financial Management, Inc.
55 East 52nd Street
New York, New York 10055
Attention: David Trucano
Email: David.Trucano@blackrock.com

and

BlackRock Financial Management, Inc.
Office of the General Counsel
40 East 52nd Street
New York, NY 10022
Attention: BCA – International Seaways bond
Email: legaltransactions@blackrock.com

and if to the Company, shall be delivered, mailed or sent to:

International Seaways, Inc.
c/o International Seaways Ship Management LLC
600 Third Avenue, 39th Floor
New York, New York 10016
Attention: General Counsel / Legal Department.

Section 4.2 **Entire Agreement**. This Agreement and the other documents and agreements executed in connection with the Repurchase shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement. The Company waives to the full extent permitted by applicable law any claims it may have against each of the Selling Noteholders in connection with the Repurchase.

Section 4.3 **Assignment; Binding Agreement**. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by any of the parties without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns. Any purported assignment not permitted under this Section 4.3 shall be null and void.

Section 4.4 **Counterparts**. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, telefax or electronic transmission shall be considered original executed counterparts for purposes of this Section 4.4.

Section 4.5 **Applicable Law**. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York. The Company and each of the Selling Noteholders each hereby submits to the non-exclusive jurisdiction of the United States federal and state courts in the Borough of Manhattan in The City of New York (a "New York Court") in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company and each of the Selling Noteholders each irrevocably and unconditionally waives any objection to the laying of venue of any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby in a New York Court and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum.

Section 4.6 **Waiver of Immunity**. To the extent that the Company or any Selling Noteholder has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Company and any such Selling Noteholder each hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement.

Section 4.7 **WAIVER OF JURY TRIAL**. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 4.8 **No Third Party Beneficiaries or Other Rights**. This Agreement is for the sole benefit of the parties and their successors and permitted assigns and nothing herein express or implied shall give or shall be construed to confer any legal or equitable rights or remedies to any person other than the parties to this Agreement and such successors and permitted assigns.

Section 4.9 **Amendments; Waivers**. This Agreement and its terms may not be changed, amended, waived, terminated, augmented, rescinded or discharged (other than in accordance with its terms), in whole or in part, except by a writing executed by the parties hereto.

Section 4.10 **Further Assurances**. Each party hereto shall use its reasonable best efforts to do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 4.11 **Severability**. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(Signatures appear on the next page.)

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first above written.

INTERNATIONAL SEAWAYS, INC.
By: /s/Jeffrey D. Pribor

Name: Jeffrey D. Pribor
Title: Senior Vice President, Chief Financial Officer

BLACKROCK CREDIT ALPHA MASTER FUND L.P.

By: BlackRock Financial Management Inc., in its capacity as investment advisor
By: /s/Shantanu Agrawal

Name: Shantanu Agrawal
Title: Director

HC NCBR FUND

By: BlackRock Financial Management Inc., in its capacity as investment advisor
By: /s/Shantanu Agrawal

Name: Shantanu Agrawal
Title: Director

THE OBSIDIAN MASTER FUND
By: BlackRock Financial Management Inc., in its capacity as investment advisor
By: /s/Shantanu Agrawal

Name: Shantanu Agrawal
Title: Director

Schedule I

Selling Noteholders

Selling Noteholder	Repurchased Notes
BLACKROCK CREDIT ALPHA MASTER FUND L.P.	$15,104,000 (No. IAI-1)
HC NCBR FUND	$5,586,000 (No. IAI-2)
THE OBSIDIAN MASTER FUND	$7,241,000 (No. IAI-4)
Total	**$27,931,000**

Annex A

Definitive Notes IAI-1, IAI-2 and IAI-4

7 October **2019**

International Seaways, Inc.
(as Vendor)

and

Nakilat Marine Services Ltd.
(as Purchaser)

SHARE PURCHASE AGREEMENT

related to

OSG Nakilat Corporation

LATHAM & WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel: +44.20.7710.1000
www.lw.com

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THIS AGREEMENT is made on 7 October 2019,

BETWEEN:

(1) **INTERNATIONAL SEAWAYS, INC. (formerly known as OSG INTERNATIONAL, INC.)**, a corporation incorporated in the Marshall Islands with registered number 3428 and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (the "**Vendor**"); and

(2) **NAKILAT MARINE SERVICES LTD.**, a corporation incorporated in the Marshall Islands with registered number 12550 and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (the "**Purchaser**").

WHEREAS,

The Vendor wishes to sell and the Purchaser wishes to purchase the Shares subject to the terms of this Agreement.

IT IS AGREED THAT:

1. DEFINITIONS AND INTERPRETATIOn

1.1 In this Agreement, unless the context otherwise requires:

1 "**Accounting and Financial Services Agreement**" means the accounting and financial services agreement dated 7 November 2004 (as novated, amended and restated on 31 March 2014), between Nakilat Shipping (Qatar) Limited, the Company and the Subsidiaries;

2 "**Affiliate**" means, in relation to a body corporate, any subsidiary or holding company of such body corporate, and any subsidiary of any such holding company, in each case from time to time;

3 "**Agent**" means The Royal Bank of Scotland plc (as renamed or replaced from time to time);

4 "**Agreed Form**" means, in relation to a document, the form of that document which has been agreed between the parties;

5 "**Business Day**" means a day (other than a Friday, Saturday or Sunday) on which banks are open for ordinary banking business in London, New York and Doha;

6 "**Change of Ownership**" means the sale and purchase of the Shares pursuant to this Agreement;

7 "**Charter Agreement**" means each of the LNG tanker time charter party agreements effective as from 7 November 2004 (as amended) between the Charterer and each of the Subsidiaries;

8 "**Charterer**" means Qatar Liquefied Gas Company Limited (II);

"**Claim**" means any claim by the Purchaser for breach of any of the Vendor Warranties;

9 "**Company**" means OSG Nakilat Corporation, a corporation incorporated in the Marshall Islands, with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Ajuro, Marshall Islands MH 96960, further particulars of which are set out in Part 1 of Schedule 1;

10 "**Completion**" means completion of the sale and purchase of the Shares in accordance with Clause 4;

11 “**Completion Date**” means the date on which Completion actually takes place, being the date of this Agreement;

12 “**Confidential Information**” has the meaning given in Clause 8.1(a);

13 “**Consideration**” has the meaning given in Clause 3;

14 “**Encumbrance**” means any interest or equity of any person (including any right to acquire, option or right of pre-emption), any mortgage, charge, pledge, lien, assignment, hypothecation, security interest (including any created by Law), title retention or other security agreement or arrangement;

15 “**Existing OSG Policies**” has the meaning given in Clause 7.1(a);

16 “**Group**” means the Company and each of the Subsidiaries;

17 “**Group Company**” means any member of the Group;

18 “**Junior Facilities Agreement**” means the $51,000,000 junior facilities agreement between (among others) the Subsidiaries, the Company, as guarantor, the Agent as facility agent, the Security Trustee as security trustee, and the lenders thereto dated 30 October 2007 (and as subsequently amended and restated from time to time);

19 “**Laws**” means all applicable legislation, statutes, directives, regulations, judgments, decisions, decrees, orders, instruments, by-laws, and other legislative measures or decisions having the force of law, treaties, conventions and other agreements between states, or between states and the European Union or other supranational bodies, rules of common law, customary law and equity and all civil or other codes and all other laws of, or having effect in, any jurisdiction from time to time;

20 “**Purchaser Warranties**” means the representations and warranties given by the Purchaser set out in Clause 5.4;

21 “**Representatives**” means, in relation to a party, its Affiliates and their respective directors, officers, employees, agents, consultants, advisers and any lenders to such party;

22 “**Security Trustee**” means NatWest Markets plc (as renamed or replaced from time to time);

23 “**Senior Facilities Agreement**” means the $869,500,000 senior facilities agreement between (among others) the Subsidiaries, the Company as guarantor, the Agent as facility agent, the Security Trustee as security trustee, and the lenders thereto dated 27 July 2005 (and as subsequently amended and restated from time to time);

24 “**SHA**” means the shareholders’ agreement of the Company between the Purchaser and the Vendor dated 7 November 2004, along with the side letter to such agreement between the Purchaser and the Vendor dated 3 January 2017;

“**Shares**” means the 499 issued and outstanding registered shares of the Company held by the Vendor, constituting 49.9% of all of the issued and outstanding registered shares of the Company;

“**Ship Management Agreements**” means each of the ship management agreements dated October 2007 (as novated, amended and restated on 27 May 2014), between Nakilat Shipping (Qatar) Limited and each of the Subsidiaries;

25 “**Subsidiaries**” means the companies whose details are set out in Part 2 of Schedule 1, and “**Subsidiary**” means each of them;

26 "**Tax**" means:

(a) all forms of tax, levy, impost, contribution, duty, liability and charge in the nature of taxation (including payment under the Corporation Tax (Instalment Payments) Regulations 1998) and all related withholdings or deductions of any nature (including, for the avoidance of doubt, PAYE and National Insurance contribution liabilities in the United Kingdom and corresponding obligations elsewhere); and

(b) all related fines, penalties, charges and interest,

27 imposed or collected by a Tax Authority whether directly or primarily chargeable against, recoverable from or attributable to any of the Group Companies or another person (and "**Taxes**" and "**Taxation**" shall be construed accordingly);

28 "**Tax Authority**" means a taxing or other governmental (local or central), state or municipal authority (whether within or outside the United Kingdom) competent to impose a liability for or to collect Tax;

29 "**Transaction Documents"** means this Agreement and any documents to be entered into pursuant to, or in connection with, this Agreement;

30 "**Vendor Warranties**" means the representations and warranties given by the Vendor set out in Clause 5.1; and

31 "**Working Hours**" means 9:30 am to 5:30 pm on a Business Day.

31.1 In this Agreement, unless the context otherwise requires:

(a) every reference to a particular Law shall be construed also as a reference to all other Laws made under the Law referred to and to all such Laws as amended, re-enacted, consolidated or replaced or as their application or interpretation is affected by other Laws from time to time and whether before or after Completion provided that, as between the parties, no such amendment or modification shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party;

(b) references to clauses and schedules are references to Clauses of and Schedules to this Agreement, references to paragraphs are references to paragraphs of the Schedule in which the reference appears and references to this Agreement include the Schedules;

(c) references to the singular shall include the plural and vice versa and references to one gender include any other gender;

(d) references to a "party" means a party to this Agreement and includes its successors in title, personal representatives and permitted assigns;

(e) references to a "person" includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;

(f) references to a "company" includes any company, corporation or other body corporate wherever and however incorporated or established;

(g) references to "dollars" or "$" are references to the lawful currency from time to time of the United States of America;

(h) references to times of the day are to Doha time unless otherwise stated;

(i) references to writing shall include any modes of reproducing words in a legible and non-transitory form;

(j) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court official or any other legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term;

(k) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things; and

(l) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation.

31.2 The headings and sub-headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.

31.3 Each of the schedules to this Agreement shall form part of this Agreement.

31.4 References to this Agreement include this Agreement as amended or varied in accordance with its terms.

2. SALE OF SHARES

2.1 On the terms set out in this Agreement, the Vendor shall sell and the Purchaser shall purchase the Shares with effect from Completion, free from all Encumbrances, together with all rights attaching to the Shares as at Completion (including all dividends and distributions declared, paid or made in respect of the Shares after Completion).

2.2 For the avoidance of doubt, each party waives any pre-emption rights which it holds in respect of any of the Shares, including those under clause 15 of the SHA.

3. CONSIDERATION

The purchase price for the sale of the Shares shall be $123,000,000 (one hundred and twenty-three million United States Dollars) (the "**Consideration**") payable in cash at Completion by the Purchaser to the Vendor at the below account:

Bank Name: JPMorgan Chase NA

ABA Routing Number: 021000021

SWIFT Code: CHASUS33

Account Name: International Seaways, Inc.

Account Number: 2321015113

4. COMPLETION

4.1 Completion shall take place at the Doha offices of the Purchaser (or at any other place as agreed in writing by the Vendor and the Purchaser) immediately after the execution of this Agreement.

4.2 At Completion:

(a) the Vendor shall do or procure the carrying out of all those things listed in paragraph 1 of Schedule 2;

(b) the Purchaser shall do or procure the carrying out of all those things listed in paragraph 2 of Schedule 2;

(c) the parties shall procure that:

(i) board resolutions and shareholder resolutions, if required, of each Group Company are passed:

(A) in the case of the Company, solely:

(I) approving the Change of Ownership, the issuance of share certificates in the name of the Purchaser and the registration in the books of the Company of the Purchaser as the registered owner of the Shares; and

(II) approving the change of name of the Company to "Nakilat Maritime Corporation";

(B) accepting the resignations of the officers of such Group Company as are referred to in paragraphs 1.1(d) and 2.1(b)(v) of Schedule 2;

(C) accepting the appointment of the following as the officers of each Group Company:

(I) Abdullah Al-Sulaiti – Director / President;

(II) Rashid Al Marri – Director / Vice President;

(III) Bader Al Mulla – Director; and

(IV) Mohammed Al Khabi – Director, and

(D) approving the entry into any documents required to be entered into in connection with the transactions contemplated by this Agreement;

(ii) each applicable Group Company duly executes:

(A) a counterpart of the deed of amendment in respect of the applicable Charter Agreement, as duly executed by the Charterer;

(B) a counterpart of the deed of amendment and restatement in respect of the applicable Ship Management Agreement, as duly executed by Nakilat Shipping (Qatar) Limited; and

(C) a counterpart of the deed of amendment and restatement in respect of the Accounting and Financial Services Agreement, as duly executed by Nakilat Shipping (Qatar) Limited;

(iii) a notification of the Change of Ownership is immediately delivered to:

(A) the Agent and the Security Trustee under each of the Senior Facilities Agreement and the Junior Facilities Agreement; and

(B) the Charterer;

(iv) Qatar Gas Transport Company Limited (Nakilat) duly executes a counterpart of the deed of amendment in respect of each of the four guarantees granted by it in favour of the Charterer, as duly executed by the Charterer; and

(v) a copy of:

(A) each deed of amendment in respect of each of the guarantees granted by Qatar Gas Transport Company Limited (Nakilat), in favour of the Charterer duly executed by each of the Charterer and Qatar Gas Transport Company Limited (Nakilat); and

(B) each deed of amendment in respect of each Charter Agreement duly executed by each of the Charterer and the applicable Subsidiary,

is immediately delivered to the Charterer.

4.3 Without prejudice to any other rights and remedies the parties may have, neither the Vendor or the Purchaser shall be obliged to complete the sale and purchase of any of the Shares unless the sale and purchase of all of the Shares is completed simultaneously.

5. WARRANTIES

5.1 The Vendor represents and warrants to the Purchaser as at the date of this Agreement that:

(a) The Vendor is duly incorporated and validly existing in good-standing under the Laws of its country of incorporation.

(b) The Vendor has taken all necessary action and has all requisite power and authority to enter into and perform this Agreement in accordance with its terms.

(c) This Agreement constitutes (or shall constitute when executed) valid, legal, binding and enforceable obligations on the Vendor.

(d) The execution and delivery of this Agreement by the Vendor and the performance of and compliance with its terms and provisions will not conflict with or result in a breach of, or constitute a default under, the constitutional documents of the Vendor, any agreement or instrument to which the Vendor is a party or by which it is bound, other than the SHA, or any Law, order or judgment that applies to or binds the Vendor or any of its property.

(e) No consent, action, approval or authorisation of, and no registration, declaration, notification or filing is required to be obtained, or made, by the Vendor to authorise the execution or performance of this Agreement.

(f) The Shares constitute the whole of the allotted and issued shares of the Company owned by the Vendor or any of its Affiliates.

(g) The Vendor is the sole legal and beneficial owner of the Shares and the Shares are fully paid up and free from all Encumbrances and the Vendor is entitled to transfer the full ownership of the Shares on the terms set out in this Agreement, subject to the terms of the SHA.

5.2 The Vendor acknowledges that the Purchaser is entering into this Agreement on the basis of and in express reliance on the Vendor Warranties.

5.3 Each of the Vendor Warranties is separate and independent and, unless otherwise specifically provided, shall not be restricted or limited by reference to any other representation, warranty or term of this Agreement.

5.4 The Purchaser represents and warrants to the Vendor as at the date of this Agreement that:

(a) The Purchaser is duly incorporated and validly existing in good-standing under the Laws of its country of incorporation.

(b) The Purchaser has taken all necessary action and has all requisite power and authority to enter into and perform this Agreement in accordance with its terms.

(c) This Agreement constitutes (or shall constitute when executed) valid, legal, binding and enforceable obligations on the Purchaser.

(d) The execution and delivery of this Agreement by the Purchaser and the performance of and compliance with its terms and provisions will not conflict with or result in a breach of, or constitute a default under, the constitutional documents of the Purchaser, any agreement or instrument to which the Purchaser is a party or by which it is bound, other than the SHA, or any Law, order or judgment that applies to or binds the Purchaser or any of its property.

(e) No consent, action, approval or authorisation of, and no registration, declaration, notification or filing is required to be obtained, or made, by the Purchaser to authorise the execution or performance of this Agreement.

6. LIMITATIONS ON VENDOR LIABILITY

6.1 The aggregate liability of the Vendor in respect of all Claims shall not exceed the Consideration, plus any reasonable legal costs incurred by the Purchaser in enforcing its rights under this Agreement.

6.2 The Vendor shall not be liable in respect of any Claim unless the Purchaser has given notice in writing of such Claim to the Vendor within 12 months of the Completion Date, including a summary of the nature of the Claim as far as it is known to the Purchaser and the amount claimed.

6.3 For the purposes of this Clause 6, the liability of the Vendor in respect of a Claim shall mean the amount in respect of the Claim for which the Vendor:

(a) admits liability in writing; or

(b) is found to be liable by a court of competent jurisdiction and the Vendor has no right of appeal or is debarred by passage of time or otherwise from making an appeal,

and the Vendor shall not be liable in respect of any contingent liability in relation to any Claim unless and until such contingent liability becomes an actual liability and is due and payable.

6.4 The Purchaser shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of the same loss, regardless of whether more than one Claim arises in respect of it, and for this purpose recovery by the Purchaser or any of the Group Companies shall be deemed to be a recovery by each of them.

7. INSURANCE CLAIMS

7.1 The Vendor and the Purchaser acknowledge that:

(a) prior to and until Completion, each Group Company and its assets (including each vessel owned by each Subsidiary) have been covered under group insurance policies maintained by the Vendor (such policies the "**Existing OSG Policies**"); and

(b) on and after Completion each Group Company shall be solely responsible for obtaining and maintaining insurance policies covering such person and its assets (including each vessel owned by each Subsidiary).

7.2 The Vendor hereby agrees and acknowledges that to the extent any insurance claim is made or any insurance proceeds are paid under any Existing OSG Policy to the extent relating to any Group Company or to the assets of any Group Company, as a result of damage or loss suffered by any Group Company or to the assets of any Group Company, the proceeds of any such claims are the property of the applicable Group Company.

7.3 To the extent that the Vendor receives any insurance proceeds pursuant to an Existing OSG Policy that relate to damage or loss suffered by any Group Company or to the assets of any Group Company, the Vendor shall immediately pay the amount of such insurance proceeds directly to the applicable Group Company. Any such insurance

proceeds received by the Vendor, pending their payment to the applicable Group Company, shall be held on trust by the Vendor for the applicable Group Company.

7.4 The Vendor shall not take (and shall ensure that none of its Affiliates take) any action that could reasonably be expected to result in any potential claim under any Existing OSG Policy relating to any Group Company or to the assets of any Group Company being rejected or invalidated.

7.5 The Vendor shall immediately notify the Purchaser and the applicable Group Company to the extent that it receives any material correspondence in connection with any Existing OSG Policy that could impact any Group Company or any existing claims of any Group Company.

7.6 The Vendor shall provide any assistance requested by the Purchaser or any Group Company in pursuing any claim under any Existing OSG Policy or in collecting any outstanding proceeds payable as a result of any such claim.

8. CONFIDENTIALITY AND ANNOUNCEMENTS

8.1 Subject to Clause 8.4, each party:

(a) shall treat as strictly confidential the existence and provisions of this Agreement and the other Transaction Documents and the process of their negotiation (the "**Confidential Information**"); and

(b) shall not, except with the prior written consent of the other party (which shall not be unreasonably withheld or delayed), make use of (save for the purposes of performing its obligations under this Agreement) or disclose to any person (other than in accordance with Clause 8.2) any Confidential Information.

8.2 Each party undertakes that it shall only disclose Confidential Information to its Representatives and any person where it is reasonably required for the purposes of performing its obligations under this Agreement (including those under Clause 4.2) or any other Transaction Document and, in each case, only where such recipients are informed of the confidential nature of the Confidential Information and the provisions of this Clause 8 and instructed to comply with this Clause 8 as if they were a party to it.

8.3 Subject to Clause 8.4, neither party shall make any announcement (including any communication to the public, to any customers, suppliers or employees of any of the Group Companies) concerning the subject matter of this Agreement without the prior written consent of the other (which shall not be unreasonably withheld or delayed).

8.4 Clauses 8.1, 8.2 and 8.3 shall not apply if and to the extent that the party using or disclosing Confidential Information or making such announcement can demonstrate that:

(a) such disclosure or announcement is required by Law or by any stock exchange or any supervisory, regulatory, governmental or anti-trust body (including, for the avoidance of doubt, any Tax Authority) having applicable jurisdiction; or

(b) the Confidential Information concerned has come into the public domain other than through its fault (or that of its Representatives) or the fault of any person to

whom such Confidential Information has been disclosed in accordance with this Clause 8.4.

8.5 The provisions of this Clause 8 shall survive termination of this Agreement or Completion, as the case may be, and shall continue for a period of five years from the date of this Agreement.

9. FURTHER ASSURANCE

The Vendor shall, at its own cost, promptly execute and deliver all such documents and do all such things and provide all such information and assistance, as the Purchaser may from time to time reasonably require for the purpose of giving full effect to the provisions of this Agreement and to secure for the Purchaser the full benefit of the rights, powers and remedies conferred upon it under this Agreement.

10. ENTIRE AGREEMENT AND REMEDIES

10.1 This Agreement and the other Transaction Documents together set out the entire agreement between the parties relating to the sale and purchase of the Shares and, save to the extent expressly set out in this Agreement or any other Transaction Document, supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties, promises, assurances and arrangements of any nature whatsoever, whether or not in writing, relating thereto. This Clause 10 shall not exclude any liability for or remedy in respect of fraudulent misrepresentation.

10.2 The rights, powers, privileges and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers, privileges or remedies provided by Law.

11. POST-COMPLETION EFFECT OF AGREEMENT

11.1 Notwithstanding Completion:

(a) each provision of this Agreement and any other Transaction Document not performed at or before Completion but which remains capable of performance;

(b) the Vendor Warranties and the Purchaser Warranties; and

(c) all covenants, indemnities and other undertakings and assurances contained in or entered into pursuant to this Agreement or any other Transaction Document,

will remain in full force and effect and, except as otherwise expressly provided, without limit in time.

12. WAIVER AND VARIATION

12.1 A failure or delay by a party to exercise any right or remedy provided under this Agreement or by Law, whether by conduct or otherwise, shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Agreement or by Law, whether by conduct or otherwise, shall preclude or restrict the further exercise of that or any other right or remedy.

12.2 A waiver of any right or remedy under this Agreement shall only be effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.

12.3 No variation or amendment of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to this Agreement. Unless expressly agreed, no variation or amendment shall constitute a general waiver of any provision of this Agreement, nor shall it affect any rights or obligations under or pursuant to this Agreement which have already accrued up to the date of variation or amendment and the rights and obligations under or pursuant to this Agreement shall remain in full force and effect except and only to the extent that they are varied or amended.

13. INVALIDITY

Where any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the Laws of any jurisdiction then such provision shall be deemed to be severed from this Agreement and, if possible, replaced with a lawful provision which, as closely as possible, gives effect to the intention of the parties under this Agreement and, where permissible, that shall not affect or impair the legality, validity or enforceability in that, or any other, jurisdiction of any other provision of this Agreement.

14. ASSIGNMENT

No person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

15. PAYMENTS

15.1 Any payment to be made pursuant to this Agreement shall be made to the bank account notified by the payee to the payor by way of electronic transfer in immediately available funds on or before the due date for payment. Receipt of such sum in such account on or before the due date for payment shall be a good discharge by the payor of its obligation to make such payment.

15.2 Where any payment is made in satisfaction of a liability arising under this Agreement it shall be an adjustment to the Consideration.

16. NOTICES

16.1 Any notice or other communication given under this Agreement or in connection with the matters contemplated herein shall, except where otherwise specifically provided, be in writing in the English language, addressed as provided in Clause 16.2 and served:

(a) by leaving it at the relevant address in which case it shall be deemed to have been given upon delivery to that address;

(b) if from or to any place by air courier, in which case it shall be deemed to have been given two Business Days after its delivery to a representative of the courier;

(c) if from or to any place by pre-paid airmail, in which case it shall be deemed to have been given five Business Days after the date of posting;

(d) by facsimile, in which case it shall be deemed to have been given when despatched subject to confirmation of uninterrupted transmission by a transmission report; or

(e) by e-mail, in which case it shall be deemed to have been given when despatched subject to confirmation of delivery by a delivery receipt,

provided that in the case of sub-clauses (d) and (e) above any notice despatched outside Working Hours shall be deemed given at the start of the next period of Working Hours.

16.2 Notices under this Agreement shall be sent for the attention of the person and to the address, fax number or e-mail address, subject to Clause 16.3, as set out below:

For the Vendor:

Name:International Seaways, Inc.
For the attention of:Senior Vice President, Chief Financial Officer and Treasurer
Address:c/o International Seaways Ship Management LLC
600 Third Avenue, 39th Floor
New York, New York 10016
Fax number:212-578-1832
E-mail address:jpribor@intlseas.com

with a copy to:

Name:International Seaways, Inc.
For the attention of: Senior Vice President, Chief Administrative Officer and General Counsel
Address:c/o International Seaways Ship Management LLC
600 Third Avenue, 39th Floor
New York, New York 10016
Fax number:212-251-1180
E-mail address:jsmall@intlseas.com

For the Purchaser:

Name:Nakilat Marine Services Ltd.
For the attention of:Chief Commercial & Business Development Officer
Address:c/o Qatar Gas Transport Company Limited (Nakilat)
Shoumoukh Towers, Tower B, C-Ring Road
Doha, State of Qatar, PO Box 22271
Fax number:974-4448-3127
E-mail address:jstampe@qgtc.com.qa

with a copy to:

Name:Nakilat Marine Services Ltd.
For the attention of:General Counsel
Address:c/o Qatar Gas Transport Company Limited (Nakilat)
Shoumoukh Towers, Tower B, C-Ring Road
Doha, State of Qatar, PO Box 22271
Fax number:974-4448-3110
E-mail address:enewitt@qgtc.com.qa

16.3 Any party may notify the other party of any change to its address or other details specified in Clause 16.2 provided that such notification shall only be effective on the date specified in such notice or five Business Days after the notice is given, whichever is later.

17. COSTS

Except as otherwise provided in this Agreement, the costs arising out of or in connection with the preparation, negotiation and implementation of this Agreement and all other Transaction Documents shall be shared equally between the parties.

18. RIGHTS OF THIRD PARTIES

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

19. COUNTERPARTS

This Agreement may be executed in any number of counterparts. Each counterpart shall constitute an original of this Agreement but all the counterparts together shall constitute but one and the same instrument. This Agreement may be executed by facsimile signature.

20. GOVERNING LAW AND JURISDICTION

20.1 This Agreement and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of England and Wales.

20.2 Any Dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Maritime Arbitrators' Association terms current at the time when proceedings are commenced (the "**Rules**"), which are deemed to be incorporated by reference into this Clause 20.2 (save that any requirement in the Rules to take account of the nationality of a person considered for appointment as an arbitrator shall be disapplied and a person may be nominated or appointed as an arbitrator (including as chairman) regardless of nationality). There shall be three arbitrators, two of whom shall be nominated by the respective parties in accordance with the Rules and the third, who shall be the Chairman of the tribunal, shall be nominated by the two party nominated arbitrators within 14 days of the last of their appointments. The seat, or legal place, of arbitration shall be London, U.K.. The language to be used in the arbitral proceedings shall be English. Judgment on any award may be entered in any court having jurisdiction thereover.

20.3 For the purposes of this Clause 20, "**Dispute**" means any dispute, controversy, claim or difference of whatever nature arising out of, relating to, or having any connection with this Agreement, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Agreement or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to, or having any connection with this Agreement.

SCHEDULE 1

1 PARTICULARS OF THE COMPANY AND THE SUBSIDIARIES

Part 1

The Company

Company Name	OSG Nakilat Corporation
Registered Number	12174
Registered Address	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960
Date and Place of Incorporation	October 15, 2004, Marshall Islands
Officers	Bader Al Mulla - President and Director
	Jeffrey D. Pribor - Financial Director & Treasurer
	Lois K. Zabrocky - Senior Vice President & Director
	Shatha Al Emadi - Director
	Fieke Nijland - Secretary
	James D. Small - Assistant Secretary
Authorised Shares	2,000 registered shares without par value
Issued Shares	1,000 shares
Shareholders and Shares Held	Nakilat Marine Services Ltd. – 501 shares (Certificate No. 3)
	International Seaways, Inc. – 499 shares (Certificate No. 5)
Accounting Reference Date	31 December
Auditors	KPMG
Tax Residence	Marshall Islands

The Subsidiaries

Company Name	Overseas LNG H1 Corporation
Registered Number	12175
Registered Address	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960
Date and Place of Incorporation	October 15, 2004, Marshall Islands
Officers	Bader Al Mulla - President and Director
	Jeffrey D. Pribor - Financial Director & Treasurer
	Lois K. Zabrocky - Senior Vice President & Director
	Shatha Al Emadi - Director
	Fieke Nijland - Secretary
	James D. Small - Assistant Secretary
Authorised Shares	500 registered shares without par value
Issued Shares	1 share
Shareholders	OSG Nakilat Corporation
Accounting Reference Date	31 December
Auditors	KPMG
Tax Residence	Marshall Islands

Company Name	Overseas LNG H2 Corporation
Registered Number	12176
Registered Address	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960
Date and Place of Incorporation	October 15, 2004, Marshall Islands

Officers	Bader Al Mulla - President and Director
	Jeffrey D. Pribor - Financial Director & Treasurer
	Lois K. Zabrocky - Senior Vice President & Director
	Shatha Al Emadi - Director
	Fieke Nijland - Secretary
	James D. Small - Assistant Secretary
Authorised Shares	500 registered shares without par value
Issued Shares	1 share
Shareholders and Shares Held	OSG Nakilat Corporation
Accounting Reference Date	31 December
Auditors	KPMG
Tax Residence	Marshall Islands

Company Name	Overseas LNG S1 Corporation
Registered Number	12177
Registered Address	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960
Date and Place of Incorporation	October 15, 2004, Marshall Islands
Officers	Bader Al Mulla - President and Director
	Jeffrey D. Pribor - Financial Director & Treasurer
	Lois K. Zabrocky - Senior Vice President & Director
	Shatha Al Emadi - Director
	Fieke Nijland - Secretary
	James D. Small - Assistant Secretary
Authorised Shares	500 registered shares without par value
Issued Shares	1 share
Shareholders and Shares Held	OSG Nakilat Corporation
Accounting Reference Date	31 December
Auditors	KPMG
Tax Residence	Marshall Islands

Company Name	Overseas LNG S2 Corporation
Registered Number	12178
Registered Address	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960
Date and Place of Incorporation	October 15, 2004, Marshall Islands
Officers	Bader Al Mulla - President and Director
	Jeffrey D. Pribor - Financial Director & Treasurer
	Lois K. Zabrocky - Senior Vice President & Director
	Shatha Al Emadi - Director
	Fieke Nijland - Secretary
	James D. Small - Assistant Secretary
Authorised Shares	500 registered shares without par value
Issued Shares	1 share
Shareholders and Shares Held	OSG Nakilat Corporation
Accounting Reference Date	31 December
Auditors	KPMG
Tax Residence	Marshall Islands

SCHEDULE 2

2 COMPLETION OBLIGATIONS

1. VENDOR'S OBLIGATIONS

1.1 At Completion the Vendor shall deliver to the Purchaser, or procure the delivery to the Purchaser, of:

(a) all documents, duly executed and/or endorsed where required, required to enable title to all of the Shares to pass into the name of the Purchaser;

(b) share certificates in respect of all of the Shares;

(c) the original of any power of attorney, in Agreed Form, under which any document to be delivered to the Purchaser under this paragraph 1 has been executed;

(d) in respect of each Group Company, letters of resignation duly executed by:

(i) Jeffrey D. Pribor (Financial Director & Treasurer);

(ii) Lois K. Zabrocky (Senior Vice President & Director); and

(iii) James D Small (Assistant Secretary),

(e) a counterpart of the termination agreement in respect of the SHA, in Agreed Form, duly executed by the Vendor; and

(f) a copy of a board resolution of the Vendor approving the sale of the Shares and the execution by the Vendor of the Transaction Documents and any other documents referred to in this Agreement.

2. PURCHASER'S OBLIGATIONS

2.1 At Completion the Purchaser shall:

(a) pay the Consideration to the Vendor as provided in Clause 3; and

(b) deliver to the Vendor, or procure the delivery to the Vendor, of:

(i) evidence, to the extent not previously provided, of:

(A) the consent of the lenders, under each of the Senior Facilities Agreement and the Junior Facilities Agreement, to the Change of Ownership, as evidenced by a consent and amendment letter, in Agreed Form, duly executed by the Subsidiaries, the Company, the Agent and the Security Trustee under each of the Senior Facilities Agreement and the Junior Facilities Agreement; and

(B) the consent of the Charterer to the Change of Ownership, pursuant to the terms of each of the Charter Agreements as evidenced by a consent letter, in Agreed Form, in respect of each Charter Agreement duly executed by the applicable Subsidiary and the Charterer;

(ii) a copy of a deed of release in respect of each of the four guarantees from each of the Vendor and Overseas Shipholding Group, Inc. in favour of the Charterer, duly executed by the Charterer;

(iii) a copy of an acknowledgment of receipt from the Charterer of the fully executed deeds of amendment in respect of each of the four guarantees granted by Qatar Gas Transport Company Limited (Nakilat) in favour of the Charterer;

(iv) the original of any power of attorney, in Agreed Form, under which any document to be delivered to the Vendor under this paragraph 2 has been executed;

(v) in respect of each Group Company, a letter of resignation duly executed by Shatha Al Emadi (Director);

(vi) a counterpart of the termination agreement in respect of the SHA, in Agreed Form, duly executed by the Purchaser; and

(vii) a copy of a board resolution of the Purchaser approving the purchase of the Shares and the execution by the Purchaser of the Transaction Documents and any other documents referred to in this Agreement.

This Agreement has been entered into on the date stated at the beginning of it.

International Seaways, Inc.

By: /s/Lois K. Zabrocky

Name: Lois K. Zabrocky

Title: President

Nakilat Marine Services Ltd.

By: /s/Abdullah Al-Sulaiti

Name: Abdullah Al-Sulaiti

Title: Attorney-In-Fact

US$390 MILLION CREDIT AGREEMENT,

dated as of January 23, 2020,

among

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as Borrower,

INTERNATIONAL SEAWAYS, INC.,
as Holdings,

THE OTHER GUARANTORS PARTY HERETO,
as Guarantors,

THE LENDERS PARTY HERETO,

NORDEA BANK ABP, NEW YORK BRANCH,
as Administrative Agent, Collateral Agent, and Security Trustee,

ABN AMRO CAPITAL USA LLC, as Sustainability Coordinator,

NORDEA BANK ABP, NEW YORK BRANCH,
ABN AMRO CAPITAL USA LLC,
DNB MARKETS, INC.,
CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK, and
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as Mandated Lead Arrangers and Bookrunners

BNP PARIBAS, and
DANISH SHIP FINANCE A/S
as Lead Arrangers

ANNEXES

SCHEDULES

EXHIBITS

CREDIT AGREEMENT

This CREDIT AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "**Agreement**"), dated as of January 23, 2020, is among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party hereto, the Lenders from time to time party hereto, Nordea Bank Abp, New York Branch, as administrative agent for the Lenders (in such capacity, the "**Administrative Agent**"), Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties (in such capacity, the "**Collateral Agent**" or the "**Security Trustee**" as the context requires) and ABN AMRO Capital USA LLC, as sustainability coordinator (in such capacity, the "**Sustainability Coordinator**") .

W I T N E S S E T H:

WHEREAS, the Borrower has requested, and the Lenders have agreed, to make available senior secured term loan facilities to be available for borrowings on the date hereof, in an aggregate principal amount of $350,000,000 (comprising a $300,000,000 Core Term Facility and a $50,000,000 Transition Facility (as such terms are defined below)) and a senior secured revolving credit facility to be available for borrowings from time to time on and after the date hereof until the Revolving Maturity Date, in an aggregate principal amount not in excess of $40,000,000, in each case all as more particularly set forth herein;

WHEREAS, the Borrower has agreed to secure its Obligations by granting to the Collateral Agent or the Security Trustee (as applicable), for the benefit of the Secured Parties, a perfected lien on its Equity Interests in the Subsidiary Guarantors, subject to certain agreed exceptions contained herein and in the other Loan Documents;

WHEREAS, Holdings has agreed to guarantee the Obligations of the Borrower and the other Loan Parties hereunder and to secure its Obligations by granting to the Collateral Agent and the Security Trustee (as applicable), for the benefit of the Secured Parties, a perfected lien on its Equity Interests in the Borrower, subject to certain agreed exceptions contained herein and in the other Loan Documents;

WHEREAS, the Subsidiary Guarantors have agreed to guarantee the Obligations of the Borrower and the other Loan Parties hereunder and to secure their respective Obligations by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority mortgage of their respective Collateral Vessels and certain other Collateral, subject to certain agreed exceptions contained herein and in the other Loan Documents; and

WHEREAS, the Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and in the other Loan Documents, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"**2023 Notes**" shall mean the 10.75% notes due 2023 issued pursuant to an indenture dated as of June 13, 2018 between Holdings, as issuer, and GLAS Trust Company LLC, as trustee, as amended.

"**Acceptable Flag Jurisdiction**" shall mean such flag jurisdictions as are listed on Schedule 1.01(c) or otherwise approved by the Administrative Agent (acting on the instructions of the Required Lenders (such approval not to be unreasonably withheld)).

"**Acceptable Third Party Technical Managers**" shall mean those third party technical managers as are listed on Schedule 1.01(d) and their Affiliates.

"**Account Control Agreement**" shall have the meaning provided in the definition of "Vessel Collateral Requirements".

"**Additional Collateral**" shall mean additional property of the Borrower or any Subsidiary Guarantor reasonably satisfactory to the Required Core Lenders or the Required Transition Lenders, as applicable, posted in favor of the Collateral Agent as Collateral to cure non-compliance with Sections 6.10(d) or (e), as applicable (it being understood that (i) cash collateral comprised of Dollars (which shall be valued at par) and (ii) an Additional Vessel meeting the requirements set forth in the definition of "Additional Vessel" shall be satisfactory), pursuant to security documentation reasonably satisfactory in form and substance to the Collateral Agent, in an aggregate amount or with value sufficient to cure such non-compliance.

"**Additional Vessel**" shall mean a vessel acquired by any Loan Party using the proceeds of Incremental Core Term Loans, which becomes a Collateral Vessel after the date hereof, and is (i) a crude or product tanker vessel, (ii) not older than seven (7) years on the date of such acquisition, (iii) classed with an Approved Classification Society free of overdue recommendations and conditions affecting class, (iv) registered in an Acceptable Flag Jurisdiction, and (v) owned by a Subsidiary Guarantor and subject to a Collateral Vessel Mortgage on the date it becomes a Collateral Vessel.

"**Adjusted LIBOR Rate**" shall mean, with respect to any Borrowing for any Interest Period, the greater of (x) an interest rate per annum (rounded upward, if necessary, to the next 1/100th of 1.00%) determined by the Administrative Agent to be equal to the LIBOR Rate for such Borrowing in effect for such Interest Period divided by the remainder of (i) 1 *minus* (ii) the Statutory Reserves (if any) for such Borrowing for such Interest Period and (y) 1.00% per annum.

"**Administrative Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor administrative agent pursuant to Article X.

"**Administrative Agent Fees**" shall have the meaning assigned to such term in Section 2.05(b).

"**Administrative Questionnaire**" shall mean an administrative questionnaire in the form supplied from time to time by the Administrative Agent.

"**Advisors**" shall mean legal counsel (including local, foreign, specialty and regulatory counsel), auditors, accountants, consultants, appraisers, engineers, monitors or other advisors.

"**Affiliate**" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common

Control with the person specified; provided, however, that for purposes of Section 6.09, the term "**Affiliate**" shall also include (i) any person that directly or indirectly owns more than 15% of any class of Equity Interests of the person specified and (ii) any person that is an officer or director of the person specified.

"**Agency Fee Letter**" shall mean the confidential Agency Fee Letter, dated December 23, 2019, between Holdings, the Borrower and Nordea.

"**Agents**" shall mean the Arrangers, the Bookrunners, the Administrative Agent, the Collateral Agent and the Security Trustee; and "Agent" shall mean any of them, as the context may require.

"**Agreement**" shall have the meaning assigned to such term in the preamble hereto.

"**Annex VI**" shall mean Annex VI of the Protocol of 1997 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 (MARPOL), as modified by the Protocol of 1978 relating thereto.

"**Anti-Corruption Laws**" shall mean all applicable laws relating to the prevention of corruption and bribery, including, without limitation, the FCPA, the UKBA, and any other similar law of any jurisdiction.

"**Anti-Terrorism Laws**" shall have the meaning assigned to such term in Section 3.22(a).

"**Applicable Commitment Fee Rate**" shall mean, (a)(i) until the delivery of financial statements pursuant to Section 5.01(a) and (b) and the related Compliance Certificate pursuant to Section 5.01(c) for the period ending on June 30, 2020, a percentage per annum equal to 0.91% and (ii) at any time thereafter, a percentage per annum set forth on the table below under the appropriate caption based on the Total Leverage Ratio set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 5.01(c):

RATE LEVEL	APPLICABLE COMMITMENT FEE RATE	TOTAL LEVERAGE RATIO
I	0.84%	< 4.00:1.00
II	0.91%	≥ 4.00:1.00 and < 6.00:1.00.
III	0.98%	≥ 6.00:1.00

(b) any increase or decrease in the Applicable Commitment Fee Rate pursuant to clause (a)(ii) above resulting from a change in the Total Leverage Ratio shall become effective as of the first Business Day immediately following the date the applicable financial statements are delivered pursuant to Section 5.01(a) and (b) and the related Compliance Certificate pursuant to Section 5.01(c); *provided* that if notification is provided to the Borrower that the Administrative Agent or the Required Core Lenders have so elected, "Rate Level III" shall apply (x) as of the first Business Day after the date on which the financial statements were required to be delivered pursuant to Section 5.01(a) and (b) and the related Compliance Certificate pursuant to Section 5.01(c) but were not delivered, and shall continue to so apply to and including the date on which such financial statements and related Compliance Certificate are so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and

(y) as of the first Business Day after an Event of Default under Section 8.01 shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the rate level otherwise determined in accordance with this definition shall apply).

"**Applicable Core Margin**" shall mean, with respect to any Core Term Loan or Revolving Loan, (a) until the delivery of financial statements pursuant to Section 5.01(a) and (b) and the related Compliance Certificate pursuant to Section 5.01(c) for the period ending on June 30, 2020, a percentage per annum equal to 2.60% and (b) at any time thereafter, a percentage per annum set forth in the table below under the appropriate caption based on the Total Leverage Ratio set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 5.01(c):

PRICING LEVEL	APPLICABLE CORE MARGIN	TOTAL LEVERAGE RATIO
I	2.40%	< 4.00:1.00
II	2.60%	≥ 4.00:1.00 and < 6.00:1.00.
III	2.80%	≥ 6.00:1.00

Any increase or decrease in the Applicable Core Margin pursuant to clause (b) above resulting from a change in the Total Leverage Ratio shall become effective as of the first Business Day immediately following the date the applicable financial statements are delivered pursuant to Section 5.01(a) and (b) and the related Compliance Certificate pursuant to Section 5.01(c); *provided* that if notification is provided to the Borrower that the Administrative Agent or the Required Core Lenders have so elected, "Pricing Level III" shall apply (x) as of the first Business Day after the date on which the financial statements were required to be delivered pursuant to Section 5.01(a) and (b) and the related Compliance Certificate pursuant to Section 5.01(c) but were not delivered, and shall continue to so apply to and including the date on which such financial statements and related Compliance Certificate are so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) as of the first Business Day after an Event of Default under Section 8.01 shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply).

In addition, upon the delivery of a Sustainability Certificate pursuant to Section 5.01(c)(iii), the Applicable Core Margin shall be adjusted in accordance with the Sustainability Pricing Adjustment Schedule.

"**Applicable Transition Margin**" shall mean, with respect to the Transition Term Loans, a percentage per annum equal to (i) during the first eighteen (18) months following the Closing Date, 3.50% and (ii) at any time thereafter, 4.00% per annum; provided that if less than 40% of the aggregate principal amount of the Transition Term Loans is outstanding on the date which is eighteen (18) months following the Closing Date, then the Applicable Transition Margin shall be a percentage per annum equal to 3.50% per annum until the Transition Term Loan Maturity Date.

"**Approved Broker**" shall mean any of the entities listed in Schedule 1.01(e), or any other independent shipbroker to be mutually agreed upon between the Administrative Agent and the Borrower.

"**Approved Classification Society**" shall mean any classification society set forth on Schedule 1.01(b) or other member of the International Association of Classification Societies approved by the Administrative Agent, acting on instructions from the Required Lenders (such approval not to be unreasonably withheld).

"**Approved Electronic Communications**" shall mean any notice, demand, communication, information, document or other material that any Loan Party provides to the Administrative Agent pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agents or the Lenders by means of electronic communications pursuant to Section 11.01(b).

"**Approved Fund**" shall mean, with respect to any Lender (including an Eligible Assignee that becomes a Lender), any person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank and other commercial loans and similar extensions of credit in the ordinary course of its business and that is administered, advised (in an investment advisory capacity) or managed by (a) such Lender (or such Eligible Assignee), (b) an Affiliate of such Lender (or such Eligible Assignee) or (c) an entity or an Affiliate of an entity that administers, advises (in an investment advisory capacity) or manages such Lender (or such Eligible Assignee).

"**Arrangers**" shall mean Nordea, ABN AMRO Capital USA LLC, Crédit Agricole Corporate & Investment Bank, DNB Markets, Inc. and Skandinaviska Enskilda Banken AB (PUBL) as mandated lead arrangers for the credit facilities hereunder.

"**Asset Sale**" shall mean any disposition of a Collateral Vessel by any Subsidiary Guarantor to any person other than the Borrower or any other Subsidiary Guarantor (including, without limitation, any disposition of capital stock or other securities of, or Equity Interests in, a Person which directly or indirectly owns such Collateral Vessel). Notwithstanding the foregoing, an "Asset Sale" shall not include any disposition of property by a Subsidiary Guarantor permitted by, or expressly referred to in, Sections 6.06(a), 6.06(c), 6.06(d), 6.06(e), 6.06(f), 6.06(g), 6.06(h), 6.06(i), 6.06(j) or 6.06(k).

"**Assignment and Acceptance**" shall mean an assignment and acceptance agreement entered into by a Lender, as assignor, and an assignee (with the consent of any party whose consent is required pursuant to Section 11.04(b)), and accepted by the Administrative Agent, substantially in the form of Exhibit A, or such other form approved by the Administrative Agent.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers.

"**Bail-In Legislation**" shall mean,

(a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule; and

(b) with respect to any state other than such an EEA Member Country or (to the extent the United Kingdom is not such an EEA Member Country) 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.

"**Bank Product**" shall mean transactions under Permitted Hedging Agreements extended to the Borrower or a Subsidiary Guarantor by a Bank Product Provider.

"**Bank Product Agreements**" shall mean those agreements entered into from time to time by the Borrower or Subsidiary Guarantor with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

"**Bank Product Obligations**" shall mean (a) all Hedging Obligations pursuant to Permitted Hedging Agreements entered into with one or more of the Bank Product Providers, and (b) all amounts that the Administrative Agent or any Lender is obligated to pay to a Bank Product Provider as a result of the Administrative Agent or such Lender purchasing participations from, or executing guarantees or indemnities or reimbursement obligations to, a Bank Product Provider with respect to the Bank Products provided by such Bank Product Provider to the Borrower or any Subsidiary Guarantor; provided that, in order for any item described in clause (a) or (b) above, as applicable, to constitute "Bank Product Obligations," the applicable Bank Product must have been provided on or after the Closing Date and the Administrative Agent shall have received a Bank Product Provider Letter Agreement from the applicable Bank Product Provider (and acknowledged by the Borrower) within 30 days after the date of the provision of the applicable Bank Product to the Borrower or any Subsidiary Guarantor.

"**Bank Product Provider**" shall mean any Agent, any Lender or any of their respective Affiliates (or any person who at the time the respective Bank Product Agreement was entered into by such person was an Agent, a Lender or an Affiliate thereof); provided, however, that no such person shall constitute a Bank Product Provider with respect to a Bank Product unless and until the Administrative Agent shall have received a Bank Product Provider Letter Agreement from such person with respect to the applicable Bank Product (and acknowledged by the Borrower) within 30 days after the provision of such Bank Product to the Borrower or Subsidiary Guarantor.

"**Bank Product Provider Letter Agreement**" shall mean a letter agreement substantially in the form of Exhibit J, or in such other form reasonably satisfactory to the Administrative Agent, duly executed by the applicable Bank Product Provider, the applicable Borrower or Subsidiary Guarantor, the Administrative Agent and, in any event, acknowledged by the Borrower.

"**Bankruptcy Code**" shall mean Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto.

"**Beneficial Ownership Certification**" shall mean a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation in form and substance satisfactory to the Lender or the Administrative Agent requesting the same.

"**Beneficial Ownership Regulation**" shall mean 31 C.F.R. § 1010.230.

"**Board**" shall mean the Board of Governors of the Federal Reserve System of the United States.

"**Board of Directors**" shall mean, with respect to any person, (a) in the case of any corporation, the board of directors of such person, (b) in the case of any limited liability company, the board of managers or board of directors, as applicable, of such person, or if such limited liability company does not have a board of managers or board of directors, the functional equivalent of the foregoing, (c) in the case of any partnership, the board of directors or board of managers, as applicable, of the general partner of such person, or if such general partner does not have a board of managers or board of directors, the functional equivalent of the foregoing, and (d) in any other case, the functional equivalent of the foregoing.

"**Bookrunners**" shall mean the Arrangers and such other financial institution(s) as may be agreed between the Borrower and the Arrangers for the credit facilities hereunder.

"**Borrower**" shall have the meaning assigned to such term in the preamble hereto.

"**Borrowing**" shall mean Loans of the same Class made or continued on the same date and as to which a single Interest Period is in effect.

"**Borrowing Request**" shall mean a request by the Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit B, or such other form as mutually agreed to by the Administrative Agent and the Borrower from time to time.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other day on which banks in New York City, Paris, London, Amsterdam or Stockholm are authorized or required by law or other governmental action to close.

"**Capital Expenditures**" shall mean, without duplication, (a) any expenditure for any purchase or other acquisition of any asset, including capitalized leasehold improvements, which would be classified as a fixed or capital asset on a consolidated balance sheet of Holdings and its Subsidiaries prepared in accordance with GAAP, and (b) Capital Lease Obligations and Synthetic Lease Obligations, but excluding (i) the purchase price of equipment that is purchased substantially contemporaneously with the trade-in of existing equipment to the extent of the gross amount of such purchase price that is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time and (ii) Permitted Acquisitions.

"**Capital Lease**" shall mean, with respect to any person, any lease of, or other arrangement conveying the right to use, any property by such person as lessee that has been or should be accounted for as a capital lease on a balance sheet of such person prepared in accordance with GAAP.

"**Capital Lease Obligations**" of any person shall mean the obligations of such person to pay rent or other amounts under any Capital Lease, any lease entered into as part of any Sale and Leaseback Transaction or any Synthetic Lease, or a combination thereof, which obligations are (or would be, if such Synthetic Lease or other lease were accounted for as a Capital Lease) required to be classified and accounted for as Capital Leases on a balance sheet of such person in accordance with GAAP as in effect on the Closing Date, and the amount of such obligations shall be the capitalized amount thereof (or the amount that would be capitalized if such Synthetic Lease or other lease were accounted for as a Capital Lease) determined in accordance with GAAP as in effect on the Closing Date.

"**Capital Requirements**" shall mean, as to any person, any matter, directly or indirectly, (i) regarding capital adequacy, capital ratios, capital requirements, liquidity requirements, the calculation of such person's capital, liquidity or similar matters, or (ii) affecting the amount of capital required to be obtained or maintained by such person or any person controlling such person (including any direct or indirect holding company), or the manner in which such person or any person controlling such person (including any direct or indirect holding company), allocates capital to any of its contingent liabilities (including letters of credit), advances, acceptances, commitments, assets or liabilities.

"**Cash Equivalents**" shall mean, as of any date of determination and as to any person, any of the following: (a) marketable securities issued, or directly, unconditionally and fully guaranteed or insured, by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition by such person, (b) marketable direct obligations issued by any state of the United States

or any political subdivision of any such state or any public instrumentality thereof having maturities of not more than one year from the date of acquisition by such person and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody's, (c) time deposits and certificates of deposit of any Lender or any commercial bank having, or which is the principal banking subsidiary of a bank holding company organized under the laws of the United States, any state thereof or the District of Columbia having, capital and surplus aggregating in excess of $500,000,000 and a rating of "A" (or such other similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) with maturities of not more than one year from the date of acquisition by such person, (d) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with any person meeting the qualifications specified in clause (c) above, which repurchase obligations are secured by a valid perfected security interest in the underlying securities, (e) commercial paper issued by any person incorporated in the United States rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's, and in each case maturing not more than one year after the date of acquisition by such person and (f) investments in money market funds at least 90% of whose assets are comprised of securities of the types described in clauses (a) through (e) above.

"**Casualty Event**" shall mean any loss of title (other than through a consensual disposition of such property in accordance with this Agreement) or any loss of or damage to or any destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of any Person. "Casualty Event" shall include any actual, constructive, compromised or arranged Total Loss.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*

"**Change in Control**" shall mean the occurrence of any of the following:

(a) Holdings at any time ceases to own directly 100% of the Equity Interests of the Borrower or ceases to have the power to vote, or direct the voting of, any such Equity Interests; or

(b) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or group or its respective subsidiaries, and any person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that, for purposes of this clause, such person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of (x) Voting Equity Interests of Holdings representing 50% or more of the voting power of the total outstanding Voting Equity Interests of Holdings, (y) 50% or more of the total economic interests of the Equity Interests of Holdings (in either case, taking into account in the numerator all such securities that such person or group has the right to acquire (whether pursuant to an option right or otherwise) and taking into account in the denominator all securities that any person has the right to acquire (whether pursuant to an option right or otherwise)) or (z) the power (whether or not exercised) to elect, appoint or remove a majority of Holdings' managers or board of directors or similar body or executive committee thereof; or

(c) in respect of a Guarantor (other than Holdings), the Borrower at any time ceases to own directly or indirectly 100% of the Equity Interests in such Guarantor or ceases to have the power to vote, or direct the voting of, any such Equity Interests.

"**Change in Law**" shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, order, rule, regulation, policy, or treaty, (b) any change in any law, order, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) requests, rules, guidelines or directives under the Dodd-Frank Wall Street Reform and Consumer Protection Act or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"**Charges**" shall have the meaning assigned to such term in Section 11.13.

"**Claims**" shall have the meaning assigned to such term in Section 11.03(b).

"**Class**" shall mean the respective facility and commitments utilized in making Loans hereunder, including (i) as of the Closing Date, the Revolving Loans, the Initial Core Term Loans and the Transition Term Loans made pursuant to Section 2.01 on such date (ii) additional Classes of Core Term Loans that may be added after the Closing Date pursuant to Section 2.18.

"**Closing Date**" shall mean the date on which the Borrower, the Administrative Agent and each of the Lenders who are initially parties hereto shall have signed a counterpart of this Agreement (whether the same or different counterparts) and delivered (including by e-mail or facsimile transmission) such counterpart to the Administrative Agent.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended.

"**Collateral**" shall mean, collectively, all of the Collateral Vessels, all Pledge Agreement Collateral, all Earnings and Insurance Collateral and all other property of whatever kind and nature, whether now existing or hereafter acquired, pledged or purported to be pledged as collateral or otherwise subject to a security interest or purported to be subject to a security interest under any Security Document.

"**Collateral Agent**" shall have the meaning assigned to such term in the preamble hereto and includes each other person appointed as the successor Collateral Agent pursuant to Article X (it being understood that, unless the context expressly requires otherwise, the term "Collateral Agent" shall include the Collateral Agent acting in its capacity as the Security Trustee).

"**Collateral Vessel**" shall mean the Core Collateral Vessels and the Transition Collateral Vessels.

"**Collateral Vessel Mortgage**" shall mean a first preferred ship mortgage substantially in the form of Exhibit L or such other form as may be reasonably satisfactory to the Administrative Agent.

"**Commercial Manager**" shall mean the entities listed on Schedule 1.01(f), and one or more other pool operators and commercial managers (including any Subsidiary of the Borrower) selected by the Borrower and reasonably acceptable to the Administrative Agent (acting on instructions from the Required Lenders).

"**Commitment**" shall mean, with respect to any Lender, such Lender's Revolving Commitment, Core Term Commitment or Transition Term Commitment.

"**Commitment Fee**" shall have the meaning assigned to such term in Section 2.05(a).

"**Commitment Letter**" shall mean the Commitment Letter, dated December 23, 2019 (as amended, modified or supplemented prior to the Closing Date), among Holdings, the Borrower, the Arrangers and the Bookrunners.

"**Commodity Exchange Act**" shall mean the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successor statute.

"**Communications**" shall have the meaning assigned to such term in Section 11.01(b).

"**Companies**" shall mean Holdings, the Borrower and its Subsidiaries; and "**Company**" shall mean any one of them.

"**Compliance Certificate**" shall mean a certificate of a Financial Officer of the Borrower substantially in the form of Exhibit C or such other form as the Administrative Agent and the Borrower may agree to from time to time.

"**Connection Income Taxes**" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Consolidated**" shall mean the consolidation of accounts in accordance with GAAP.

"**Consolidated EBITDA**" shall mean, for any period, Consolidated Net Income for such period, adjusted by:

(a) adding thereto the following to the extent deducted in calculating such Consolidated Net Income:

(i) consolidated interest expense and amortization of debt discount and commissions and other fees and charges, including, without limitation, noncash interest payments, the interest component of capitalized lease obligations, net payments, if any, made (less net payments, if any, received), pursuant to any interest rate hedging agreements (including without limitation, any Hedging Agreements), amortization or write off of deferred financing fees, debt issuance costs, commissions, fees and expenses and to the extent not reflected in consolidated interest, any losses on any interest rate hedging agreements (including without limitation, any Hedging Agreements), associated with Indebtedness for such period (whether amortized or immediately expensed),

(ii) consolidated income tax expense for such period, including, without limitation, penalties and interest related to such taxes or arising from any tax examinations and tax expense in respect of repatriated funds,

(iii) any gross transportation tax expense for such period,

(iv) all amounts attributable to depreciation, amortization and impairment charges, including, without limitation, amortization of intangible assets (including goodwill) and amortization of deferred financing fees or costs for such period,

(v) any extraordinary losses, expenses or charges for such period, including, without limitation, accruals and payments for amounts payable under executive compensation agreements, severance costs, relocation costs, retention and completion bonuses and losses realized on disposition of

property outside of the ordinary course of business and operating expenses directly attributable to the implementation of cost savings initiatives, and losses relating to activities constituting a business that is being terminated or discontinued,

(vi) any non-cash management retention or incentive program charges for such period, including any accelerated charges relating to option plans,

(vii) non-cash restricted stock compensation, including, without limitation, any restricted stock units,

(viii) any non-cash charges or losses, including, without limitation, non-cash compensation expenses for such period, adjustments to bad-debt reserves, losses recognized in respect of postretirement benefits as a result of the application of FASB ASC 715, losses on minority interests owned by any person, all losses from investments recorded using the equity method and the noncash impact of accounting changes or restatements less any extraordinary gains for such period,

(ix) any losses from the sales of any Vessel for such period,

(x) all costs and expenses incurred in connection with any equity issuances permitted hereunder so long as, notwithstanding anything set forth herein to the contrary, the Net Cash Proceeds of such equity issuances are applied to the prepayment of the Loan and such prepayments are applied to reduce the relevant payments due under the Loan Documents,

(xi) non-recurring costs, charges, accruals, reserves and business optimization expense, including, without limitation, any severance and restructuring costs, integration costs related to acquisitions after the date of this Agreement, project start-up costs, transition costs, cost related to the opening, closure and/or consolidation of offices and facilities, contract termination costs, systems establishment costs, and excess pension charges,

(xii) all non-recurring fees, costs and expenses related to any litigation or settlements,

(xiii) any proceeds from business interruption insurance,

(xiv) any charges, losses, lost profits, expenses or write-offs to the extent indemnified or insured by a third party to the extent that coverage has not been denied and so long as such amounts are actually reimbursed to Holdings or any of its Subsidiaries within one year after the related amount is first added to Consolidated EBITDA pursuant to this paragraph (xiv),

(xv) cash expenses relating to earn outs and similar obligations, and

(xvi) all costs and expenses incurred in connection with the Loan Documents, and

(b) subtracting therefrom the following to the extent added in calculating such Consolidated Net Income:

(xvii) any extraordinary gains for such period;

(xviii) any gains from the sales of any Vessel for such period; and

(xix) any gains realized on disposition of property not in the ordinary course.

Unless otherwise agreed to by the Administrative Agent, for purposes of this definition of "Consolidated EBITDA," "non-recurring" means any expense, loss or gain as of any date that (x) did not occur in the ordinary course of Holdings or its Subsidiaries' business; (y) is of a nature and type that has not occurred in the prior two years and is not reasonably expected to recur in the future; and (z) any fees, expenses or charges related to any equity offering, investment or Indebtedness or amendments thereto permitted by this Agreement, whether or not consummated.

"**Consolidated Cash Interest Expense**" shall mean, for any period:

(i) the total consolidated interest expense paid or payable in cash of Holdings and its Subsidiaries (including, without limitation, to the extent included under GAAP, all commission, discounts and other commitment fees and charges (e.g., fees with respect to letters of credit or any Hedging Agreement) for such period (calculated without regard to any limitations on payment thereof), adjusted to exclude (to the extent same would otherwise be included in the calculation above in this paragraph (i)), the amortization of any deferred financing costs for such period and any interest expense actually "paid in kind" or accreted during such period, and excluding non-cash mark-to-market adjustments on Hedging Obligations that do not qualify under GAAP for hedge accounting treatment, plus

(ii) without duplication, that portion of Capital Lease Obligations of Holdings and its Subsidiaries on a consolidated basis representing the interest factor for such period, minus

(iii) cash interest income.

"**Consolidated Indebtedness**" shall mean, with respect to any Person, as at any relevant date, (x) the aggregate outstanding principal amount of the Loans under this Agreement and the loans under the Sinosure Facility Agreement plus (y) the aggregate outstanding principal amount of any other Indebtedness of Holdings or any of its Subsidiaries including any Indebtedness permitted pursuant to Section 6.02, provided that for the purposes of this definition all Contingent Obligations of such Person, shall be excluded from the calculation of Consolidated Indebtedness to the extent not reflected as indebtedness on the consolidated balance sheet of such Person.

"**Consolidated Net Income**" shall mean, for any period, the consolidated net income (or loss) with respect to any Person, determined on a consolidated basis in accordance with GAAP (after deduction for minority interests and adjusted to reflect any Holdings Specified Expenses during such period as though such Holdings Specified Expenses had been incurred directly by the Borrower and such Holdings Specified Expenses would have been included in the calculation of the net income (or loss) of the Borrower for such period); provided that there shall be excluded from such net income (to the extent otherwise included therein), without duplication:

(a) [Reserved];

(b) the net income of any Subsidiary of the Borrower during such period to the extent that the declaration and/or payment of dividends or similar distributions by such Subsidiary of that income is not permitted by operation of the terms of its Organizational Documents or any agreement (other than any Loan Document), instrument, Order or other Legal Requirement applicable to that Subsidiary or its equityholders during such period, except that the Borrower's equity in the net loss of any such Subsidiary for such period shall be included in determining Consolidated Net Income; and

(c) except for determinations expressly required to be made on a Pro Forma Basis, the net income (or loss) of any person accrued prior to the date it becomes a Subsidiary of the Borrower

or all or substantially all of the property of such person is acquired by the Borrower or any of its Subsidiaries.

"**Consolidated Net Indebtedness**" shall mean, with respect to any Person, at any relevant date, (x) Consolidated Indebtedness less (y) an amount equal to the Unrestricted Cash and Cash Equivalents, provided that for the purposes of this definition (a) undrawn amounts under the Revolving Facility to the extent included in Unrestricted Cash and Cash Equivalents, and (b) all Contingent Obligations of such Person shall be excluded from the calculation of Consolidated Net Indebtedness to the extent not reflected as indebtedness on the consolidated balance sheet of such Person.

"**Consolidated Tangible Net Worth**" shall mean, at any time of determination for any Person, the Net Worth (i.e., Equity) of such Person and its Subsidiaries at any relevant date determined on a consolidated basis in accordance with GAAP minus goodwill.

"**Consolidated Total Capitalization**" shall mean, at any time of determination for any Person, the sum of Consolidated Net Indebtedness of such Person at any relevant date and Consolidated Tangible Net Worth of such Person at any relevant date.

"**Contingent Obligation**" shall mean, as to any person, any obligation, agreement, understanding or arrangement of such person guaranteeing any Indebtedness, leases, or other obligations (including dividends on Disqualified Capital Stock) ("**primary obligations**") of any other person (the "**primary obligor**") in any manner, whether directly or indirectly, including any obligation agreement, understanding or arrangement of such person, whether or not contingent: (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth, net equity, liquidity, level of income, cash flow or solvency of the primary obligor; (c) to purchase or lease property, securities or services primarily for the purpose of assuring the primary obligor of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (d) with respect to bankers' acceptances, letters of credit and similar credit arrangements, until a reimbursement or equivalent obligation arises (which reimbursement obligation shall constitute a primary obligation); or (e) otherwise to assure or hold harmless the primary obligor of any such primary obligation against any monetary loss or the payment of such primary obligation (in whole or in part) in respect thereof; provided, however, that the term "Contingent Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business or any product warranties given in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation, or portion thereof, in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument, agreements or other documents or, if applicable, unwritten enforceable agreement, evidencing such Contingent Obligation) or, if not stated or determinable, the amount that can reasonably be expected to become an actual or matured liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

"**Contribution Notice**" shall mean a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004.

"**Control**" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"**Core Collateral Maintenance Test**" shall have the meaning assigned to such term in Section 6.10(d).

"**Core Collateral Vessel**" shall mean (i) initially, the vessels identified on part 1 of Schedule 1.01(a) and (ii) thereafter, any Additional Vessel acquired by a Subsidiary Guarantor after the Closing Date pursuant to Section 2.18 or provided as Additional Collateral pursuant to Section 6.10(d).

"**Core Facilities**" shall mean the Core Term Facility and the Revolving Facility.

"**Core Lenders**" shall mean the Lenders under the Core Facilities.

"**Core Scheduled Amortization Payment Amount**" shall mean for any Core Term Loan Repayment Date, the corresponding amount for such date set forth on Schedule 2.09(a), as such amount may be reduced from time to time pursuant to Section 2.07 or increased from time to time pursuant to Section 2.18.

"**Core Term Commitment**" shall mean, with respect to each Core Lender, the commitment of such Core Lender to make Core Term Loans hereunder on or after the Initial Borrowing Date and until the Term Loan Commitment Termination Date in the amount set forth on Annex I hereto or on Schedule 1 to the Assignment and Acceptance pursuant to which such Core Lender assumed its Core Term Commitment, as applicable, as the same may be (a) increased from time to time pursuant to Section 2.18 and (b) reduced or increased from time to time pursuant to assignments by or to such Core Lender pursuant to Section 11.04. The aggregate principal amount of the Core Lenders' Core Term Commitments on the Closing Date is $300,000,000.

"**Core Term Facility**" shall mean, at any time and with respect to any Core Term Lender, such Core Term Lender's respective Core Term Commitments and the extensions of credit thereunder at such time.

"**Core Term Lender**" shall mean a Lender with a Core Term Commitment or outstanding Core Term Loans.

"**Core Term Loans**" shall mean the Initial Core Term Loans made by the Core Term Lenders to the Borrower on the Initial Borrowing Date pursuant to Section 2.01(a). Unless the context shall otherwise require, the term "Core Term Loans" also shall include any Incremental Core Term Loans made after the Initial Borrowing Date.

"**Core Term Loan Maturity Date**" shall mean January 23, 2025.

"**Core Term Loan Repayment Date**" shall have the meaning specified in Section 2.09(a).

"**Credit Extension**" shall mean the making of a Loan by a Lender.

"**Current Assets**" shall have the meaning assigned to such term in Section 6.10(c).

"**Current Liabilities**" shall have the meaning assigned to such term in Section 6.10(c).

"**Default**" shall mean any event, occurrence or condition which is, or upon notice, lapse of time or both would constitute, an Event of Default.

"**Default Excess**" shall have the meaning assigned to such term in Section 2.16(c).

"**Default Period**" shall have the meaning assigned to such term in Section 2.16(c).

"**Default Rate**" shall have the meaning assigned to such term in Section 2.06(b).

"**Defaulted Loans**" shall have the meaning assigned to such term in Section 2.16(c).

"**Defaulting Lender**" shall mean any Lender that has (a) failed to fund its portion of any Borrowing, within one Business Day of the date on which it shall have been required to fund the same (unless the subject of a good faith dispute between the Borrower and such Lender related hereto), (b) notified the Borrower, the Administrative Agent or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under agreements in which it commits to extend credit generally, (c) failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans (unless the subject of a good faith dispute between the Borrower and such Lender); provided, that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent or the Borrower, (d) otherwise failed to pay over to the Borrower, the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due (unless the subject of a good faith dispute), or (e) at any time after the Closing Date (i) been (or has a parent company that has been) adjudicated as, or determined by any Governmental Authority having regulatory authority over such person or its properties or assets to be, insolvent, (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment unless, in the case of any Lender referred to in this clause (e), the Borrower and the Administrative Agent shall be satisfied that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder, or (iii) become the subject of a Bail-In Action. For the avoidance of doubt, a Lender shall not be deemed to be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in such Lender or its parent by a Governmental Authority. Any determination by the Administrative Agent that a Lender is a Defaulting Lender shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination by the Administrative Agent to the Borrower and each other. In no event shall the reallocation of funding obligations provided for in Section 2.16(c) as a result of a Lender being a Defaulting Lender nor the performance by non-Defaulting Lenders of such reallocated funding obligations by themselves cause the relevant Defaulting Lender to become a non-Defaulting Lender.

"**Disposition**" or "**disposition**" shall mean, with respect to any property, any conveyance, sale, lease, sublease, assignment, transfer or other disposition of such property (including (i) by way of merger or consolidation, (ii) any Sale and Leaseback Transaction and (iii) any Synthetic Lease).

"**Disqualified Capital Stock**" shall mean any Equity Interest which, by its terms (or by the terms of any security or instrument into which it is convertible or for which it is exchangeable or exercisable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior

to the 91st day after the Latest Maturity Date in effect at the time of the issuance of such Disqualified Capital Stock, (b) is convertible into or exchangeable or exercisable (unless at the sole option of the issuer thereof) for (i) debt securities or other indebtedness or (ii) any Equity Interests referred to in clause (a) above, in each case at any time on or prior to the date that is 91 days after the Latest Maturity Date in effect at the time of the issuance of such Disqualified Capital Stock, or (c) contains any repurchase or payment obligation which may come into effect prior to the date that is 91 days after such Latest Maturity Date. For the avoidance of doubt, any Equity Interest that may or shall be repurchased or redeemed (but only to the extent permitted hereunder at such time) from officers, directors or employees or former officers, directors or employees (or their transferees, estates or beneficiaries under their estates) of Holding or any of its Subsidiaries, upon their death, disability, retirement, severance or termination of employment or service shall not be deemed to be "Disqualified Capital Stock" for such reason alone.

"**Disqualified Institutions**" shall mean those persons (including any such person's Affiliates that are clearly identifiable solely on the basis of such Affiliates' names) identified by the Borrower to the Administrative Agent in writing from time to time to the extent such person is identified by name and is directly engaged in substantially similar business operations as the Borrower or any of its Subsidiaries (in each case, other than a bona fide debt fund or an investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course), which designations (x) shall not apply retroactively to disqualify any persons that have previously acquired an assignment or participation interest in the Loans or the Commitments and (y) shall be effective on the third Business Days after delivery to the Administrative Agent of any such written notice by the Borrower.

"**Dividend**" shall mean, with respect to any person, that such person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or authorized or made any other distribution, payment or delivery of property (other than Qualified Capital Stock of such person) or cash to the holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity Interests outstanding (or any options or warrants issued by such person with respect to its Equity Interests), or set aside or otherwise reserved, directly or indirectly, any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the outstanding Equity Interests of such person (or any options or warrants issued by such person with respect to its Equity Interests). Without limiting the foregoing, "Dividends" with respect to any person shall also include all payments made or required to be made by such person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of or otherwise reserving any funds for the foregoing purposes.

"**Dollars**" or "**$**" shall mean lawful money of the United States.

"**Earnings Accounts**" shall mean the accounts listed on Schedule 5.14.

"**Earnings and Insurance Collateral**" shall mean all "Earnings Collateral" and "Insurance Collateral", as the case may be, as defined in the General Assignment Agreement

"**EEA Financial Institution**" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" shall mean any person that meets the requirements to be an assignee under Section 11.04(b) (subject to such consents, if any, as may be required under Section 11.04(b)) but, in any event, excluding Disqualified Institutions.

"**Embargoed Person**" shall have the meaning assigned to such term in Section 6.19.

"**Employee Benefit Plan**" shall mean any "employee benefit plan" as defined in Section 3(3) of ERISA, which is, or at any time during which the applicable statute of limitations remains open, was maintained or contributed to by any Company or any of its ERISA Affiliates (other than a Multiemployer Plan). For the avoidance of doubt, the definition of "Employee Benefit Plan" does not include Non-U.S. Plans.

"**Environment**" shall mean air, land, soil, seas, surface waters, ground waters, and inland waters, including rivers, streams and river sediments.

"**Environmental Claim**" shall mean any written claim, notice, demand, Order, action, suit, proceeding or other written communication alleging or asserting liability or obligations relating to Environmental Law, Hazardous Materials or the Environment, including liability or obligation for reporting, investigation, assessment, remediation, removal, cleanup, response, corrective action, monitoring, post-remedial or post-closure studies, investigations, operations and maintenance, injury, damage, destruction or loss to natural resources, personal injury, wrongful death, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release of Hazardous Material in, on, into or from the Environment at any location or from any Vessel or (ii) any actual or alleged violation of or non-compliance with Environmental Law.

"**Environmental Law**" shall mean any and all applicable current and future Legal Requirements relating to the Environment, pollution, any Hazardous Materials, including the Release or threatened Release of any Hazardous Material and exposure to any Hazardous Material, natural resource damages, or occupational safety or health.

"**Environmental Permit**" shall mean any permit, license, approval, consent, registration, notification, exemption or other authorization required by or from a Governmental Authority under any Environmental Law.

"**Equity Interest**" shall mean, with respect to any person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited), or if such person is a limited liability company, membership interests, and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued on or after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Affiliate**" shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414(b) or (c) of the Code (and, for purposes of Section 302 of ERISA and each "applicable section" under Section 414(t)(2) of the Code, under Section 414(b), (c), (m) or (o) of the Code), or under Section 4001 of ERISA.

"**ERISA Event**" shall mean: (a) the failure to make any required contribution to any Pension Plan or Multiemployer Plan; or (b) the occurrence of a non-exempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which would reasonably be expected to result in liability to any Company or any of its ERISA Affiliates.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time

"**Event of Default**" shall have the meaning assigned to such term in Section 8.01.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

"**Excluded Swap Obligation**" shall mean, with respect to any Subsidiary Guarantor, any Swap Obligation incurred after the Closing Date if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Subsidiary Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Subsidiary Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Subsidiary Guarantor or the grant of such security interest would otherwise have become effective with respect to such Swap Obligation but for such Subsidiary Guarantor's failure to constitute an "eligible contract participant" at such time. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of the applicable Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder.

"**Excluded Taxes**" shall mean, with respect to a Recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes and backup withholding taxes imposed on (or measured by) its net income (i) by the jurisdiction under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, including (for the avoidance of doubt) U.S. federal income tax imposed on the net income of a Foreign Lender as a result of such Foreign Lender engaging in a trade or business in the United States; (b) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.16), any U.S. Federal withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts with respect to such withholding tax pursuant to Section 2.15 (it being understood and agreed, for the avoidance of doubt, that any withholding tax imposed on a Foreign Lender as a result of a Change in Law or regulation or interpretation thereof occurring after the time such Foreign Lender became a party to this Agreement shall not be an Excluded Tax under this clause (b)); (c) taxes imposed as a result of a Foreign Lender's failure to comply with Section 2.15(f); (d) branch profits

taxes imposed by any jurisdiction described in clause (a) above; (e) any U.S. federal withholding taxes imposed under FATCA; and (f) any U.S. federal withholding taxes imposed as a result of such Foreign Lender's failure to comply with Section 2.15(g).

"**Executive Order**" shall have the meaning assigned to such term in Section 3.22(a).

"**Existing Debt Agreements**" shall mean, collectively, that certain (i) $550,000,000 senior secured credit agreement, dated as of June 22, 2017, among Holdings, as holdings, the Borrower, as Borrower, OIN Delaware LLC, as co-borrower, the other guarantors from time to time party thereto, the banks, financial institutions and other institutional lenders from time to time party thereto as lenders, SEB, as swingline lender and issuing bank and Jefferies Finance LLC, as administrative agent, mortgage trustee and collateral agent, as amended, (ii) $29,150,000 senior secured credit agreement, dated as of June 7, 2018, among Holdings, as guarantor, Seaways Shipping Corporation, as borrower, the other guarantors from time to time party thereto, the banks, financial institutions and other institutional lenders from time to time party thereto as lenders and ABN, as facility agent and security trustee, as amended, and (iii) the 2023 Notes.

"**Fair Market Value**" shall mean, with respect to any asset (including any Equity Interests of any person), the price at which a willing buyer, not an Affiliate of the seller, and a willing seller who does not have to sell, would agree to purchase and sell such asset, as determined (x) in good faith by the Board of Directors or, pursuant to a specific delegation of authority by such Board of Directors or a designated senior executive officer, of the Borrower, or the Subsidiary of the Borrower selling such asset or (y) in the case of Collateral Vessels or Additional Vessels for purposes of calculating the Core Collateral Maintenance Test, the Transition Collateral Maintenance Test or the LTV Ratio, the Vessel Appraisal Value.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements (and related legislation or official administrative guidance) implementing the foregoing.

"**FCPA**" shall mean the United States Foreign Corrupt Practices Act of 1977, as amended.

"**Federal Funds Effective Rate**" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary to the next 1/100th of 1.00%) of the quotations for the day for such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"**Fees**" shall mean the Commitment Fees, the Administrative Agent Fees and the other fees referred to in Section 2.05.

"**Fee Letter**" shall mean the Fee Letter, dated December 23, 2019, among Holdings, the Borrower, the Arrangers and the Bookrunners.

"**Financial Covenants**" shall mean the covenants set forth in Section 6.10.

"**Financial Officer**" of any person shall mean any of the chief financial officer, principal accounting officer, controller, comptroller, treasurer or assistant treasurer of such person.

"**Financial Support Direction**" shall mean a financial support direction issued by the Pensions Regulator under section 43 of the Pensions Act 2004.

"**First Priority**" shall mean, with respect to any Lien purported to be created in any Collateral pursuant to any Security Document, that such Lien is (a) the most senior Lien to which such Collateral is subject (subject only to non-consensual Permitted Liens that arise under any Legal Requirement), or (b) a Collateral Vessel Mortgage duly recorded or registered in accordance with the laws of the applicable Acceptable Flag Jurisdiction in which such Collateral Vessel is registered covering a Collateral Vessel (subject only to Permitted Liens which may, under applicable law, be entitled to priority over such Collateral Vessel Mortgage).

"**Foreign Lender**" shall mean any Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"**Funding Default**" shall have the meaning assigned to such term in Section 2.16(c).

"**GAAP**" shall mean generally accepted accounting principles in the United States applied on a consistent basis.

"**General Assignment Agreement**" shall have the meaning set forth in the definition of "Vessel Collateral Requirements".

"**Governmental Approval**" shall mean any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" shall mean any federal, state, local or foreign (whether civil, administrative, criminal, military or otherwise) court, central bank or governmental agency, tribunal, authority, instrumentality, regulatory or self-regulatory, body or any subdivision thereof or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government (including any international or supra-national bodies such as the International Maritime Organization, the European Union or the European Central Bank).

"**Guaranteed Obligations**" shall have the meaning assigned to such term in Section 7.01.

"**Guarantees**" shall mean the guarantees issued pursuant to Article VII by each of the Guarantors.

"**Guarantors**" shall mean (i) Holdings, (ii) each Subsidiary Guarantor and (iii) the Borrower but only in its capacity, and to the extent, if any, as a guarantor of the Bank Product Obligations of another Loan Party.

"**Hazardous Materials**" shall mean hazardous substances, hazardous wastes, hazardous materials, or any other pollutants, contaminants, chemicals, wastes, materials, compounds, constituents or substances, defined under, subject to regulation under, or which can give rise to liability or obligations under, any Environmental Laws, including substances required or recommended to be listed on a Collateral Vessel's IHM prepared in compliance with Resolution MEPC.269(68) (adopted on 15 May 2015) by the Marine Environment Protection Committee of the International Maritime Organization and petroleum, petroleum products, petroleum by-products, petroleum breakdown products, petroleum-derived substances, crude oil or any fraction thereof.

"**Hedging Agreement**" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, currency swap transactions, cross-currency rate swap transactions, currency options, cap transactions, floor transactions, collar transactions, spot contracts, futures contracts or other liabilities for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract or any other similar transactions or any combination of any of the foregoing (including any options or warrants to enter into any of the foregoing), whether or not any such transaction is governed by, or otherwise subject to, any master agreement or any netting agreement, and (b) any and all transactions or arrangements of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement (or similar documentation) published from time to time by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such agreement or documentation, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Hedging Obligations**" shall mean obligations under or with respect to Hedging Agreements.

"**Holdings**" shall have the meaning assigned to such term in the preamble hereto.

"**Holdings Specified Expenses**" shall mean any charge, tax or expense incurred or accrued by Holdings during any period to the extent that the Borrower or any of its Subsidiaries has paid a Dividend to Holdings in respect thereof pursuant to Section 6.08(c).

"**IHM**" shall mean, in relation to a Collateral Vessel, an "Inventory of Hazardous Materials" prepared in accordance with IMO Resolution MEPC.269(68), "2015 Guidelines for the Development of the Inventory of Hazardous Materials", issued by that Collateral Vessel's classification society, which includes a list of required materials known to be potentially hazardous and listed in the construction of or on board that Collateral Vessel, their location and approximate quantities.

"**Increasing Lenders**" shall have the meaning assigned to such term in Section 2.18(b).

"**Incremental Core Term Loan Amendment**" shall have the meaning assigned to such term in Section 2.18(d).

"**Incremental Core Term Loans**" shall have the meaning assigned to such term in Section 2.18(a).

"**Incremental Joinder Agreement**" shall have the meaning assigned to such term in Section 2.18(d).

"**Indebtedness**" of any person shall mean, without duplication, (a) all indebtedness (including principal, interest, fees and charges) of such Person for borrowed money or for the deferred purchase price of property or services (including, for the avoidance of doubt, any Disqualified Capital Stock); (b) the maximum amount available to be drawn under all letters of credit issued for the account of such Person and all unpaid drawings in respect of such letters of credit; (c) all indebtedness of the types described in paragraphs (a) to (g) of this definition secured by any Collateral on any property owned by such Person, whether or not such indebtedness has been assumed by such Person (to the extent of the value of the respective property); (d) the aggregate amount required to be capitalized under leases under which

such Person is the lessee; (e) all obligations of such person to pay a specified purchase price for goods or services, whether or not delivered or accepted (i.e. take-or-pay and similar obligations); (f) all Contingent Obligations of such Person, and (g) all obligations under any Hedging Agreement. Notwithstanding the foregoing, Indebtedness shall not include trade payables, or indebtedness (other than indebtedness for borrowed money) incurred in the ordinary course of business to pay for alterations or modifications of a Collateral Vessel to comply with regulatory requirements, accrued expenses and deferred tax and other credits incurred by any Person in accordance with customary practices and in the ordinary course of business of such Person.

"**Indemnified Taxes**" shall mean (a) all Taxes other than Excluded Taxes and (b) to the extent not covered in preceding clause (a), Other Taxes.

"**Indemnitee**" shall have the meaning assigned to such term in Section 11.03(b).

"**Information**" shall have the meaning assigned to such term in Section 11.12.

"**Initial Borrowing Date**" shall mean the date on which the conditions set forth in Section 4.01 shall have been satisfied or waived by the Administrative Agent and the first drawing of the Initial Core Term Loans and Transition Term Loans occurs; provided that the Initial Borrowing Date shall not occur later than the Term Loan Commitment Termination Date.

"**Initial Core Term Loans**" shall mean the Core Term Loans made on the Initial Borrowing Date pursuant to Section 2.01(a).

"**Insolvency Laws**" shall mean the Bankruptcy Code, and all other insolvency, bankruptcy, receivership, liquidation, conservatorship, assignment for the benefit of creditors, moratorium, rearrangement, reorganization, or similar Legal Requirements of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Insolvency Proceeding**" shall mean (i) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (ii) any general assignment for the benefit of creditors, formal or informal moratorium, composition, marshaling of assets for creditors or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each case, undertaken under United States federal or state or non-United States Legal Requirements, including the Bankruptcy Code.

"**Insurance Deliverables Requirement**" shall mean, in relation to each Collateral Vessel, with respect to (i) marine, hull and machinery insurance and increased value insurance, (ii) marine protection and indemnity insurance (including (x) insurance for liability arising out of pollution and spillage or leakage of cargo and (y) cargo liability insurance), (iii) war risks insurance and increased value insurance, (iv) such other marine insurance that has been reasonably requested by the Administrative Agent with the written consent of the Borrower (not to be unreasonably withheld or delayed), in each case that is required to be maintained in accordance with the terms of this Agreement, the Borrower shall have delivered to, or cause to be delivered, a letter of undertaking from a marine insurance broker attaching cover notes and certificates of entry evidencing such insurance, together with notices of assignment and loss payee clauses, and letters of undertaking issued by the protection and indemnity association, each of which shall be reasonably satisfactory to the Administrative Agent.

"**Intercompany Note**" shall mean a promissory note (which may be a global intercompany note) in form and substance reasonably satisfactory to the Administrative Agent.

"**Intercompany Subordination Agreement**" shall mean an intercompany subordination agreement substantially in the form of Exhibit D.

"**Interest Coverage Ratio**" shall have the meaning assigned to such term in Section 6.10(f).

"**Interest Determination Date**" shall mean, with respect to any Loan, the second Business Day prior to the commencement of any Interest Period relating to such Loan.

"**Interest Election Request**" shall mean a request by the Borrower to convert or continue a Revolving Borrowing or a Term Borrowing in accordance with Section 2.08(b), substantially in the form of Exhibit E or such other form as the Administrative Agent and the Borrower may agree to from time to time.

"**Interest Payment Date**" shall mean the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, (a) with respect to any Core Term Loan, the Core Term Loan Maturity Date, (b) with respect to any Transition Term Loan, the Transition Term Loan Maturity Date and (b) with respect to any Revolving Loan, the Revolving Maturity Date (or such earlier date on which the Revolving Commitments are terminated).

"**Interest Period**" shall mean, with respect to any Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is (i) with respect to Revolving Loans, one, three or six months thereafter and (ii) with respect to Term Loans, three or six months thereafter, in each case, as the Borrower may elect (or such other periods, elected by the Borrower, as agreed by all Lenders); provided, that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, and (c) with respect to Borrowings of Term Loans, the initial Interest Period with respect to such Term Loans shall commence on the date of such Borrowing and end on the first applicable Core Term Loan Repayment Date or Transition Term Loan Repayment Date, as applicable, occurring thereafter. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent continuation of such Borrowing.

"**Interpolated Screen Rate**" shall mean, with respect to the applicable Loan, the rate which results from interpolating on a linear basis between:

(a) the applicable LIBOR Screen Rate for the longest period for which a LIBOR Screen Rate is available for such Loan, which period is less than the Interest Period of such Loan; and

(b) the applicable LIBOR Screen Rate for the shortest period for which a LIBOR Screen Rate is available for such Loan, which period exceeds the Interest Period of such Loan.

"**Investments**" shall have the meaning assigned to such term in Section 6.04. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without

adjustment for subsequent increases or decreases in the value of such Investment or any write-offs or write-downs thereof.

"**ISM Code**" shall mean the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, adopted by the International Maritime Organization.

"**ISPS Code**" shall mean the International Code for the Security of Ships and Port Facilities adopted by the International Maritime Organization.

"**Judgment Currency**" shall have the meaning assigned to such term in Section 11.21(a).

"**Judgment Currency Conversion Date**" shall have the meaning assigned to such term in Section 11.21(a).

"**Latest Maturity Date**" shall mean, at any date of determination, the latest Maturity Date applicable to any Class of Loans at such time under this Agreement.

"**Legal Requirements**" shall mean, as to any person, any treaty, convention, law (including the common law), statute, ordinance, code, rule, regulation, guidelines, license, permit requirement, judgment, decree, verdict, order, consent order, consent decree, writ, declaration or injunction, policies and procedures, Order or determination of an arbitrator or a court or other Governmental Authority, and the interpretation or administration thereof, in each case applicable to or binding upon such person or any of its property or to which such person or any of its property is subject.

"**Lenders**" shall mean (a) the financial institutions and other persons party hereto as "Lenders" on the date hereof, and (b) each financial institution or other person that becomes a party hereto pursuant to an Assignment and Acceptance, other than, in each case, any such financial institution or person that has ceased to be a party hereto pursuant to an Assignment and Acceptance.

"**LIBOR Rate**" shall mean, with respect to any Borrowing for any Interest Period therefor, (x) the rate per annum equal to the rate determined by the Administrative Agent at approximately 11:00 a.m., London, England time, on the date that is two Business Days prior to the commencement of such Interest Period to be the London interbank offered rate as administered by ICE Benchmark Administration Limited (or any other person that takes over the administration of such rate) that appears on the Reuters Screen LIBOR01 Page (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion, in each case, the "**LIBOR Screen Rate**") for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period (or, if such LIBOR Screen Rate is not available for the Interest Period of that Loan, the LIBOR Rate shall be the rate per annum determined by the Administrative Agent to be the Interpolated Screen Rate for such Loan) or, if different, the date on which quotations would customarily be provided by leading banks in the London interbank market for deposits in Dollars for delivery on the first day of such Interest Period, provided that if such rate is below zero, the LIBOR Rate will be deemed to be zero, or (y) if the rates referenced in preceding clause (x) are not available, the rate per annum equal to the rate at which the Administrative Agent is offered deposits in Dollars by the Reference Banks at approximately 11:00 a.m., London, England time, two Business Days prior to the first day of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to its portion of the amount of such Borrowing to be outstanding during such Interest Period. "**Reuters Screen LIBOR01 Page**" shall mean the display designated on the Reuters 3000 Xtra Page (or

such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market).

"**LIBOR Screen Rate**" shall have the meaning provided in the definition of "**LIBOR Rate**" contained herein.

"**Lien**" shall mean, with respect to any property, (a) any preferred ship mortgage, maritime lien, mortgage, deed of trust, lien (statutory or other), judgment lien, pledge, encumbrance, charge, assignment, hypothecation, deposit arrangement, security interest or encumbrance of any kind or any arrangement to provide priority or preference , in each of the foregoing cases whether voluntary or imposed or arising by operation of law, and any agreement to give any of the foregoing, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effects as any of the foregoing) relating to such property and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Loan**" or "**Loans**" shall mean, as the context may require, a Revolving Loan or a Term Loan.

"**Loan Documents**" shall mean this Agreement, the Notes, if any, the Security Documents, the Intercompany Subordination Agreement, each Intercompany Note, each Incremental Joinder Agreement and all other documents, certificates, instruments or agreements executed by or on behalf of a Loan Party for the benefit of any Agent or any Lender in connection herewith on or after the date hereof and, except for purposes of Section 11.02(b), the Agency Fee Letter. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"**Loan Parties**" shall mean the Borrower and the Guarantors and "Loan Party" shall mean any of them.

"**LTV Ratio**" shall have the meaning provided in Section 2.18(a)(iii).

"**Manager's Undertaking**" shall have the meaning provided in Section 5.16(i).

"**Margin Stock**" shall have the meaning assigned to such term in Regulation U.

"**Market Disruption Event**" shall mean either of the following events:

(i) if, at or about noon on the Interest Determination Date for the relevant Interest Period, the LIBOR Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Administrative Agent to determine the LIBOR Rate for the relevant Interest Period; or

(ii) before close of business in New York on the Interest Determination Date for the relevant Interest Period, the Administrative Agent receives notice from two or more Lender whose outstanding Loans exceed 50% of the aggregate Loans outstanding at such time that (i) the cost to such Lenders of obtaining matching deposits in the London interbank Eurodollar market for the relevant Interest Period would be in excess of the LIBOR Rate for such Interest Period or (ii) such Lenders are unable to obtain funding in the London interbank Eurodollar market.

"**Material Adverse Effect**" shall mean (a) a material adverse effect on, or a material adverse change in, the condition (financial or otherwise), results of operations, business, properties, assets or liabilities (contingent or otherwise) of the Loan Parties, taken as a whole (including, for the avoidance of doubt, as a result of any event, change, effect, circumstance, condition, development or occurrence relating to Holdings that is a material adverse effect on, or a material adverse change in, the condition (financial or otherwise), results of operations, business, properties, assets or liabilities (contingent or otherwise) of the Loan Parties, taken as a whole), (b) an impairment of the ability of the Loan Parties to fully and timely perform any of their payment or other material obligations under any Loan Document, (c) a material impairment of the rights of or benefits or remedies available to the Lenders or any Agent under any Loan Document, or (d) a material adverse effect on the Collateral or any material portion thereof or on the Liens in favor of the Collateral Agent (for its benefit and for the benefit of the other Secured Parties) on the Collateral or the validity, enforceability, perfection or priority of such Liens.

"**Material Non-Public Information**" shall mean information and documentation that is (i) not publicly available and (ii) material with respect to Holdings, the Borrower and its Subsidiaries or any of their respective securities for purposes of foreign, United States Federal and state securities laws.

"**Maturity Date**" shall mean, as the context may require, the Core Term Loan Maturity Date, the Transition Term Loan Maturity Date or the Revolving Maturity Date.

"**Maximum Leverage Ratio**" shall mean, at any time of determination for any Person, the ratio of (x) Consolidated Net Indebtedness to (y) Consolidated Total Capitalization.

"**Maximum Rate**" shall have the meaning assigned to such term in Section 11.13.

"**Minimum Liquidity Threshold**" shall have the meaning assigned to such term in Section 6.10(a).

"**Moody's**" shall mean Moody's Investors Service, Inc. and its successors.

"**Multiemployer Plan**" shall mean an employee benefit plan of the type described in Section 4001(a)(3) or Section 3(37) of ERISA and subject to Title IV of ERISA to which any Company or any of its ERISA Affiliates is making or obligated to make contributions or during the preceding five plan years, has made or been obligated to make contributions.

"**NASDAQ**" shall mean the NASDAQ Stock Market.

"**Net Cash Proceeds**" shall mean: (a) with respect to any Asset Sale (other than any issuance or sale of Equity Interests by the issuer thereof), the proceeds thereof in the form of cash, Cash Equivalents and marketable securities (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable, or by the sale, transfer or other disposition of any non-cash consideration received in connection therewith or otherwise, but only as and when received) received by any Loan Party (including cash proceeds subsequently received (as and when received by any Loan Party) in respect of non-cash consideration initially received) net of (i) reasonable and customary selling expenses (including reasonable brokers' fees or commissions, legal, accounting and other professional and transactional fees and transfer and similar taxes and the Borrower's good faith estimate of income taxes paid or payable in connection with such sale (after taking into account any available tax credits or deductions and any tax sharing arrangements)), (ii) amounts provided as a reserve, in accordance with GAAP, against (x) any liabilities under any indemnification obligations associated with such Asset Sale or (y) any other liabilities retained by any Loan Party associated with the properties sold in such Asset Sale (provided that, to the extent and at the time any

such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), and (iii) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money that is secured by a Lien on the properties sold in such Asset Sale (so long as such Lien was permitted to encumber such properties under the Loan Documents at the time of such sale) and which is repaid with such proceeds (other than (x) any such Indebtedness assumed by the purchaser of such properties and (y) the Secured Obligations); (b) with respect to any Asset Sale in relation to the issuance or sale of Equity Interests by any Subsidiary of the Borrower, the cash proceeds thereof received by any Loan Party, net of reasonable and customary fees, commissions, costs and other expenses incurred in connection therewith; and (c) with respect to any Casualty Event, the cash insurance proceeds, condemnation awards and other compensation received by any Loan Party in respect thereof, net of all reasonable costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event.

"**Net Worth**" shall mean, as to any Person, the sum of its capital stock, capital in excess of par or stated value of shares of its capital stock, retained earnings and any other account which, in accordance with GAAP, constitutes stockholders' equity, but excluding treasury stock and the effect of any impairment of intangible assets on and after the date of this Agreement.

"**New Core Lender**" shall have the meaning assigned to such term in Section 2.18(c).

"**Non-U.S. Plan**" shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by any Company with respect to employees, officers or directors employed, or otherwise engaged, outside the United States.

"**Nordea**" shall mean Nordea Bank Abp, New York Branch and its legal successors and permitted assigns.

"**Notes**" shall mean any notes evidencing the Term Loans or Revolving Loans issued pursuant to Section 2.04(e), if any, substantially in the form of Exhibit F-1 or F-2, respectively.

"**NYSE**" shall mean the New York Stock Exchange.

"**Obligation Currency**" shall have the meaning assigned to such term in Section 11.21.

"**Obligations**" shall mean (a) all obligations of the Borrower and the other Loan Parties from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any Insolvency Proceeding, regardless of whether allowed or allowable in such Insolvency Proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations, including fees (including the fees provided for in the Agency Fee Letter), costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any Insolvency Proceeding, regardless of whether allowed or allowable in such Insolvency Proceeding), of the Borrower and the other Loan Parties under this Agreement and the other Loan Documents and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower and the other Loan Parties under or pursuant to this Agreement and the other Loan Documents, in each case, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising; provided, that in no circumstances shall Excluded Swap Obligations constitute Obligations.

"**OFAC**" shall have the meaning assigned to such term in Section 3.22(b).

"**Officer's Certificate**" shall mean, as to any person, a certificate executed by any of the chairman of the Board of Directors (if an officer), the chief executive officer, the president or one of the Financial Officers of such person, each in his or her official (and not individual) capacity.

"**Order**" shall mean any judgment, decree, verdict, order, consent order, consent decree, writ, declaration or injunction.

"**Organizational Documents**" shall mean, with respect to any person, (i) in the case of any corporation, the certificate of incorporation, articles of incorporation or deed of incorporation and by-laws (or similar documents) of such person, (ii) in the case of any limited liability company, the certificate or articles of formation or organization and operating agreement or memorandum and articles of association (or similar constituent documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar constituent documents) of such person (and, where applicable, the equityholders or shareholders registry of such person), (iv) in the case of any general partnership, the partnership agreement (or similar constituent document) of such person, (v) in any other case, the functional equivalent of the foregoing, and (vi) any shareholder, voting trust or similar agreement between or among any holders of Equity Interests of such person.

"**Other Connection Taxes**" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction (including any subdivision or taxing authority thereof) imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"**Other Taxes**" shall mean any and all present or future stamp, documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes, charges (including fees and expenses to the extent incurred with respect to any such Taxes or charges) or similar levies (including interest, fines, penalties and additions with respect to any of the foregoing) arising from any payment made or required to be made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

"**Participant**" shall have the meaning assigned to such term in Section 11.04(e).

"**Participant Register**" shall have the meaning assigned to such term in Section 11.04(e).

"**Patriot Act**" shall have the meaning assigned to such term in Section 3.22(a).

"**Pension Plan**" shall mean any Employee Benefit Plan subject to the provisions of Title IV of ERISA or Section 412 or 430 of the Code or Section 302 or 303 of ERISA.

"**Pensions Regulator**" shall mean the body corporate called the Pensions Regulator established under Part 1 of the U.K. Pensions Act 2004.

"**Permitted Acquisition**" shall mean any transaction or series of related transactions for the direct or indirect (a) acquisition of all or substantially all of the property of any person, or of any business or division of any person, (b) acquisition of all of the Equity Interests of any person, and otherwise causing such person to become a Wholly Owned Subsidiary of such person, or (c) merger or consolidation or any other combination with any person, if each of the following conditions is met:

(i) no Event of Default then exists or would result therefrom;

(ii) after giving effect to such transaction on a Pro Forma Basis, the Borrower shall be in compliance with the Financial Covenants; and

(iii) the person or business to be acquired shall be, or shall be engaged in, a business of the type that Holdings and its Subsidiaries are permitted to be engaged in under Section 6.14(b).

"**Permitted Charter**" shall mean a charter of a Collateral Vessel to a third party:

(a) which is a time charter, voyage charter, consecutive voyage charter or contract of affreightment entered into on bona fide arm's length terms; provided that any such charter in excess of thirty-six (36) months shall only be a Permitted Charter if the Required Lenders have consented thereto (such consent not to be unreasonably withheld); and

(b) demise charters existing on the Closing Date as identified on Schedule 1.01(g).

"**Permitted Hedging Agreement**" shall mean any Hedging Agreement to the extent constituting a swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates, bunkers, fuel, forward commitments for bunkers or fuel, or freight derivatives, either generally or under specific contingencies, in each case entered into in the ordinary course of business and not for speculative purposes.

"**Permitted Liens**" shall have the meaning assigned to such term in Section 6.02.

"**Person**" and "**person**" shall mean any natural person, corporation, business trust, joint venture, trust, association, company (whether limited in liability or otherwise), partnership (whether limited in liability or otherwise) or Governmental Authority, or any other entity, in any case, whether acting in a personal, fiduciary or other capacity.

"**Platform**" shall mean IntraLinks, SyndTrak or a substantially similar electronic transmission system.

"**Pledge Agreement**" shall mean a Pledge Agreement substantially in the form of Exhibit G between the Loan Parties and the Collateral Agent for the benefit of the Secured Parties and pursuant to which the Earnings Accounts (subject to Section 5.14) and all of the Equity Interests of each Subsidiary Guarantor that owns a Collateral Vessel (and the Equity Interests of the Person that owns, directly or indirectly, the Equity Interests in such Subsidiary Guarantor, if any) shall have been pledged to secure the Obligations and shall have (A) delivered to the Collateral Agent all the Securities Collateral referred to therein, together with executed and undated stock powers in the case of capital stock constituting Securities Collateral, and (B) otherwise complied with all of the requirements set forth in the Pledge Agreement.

"**Pledge Agreement Collateral**" shall mean all property from time to time pledged or granted as collateral pursuant to the Pledge Agreement.

"**Pool Financing**" shall mean a financing arrangement entered into by a Pool Operator, as agent for the applicable Shipping Pool, on behalf of the members or participants therein with a third-party lender, which financing is secured by the Pool Financing Receivables of the Vessels in such Shipping Pool.

"**Pool Financing Indebtedness**" shall mean indebtedness incurred by a Pool Operator, as agent for the applicable Shipping Pool, on behalf of the members or participants therein, under and pursuant to a Pool Financing.

"**Pool Financing Receivables**" shall mean, with respect to a Vessel in a Shipping Pool, (I) Moneys (as defined in Section 1-201 of the UCC) and claims for payment due or to become due to the Borrower or a Subsidiary thereof that owns such Vessel, or to the Pool Operator of such Shipping Pool on such Vessel owner's behalf, whether as charter hire, freights, passage moneys, proceeds of off-hire and loss of hire insurances, loans, indemnities, payments or otherwise, under, and all claims for damages arising out of any breach of, any time or voyage charter, affreightment or other contract for the use or employment of such Vessel and (II) all remuneration for salvage and towage services, demurrage and detention moneys and any other moneys whatsoever due or to become due to such Vessel owner, or the Pool Operator on such Vessel owner's behalf, arising from the use or employment of such Vessel.

"**Pool Operator**" shall mean a third-party operator or manager of any Shipping Pool.

"**Poseidon Principles**" shall mean the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published on 18 June 2019, available at http://www.poseidonprinciples.org, as the same may be amended or replaced, including but not limited to, 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.

"**Pro Forma Basis**" shall mean:

(a) in connection with any calculation of compliance with any financial covenant, financial test or financial term hereunder, the calculation thereof after giving effect on a pro forma basis to (x) the incurrence of any Indebtedness (other than revolving Indebtedness, except to the extent the same is incurred to refinance other outstanding Indebtedness, to finance a Permitted Acquisition or other Investment or to finance a Dividend or Restricted Debt Payment) after the first day of the relevant Test Period, as if such Indebtedness had been incurred (and the proceeds thereof applied) on the first day of such Test Period, (y) the permanent repayment of any Indebtedness (other than revolving Indebtedness, except to the extent accompanied by a corresponding permanent commitment reduction) after the first day of the relevant Test Period, as if such Indebtedness had been retired or repaid on the first day of such Test Period, and (z) any Permitted Acquisition or other Investment then being consummated as well as any other Permitted Acquisition or other Investment if consummated after the first day of the relevant Test Period and on or prior to the date of the respective Permitted Acquisition or other Investment then being effected, with the following rules to apply in connection therewith:

(i) all Indebtedness (x) (other than revolving Indebtedness, except to the extent that the same is incurred to refinance other outstanding Indebtedness, to finance Permitted Acquisitions or other Investments or to finance a Dividend or Restricted Debt Payment) incurred or issued after the first day of the relevant Test Period (whether incurred to finance a Permitted Acquisition or other Investment, to pay a Dividend to refinance Indebtedness or otherwise) shall be deemed to have been incurred or issued (and the proceeds thereof applied) on the first day of such Test Period and remain outstanding through the date of determination and (y) (other than revolving Indebtedness, except to the extent accompanied by a corresponding permanent commitment reduction) permanently retired or redeemed after the first day of the relevant Test Period shall be deemed to have been retired or redeemed on the first day of such Test Period and remain retired through the date of determination;

(ii) all Indebtedness assumed to be outstanding pursuant to preceding clause (i) shall be deemed to have borne interest at (x) the rate applicable thereto, in the case of fixed rate indebtedness, or (y) the rates which would have been applicable thereto during the respective period when same was deemed outstanding, in the case of floating rate Indebtedness (although interest expense with respect to any Indebtedness for periods while same was actually outstanding during

the respective period shall be calculated using the actual rates applicable thereto while same was actually outstanding); and

(iii) in making any determination of Consolidated EBITDA on a Pro Forma Basis, pro forma effect shall be given to any Permitted Acquisition or other Investment if effected during the respective Test Period as if same had occurred on the first day of the respective Test Period, and taking into account, in the case of any Permitted Acquisition or other Investment, factually supportable and identifiable cost savings and expenses which would otherwise be accounted for as an adjustment pursuant to Article 11 of Regulation S-X under the Securities Act, as if such cost savings or expenses were realized on the first day of the respective period; and

"**Pro Rata Percentage**" of any Revolving Lender at any time shall mean the percentage of the Total Revolving Commitments of all Lenders represented by such Lender's Revolving Commitment.

"**Process Agent**" shall have the meaning assigned to such term in Section 11.09(d).

"**Projections**" shall have the meaning assigned to such term in Section 3.04(c).

"**property**" shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including Equity Interests of any person and whether now in existence or owned or hereafter entered into or acquired, including all Real Property, Vessels, cash, securities, accounts, revenues and contract rights.

"**PTE**" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"**Public Lenders**" shall mean Lenders that do not wish to receive Material Non-Public Information with respect to Holdings, the Borrower or its Subsidiaries.

"**Purchase Money Obligation**" shall mean, for any person, the obligations of such person in respect of Indebtedness (including Capital Lease Obligations) incurred for the purpose of financing all or any part of the purchase price of any fixed or capital assets or the cost of installation, construction or improvement of any fixed or capital assets; provided, however, that (i) such Indebtedness is incurred within 120 days after such acquisition, installation, construction or improvement of such fixed or capital assets by such person and (ii) the amount of such Indebtedness does not exceed the lesser of 100% of the Fair Market Value of such fixed or capital asset or the cost of the acquisition, installation, construction or improvement thereof, as the case may be.

"**Qualified Capital Stock**" of any person shall mean any Equity Interests of such person that do not constitute Disqualified Capital Stock.

"**Qualified ECP Guarantor**" shall mean, in respect of any Swap Obligation, each Subsidiary Guarantor that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Real Property**" shall mean, collectively, all right, title and interest (including any leasehold, fee, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any Person, whether by lease, license or other means, together with, in each case, all

easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"**Recipient**" shall mean the Administrative Agent or any Lender, as applicable.

"**Reference Banks**" shall mean, at any time, (i) if there are two or fewer Lenders at such time, each Lender that agrees to be a Reference Bank hereunder and (ii) if there are three or more Lenders at such time, each Arranger and one other Lender (that agrees to be a Reference Bank hereunder) as shall be determined by the Administrative Agent.

"**Refinancing**" shall mean the repayment in full of (together with any applicable prepayment premium or fee, with the commitments thereunder being terminated, and all guarantees and security in respect thereof being released) all of the outstanding indebtedness of Holdings and its Subsidiaries under the Existing Debt Agreements.

"**Register**" shall have the meaning assigned to such term in Section 11.04(c).

"**Regulation D**" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation U**" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Regulation X**" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"**Related Person**" shall mean, with respect to any person, (a) each Affiliate of such person and each of the officers, directors, employees, Advisors, attorneys, agents, representatives, controlling persons and shareholders, partners, members and trustees of each of the foregoing, and (b) if such person is an Agent, each other person designated, nominated or otherwise mandated by or assisting such Agent pursuant to Section 10.05 or any comparable provision of any Loan Document.

"**Release**" shall mean any releasing, spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto, from or through the Environment.

"**Required Core Lenders**" shall mean, at any date of determination, Lenders having Core Term Loans, Revolving Loans, unused Revolving Commitments and Core Term Commitments representing more than 66 2/3% of the sum of all outstanding Core Term Loans, Revolving Loans, unused Revolving Commitments and Core Term Commitments at such time.

"**Required Insurance**" shall mean insurance of the type, deductibles and amounts as set forth on Schedule 3.20.

"**Required Lenders**" shall mean, at any date of determination, Lenders having Loans, unused Revolving Commitments, Core Term Commitments and Transition Term Commitments representing more than 66 2/3% of the sum of all outstanding Loans, unused Revolving Commitments, Core Term Commitments and Transition Term Commitments at such time.

"**Required Transition Lenders**" shall mean, at any date of determination, Lenders having Transition Term Loans and Transition Term Commitments representing more than 66 2/3% of the sum of all outstanding Transition Term Loans and Transition Term Commitments at such time.

"**Requisition**" means: (a) any expropriation, confiscation, requisition or acquisition of a Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority (excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension) unless it is within 30 days redelivered to the full control of the Subsidiary Guarantor being the owner thereof; and (b) any arrest, capture or seizure of a Vessel (including any hijacking or theft) unless it is within 60 days redelivered to the full control of the Subsidiary Guarantor being the owner thereof.

"**Responsible Officer**" of any person shall mean any executive officer or Financial Officer of such person and any other officer or similar official thereof with significant responsibility for the administration of the obligations of such person in respect of this Agreement.

"**Restricted Debt Payment**" shall mean any payment, prepayment, purchase, repurchase, redemption, retirement, defeasance or other acquisition for value of any Restricted Indebtedness.

"**Restricted Indebtedness**" shall mean Indebtedness of any Company, the payment, prepayment, repurchase, defeasance or acquisition for value of which is restricted under Section 6.11.

"**Revolving Borrowing**" shall mean a Borrowing comprised of Revolving Loans.

"**Revolving Commitment**" shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Loans hereunder up to the amount set forth on Annex I hereto or on Schedule 1 to the Assignment and Acceptance pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07 and/or (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The aggregate principal amount of the Lenders' Revolving Commitments on the Closing Date is $40,000,000.

"**Revolving Exposure**" shall mean, with respect to any Lender at any time, the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender.

"**Revolving Facility**" shall mean, at any time and with respect to any Revolving Lender, such Revolving Lender's respective Revolving Commitments and the extensions of credit thereunder at such time.

"**Revolving Lender**" shall mean a Lender with a Revolving Commitment or with outstanding Revolving Exposure.

"**Revolving Loan**" shall mean a revolving loan made by the Lenders to the Borrower pursuant to Section 2.01(a).

"**Revolving Maturity Date**" shall mean January 23, 2025.

"**Revolving Obligations**" shall mean (i) all Revolving Loans, and Revolving Commitments and (ii) all Obligations relating to the Indebtedness and Revolving Commitments described in preceding clause (i). For the avoidance of doubt, Revolving Obligations includes all interest, fees and

expenses accruing or incurred during the pendency of any Insolvency Proceeding with respect to Revolving Obligations, whether or not such interest, fees or expenses are allowed claims under any such Insolvency Proceeding.

"**S&P**" shall mean S&P Global Ratings and any successor thereto.

"**Sale and Leaseback Transaction**" shall mean any arrangement of any person, directly or indirectly, with any other person whereby such initial person shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"**Sanctions Authority**" shall mean the respective governmental institutions and agencies of the United States, the European Union (and its member states), the United Kingdom, the Kingdom of Norway and the United Nations, including the U.S. Treasury Department, the U.S. Commerce Department, the U.S. State Department, the United Nations Security Council, or other relevant sanctions authority of the United States, the European Union (and its member states), the United Kingdom, the Kingdom of Norway or the United Nations.

"**Sanctions Laws**" shall mean, as applicable to any Loan Party, Collateral Vessel or Secured Party, 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.

"**SEC**" shall mean the United States Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions thereof.

"**Secured Obligations**" shall mean (a) the Obligations and (b) the due and punctual payment and performance of all Bank Product Obligations of the Borrower and the Subsidiary Guarantors; provided, that in no circumstances shall Excluded Swap Obligations constitute Secured Obligations.

"**Secured Parties**" shall mean, collectively, (a) the Administrative Agent, (b) the Collateral Agent, (c) the Lenders and (d) each Bank Product Provider.

"**Securities Act**" shall mean the Securities Act of 1933, as amended.

"**Securities Collateral**" shall mean "Collateral" (as defined in the Pledge Agreement).

"**Security Documents**" shall mean the Pledge Agreement, each Collateral Vessel Mortgage, each Account Control Agreement, each General Assignment Agreement, each Assignment of Insurances, each Manager's Undertaking and each other security document or pledge agreement delivered in accordance with applicable local Legal Requirements to grant a valid, enforceable, perfected security interest (with the priority required under the Loan Documents) in any property as collateral for the Secured Obligations, and all UCC or other financing statements or instruments of perfection required by this Agreement, the Pledge Agreement, any Collateral Vessel Mortgage, any Account Control Agreement, any General Assignment Agreement, any Assignment of Insurances, any Manager's Undertaking or any other such security document or pledge agreement to be filed or registered with respect to the security interests in property created pursuant to the Pledge Agreement, any Collateral Vessel Mortgage, any Account Control Agreement, any General Assignment Agreement, any Manager's Undertaking and any other document or instrument utilized to pledge any property as collateral for the Secured Obligations.

"**Security Trustee**" shall have the meaning assigned to such term in the preamble hereto.

"**Shipping Pool**" shall mean a shipping pool arrangement in which a Vessel has been entered, or in which a Vessel is a member, together with other vessels owned or operated by third parties that are part of such shipping pool arrangement.

"**Sinosure Facility Agreement**" shall mean that certain facility agreement dated as of November 30, 2015, as amended, amended and restated, supplemented and/or modified from time to time, among Seaways Holding Corporation, as parent guarantor, Holdings, as holdings guarantor, Gener8 Maritime Subsidiary VII Inc., as the borrower, The Export-Import Bank of China and the other lenders party thereto from time to time, Nordea, as facility agent and Collateral Agent, and the other parties thereto from time to time party thereto.

"**Sinosure Interest Expense Coverage Ratio**" shall mean the "Interest Expense Coverage Ratio", as such term is defined in the Sinosure Facility Agreement.

"**Solvent**" shall mean, with respect to any person, that, as of the date of determination, (a) the fair value of the properties of such person will exceed its debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of such person will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) such person generally will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, (d) such person will not have unreasonably small capital with which to conduct its business in which it is engaged as such business is now conducted and is proposed, contemplated or about to be conducted following the Closing Date, and (e) such person is not "insolvent" as such term is defined under any bankruptcy, insolvency or similar laws of any jurisdiction in which any person is organized. For the purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time represents the amount that can be reasonably expected to become an actual or matured liability.

"**Statement of Compliance**" shall mean a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

"**Statutory Reserves**" shall mean for any day during any Interest Period for any Borrowing, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under regulations issued from time to time (including Regulation D, issued by the Board (the "**Reserve Requirements**")) by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion Dollars against Eurocurrency funding liabilities (currently referred to as "Eurocurrency liabilities" (as such term is used in Regulation D)). Borrowings shall be deemed to constitute "Eurocurrency liabilities" and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under the Reserve Requirements.

"**Subordinated Indebtedness**" shall mean unsecured Indebtedness of the Borrower or any of its Subsidiaries that is by its terms subordinated (on terms reasonably satisfactory to the Administrative Agent) in right of payment to all or any portion of the Obligations.

"**Subsidiary**" shall mean, with respect to any person (the "**parent**") at any date, (i) any person the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (ii) any other corporation, limited liability company, association or other business entity of which securities

or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (iii) any partnership (a) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iv) any other person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise, "Subsidiary" refers to a Subsidiary of the Borrower.

"**Subsidiary Guarantor**" shall mean each Subsidiary of the Borrower that is the owner of a Collateral Vessel and each Subsidiary of the Borrower that directly or indirectly owns Equity Interests in any owner of a Collateral Vessel, as well as any additional Subsidiary of the Borrower that becomes a Subsidiary Guarantor pursuant to Section 5.10. As of the Closing Date, the Subsidiary Guarantors are listed on Schedule 1.01(h).

"**Sustainability Certificate**" shall mean a certificate signed by a financial officer, in a form and substance reasonably satisfactory to the Administrative Agent and the Sustainability Coordinator delivered pursuant to Section 5.01(c)(iii).

"**Sustainability Coordinator**" shall have the meaning assigned to such term in the preamble hereto.

"**Sustainability Pricing Adjustment Schedule**" shall mean Schedule 1.01(i), as amended from time to time in accordance with Section 11.02 of this Agreement.

"**Swap Obligation**" shall mean, with respect to the Borrower and any Subsidiary Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"**Synthetic Lease**" shall mean, as to any person, (a) any lease (including leases that may be terminated by the lessee at any time) of any property (i) that is accounted for as an operating lease under GAAP and (ii) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such person is the lessor or (b)(i) a synthetic, off-balance sheet or tax retention lease, or (ii) an agreement for the use or possession of property (including a Sale and Leaseback Transaction), in each case under this clause (b), creating obligations that do not appear on the balance sheet of such person but which, upon the application of any Insolvency Laws to such person, would be characterized as the indebtedness of such person (without regard to accounting treatment).

"**Synthetic Lease Obligations**" shall mean, as to any person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

"**Synthetic Purchase Agreement**" shall mean any swap, derivative or other agreement or combination of agreements pursuant to which any Loan Party is or may become obligated to make (a) any payment in connection with a purchase by any third party from a person other than a Loan Party of any Equity Interest or Restricted Indebtedness or (b) any payment (other than on account of a permitted purchase by it of any Equity Interest or Restricted Indebtedness) the amount of which is determined by reference to the price or value at any time of any Equity Interest or Restricted Indebtedness.

"**Tax Returns**" shall mean all returns, statements, filings, attachments and other documents or certifications filed or required to be filed in respect of Taxes.

"**Taxes**" shall mean (i) any and all present or future taxes, duties, levies, imposts, assessments, fees, deductions, withholdings or other similar charges, imposed by a Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions with respect to any of the foregoing) with respect to the foregoing, and (ii) any transferee, successor, joint and several, contractual or other liability (including liability pursuant to Treasury Regulation § 1.1502-6 (or any similar provision of state, local or non-U.S. law)) in respect of any item described in clause (i).

"**Technical Manager**" shall mean (i) an Acceptable Third Party Technical Manager or (ii) one or more other technical managers (including a Subsidiary of the Borrower) selected by the Borrower and reasonably acceptable to the Administrative Agent (acting on instructions from the Required Lenders).

"**Term Borrowing**" shall mean a Borrowing comprised of Core Term Loans or Transition Term Loans.

"**Term Commitments**" shall mean the Core Term Commitments and Transition Term Commitments.

"**Term Loans**" shall mean the Initial Core Term Loans, the Incremental Core Term Loans, and the Transition Term Loans.

"**Term Loan Commitment Termination Date**" shall mean February 15, 2020.

"**Test Period**" shall mean each period of four consecutive fiscal quarters of Holdings then last ended (in each case taken as one accounting period) for which financial statements of Holdings have been delivered pursuant to Section 5.01(a) or (b), as the case may be.

"**Total Leverage Ratio**" shall mean, at any date of determination, the ratio of (i) Consolidated Indebtedness of Holdings and its Subsidiaries on such date to (ii) Consolidated EBITDA of Holdings and its Subsidiaries for the Test Period then most recently ended.

"**Total Loss**" means: (a) actual, constructive, compromised, agreed or arranged total loss of a Vessel; or (b) any Requisition of a Vessel.

"**Total Loss Date**" means, in relation to the Total Loss of a Vessel: (a) in the case of an actual loss of a Vessel, the date on which it occurred or, if that is unknown, the date when that Vessel was last heard of; (b) in the case of a constructive, compromised, agreed or arranged total loss of a Vessel, the earlier of: (i) the date on which a notice of abandonment is given to the insurers; and (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower and/or the Subsidiary Guarantor who owns such Vessel with the Vessel's insurers in which the insurers agree to treat that Vessel as a total loss; and (c) in the case of any other type of Total Loss, the date (or the most likely date) on which it appears to the Administrative Agent that the event constituting the total loss occurred.

"**Total Revolving Commitments**" shall mean the aggregate principal amount of all Revolving Commitments, which as of the Closing Date is in the aggregate amount of $40,000,000.

"**Total Revolving Exposure**" shall mean, with respect to all Revolving Lenders at any time, the aggregate principal amount at such time of all outstanding Revolving Loans.

"**Transactions**" shall mean, collectively, (a) the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents to which they are a party and the initial Credit Extension hereunder on the Initial Borrowing Date and the use of the proceeds thereof, (b) the Refinancing and (c) the payment of the fees and expenses related to the foregoing.

"**Transferred Guarantor**" shall have the meaning assigned to such term in Section 7.09.

"**Transition Collateral Maintenance Test**" shall have the meaning assigned to such term in Section 6.10(e).

"**Transition Collateral Vessel**" shall mean (i) initially, the vessels identified on part 2 of Schedule 1.01(a) and (ii) thereafter, any Additional Vessel provided as Additional Collateral pursuant to Section 6.10(e).

"**Transition Facility**" shall mean, at any time and with respect to any Transition Term Lender, such Transition Term Lender's respective Transition Term Commitments and the extensions of credit thereunder at such time.

"**Transition Scheduled Amortization Payment Amount**" shall mean, for any Transition Term Loan Repayment Date, the corresponding amount for such date set forth on Schedule 2.09(b), as such amount may be reduced from time to time pursuant to Section 2.07.

"**Transition Term Commitment**" shall mean, with respect to each Transition Term Lender, the commitment of such Transition Term Lender to make Transition Term Loans hereunder on or after the Initial Borrowing Date and until the Term Loan Commitment Termination Date in the amount set forth on Annex I hereto or on Schedule 1 to the Assignment and Acceptance pursuant to which such Transition Term Lender assumed its Transition Term Commitment, as applicable, as the same may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The aggregate principal amount of the Transition Term Lenders' Transition Term Commitments on the Closing Date is $50,000,000.

"**Transition Term Lender**" shall mean a Lender with a Transition Term Commitment or outstanding Transition Term Loans.

"**Transition Term Loans**" shall mean the Transition Term Loans made by the Transition Term Lenders to the Borrower on the Initial Borrowing Date pursuant to Section 2.01(a).

"**Transition Term Loan Maturity Date**" shall mean June 30, 2022.

"**Transition Term Loan Repayment Date**" shall have the meaning specified in Section 2.09(c).

"**Treasury Regulations**" shall mean the regulations promulgated by the United States Department of the Treasury under the Code, as amended from time to time.

"**Trust Property**" shall mean (a) the security, powers, rights, titles, benefits and interests (both present and future) constituted by and conferred on the Security Trustee under or pursuant to the Collateral Vessel Mortgages (including the benefits of all covenants, undertakings, representations, warranties and obligations given, made or undertaken to the Security Trustee in the Collateral Vessel Mortgages), (b) all moneys, property and other assets paid or transferred to or vested in the Security Trustee, or any agent of the Security Trustee whether from any Loan Party or any other person, and (c) all money,

investments, property and other assets at any time representing or deriving from any of the foregoing, including all interest, income and other sums at any time received or receivable by the Security Trustee or any agent of the Security Trustee in respect of the same (or any part thereof).

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time (except as otherwise specified) in any applicable state or jurisdiction.

"**UKBA**" shall mean the U.K. Bribery Act 2010.

"**UK Pension Plan**" shall mean the OSG Ship Management (UK) Ltd. Retirement Benefits Plan.

"**United States**" and "**U.S.**" shall mean the United States of America.

"**Unrestricted Cash and Cash Equivalents**" shall mean cash or Cash Equivalents that (i) do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of Holdings or any of its Subsidiaries, (ii) are not subject to any lien in favor of any Person other than (a) the Collateral Agent for the benefit of the Lenders or (b) if required by law, the deposit account bank holding such accounts, (iii) are otherwise generally available for use by Holdings, the Borrower or such Subsidiary and (iv) undrawn amounts under the Revolving Facility; provided that not more than $25,000,000 of Unrestricted Cash and Cash Equivalents shall consist of undrawn and available amounts under the Revolving Facility for purposes of the Minimum Liquidity Threshold.

"**Vessel Appraisal**" shall mean a written desktop appraisal of the fair market value of each Collateral Vessel or Additional Vessel delivered to the Administrative Agent and the Collateral Agent, in form, scope and methodology reasonably acceptable to the Collateral Agent and prepared by an Approved Broker selected by the Borrower on the basis of a charter-free arm's-length transaction between a willing and able buyer and seller not under duress, addressed to the Collateral Agent and upon which the Administrative Agent, the Collateral Agent and the Lenders are expressly permitted to rely.

"**Vessel Appraisal Value**" of any Collateral Vessel or Additional Vessel at any time of determination shall mean the average of Vessel Appraisals from two Approved Brokers most recently delivered to, or obtained by, the Administrative Agent prior to such time in accordance with Sections 6.10(d) and (e) or at such other time or times set forth in this Agreement.

"**Vessel Collateral Requirements**" shall mean, with respect to a Collateral Vessel, the requirement that:

(a) the Subsidiary Guarantor that owns such Collateral Vessel shall have duly authorized, executed and delivered, and caused to be recorded or registered in accordance with the laws of the applicable Acceptable Flag Jurisdiction in which such Collateral Vessel is registered, a Collateral Vessel Mortgage with respect to such Collateral Vessel and such Collateral Vessel Mortgage shall be effective to create in favor of the Security Trustee for the benefit of the Secured Parties a legal, valid and enforceable first preferred ship mortgage lien upon such Collateral Vessel, subject only to Permitted Liens related thereto;

(b) all filings, deliveries of instruments and other actions necessary or desirable in the reasonable opinion of the Collateral Agent to perfect and preserve the security interests described in clause (a) above under the laws of the Acceptable Flag Jurisdiction in which such Collateral Vessel is registered and (if required) in the jurisdiction of organization of the entity that is the owner of such Collateral Vessel

shall have been duly effected and the Collateral Agent shall have received evidence thereof in form and substance reasonably satisfactory to it and such customary legal opinions reasonably satisfactory to it; and

(c) the Administrative Agent shall have received each of the following:

(i) certified copies of all technical management agreements and commercial management agreements, if any, and all pooling agreements and charter contracts having a remaining term in excess of six months related to such Collateral Vessel and any charter contract guarantees in connection therewith;

(ii) a confirmation of class certificate issued by an Approved Classification Society showing the Collateral Vessel to be free of overdue recommendations issued not more than 10 days prior to the Closing Date and certified copies of all ISM Code and ISPS Code documentation for such Collateral Vessel and its owner or manager, as appropriate, which shall be valid and unexpired;

(iii) a certificate of ownership and encumbrance or transcript of register confirming registration of such Collateral Vessel under the law and flag of the applicable Acceptable Flag Jurisdiction, the record owner of the Collateral Vessel and all Liens of record (which shall be only Permitted Liens) for such Collateral Vessel, such certificate to be issued within 30 days prior to the Closing Date, and reasonably satisfactory to the Administrative Agent;

(iv) a report, addressed to and in form and scope reasonably acceptable to the Administrative Agent, from a firm of marine insurance brokers reasonably acceptable to the Administrative Agent (including Marsh and Willis), confirming the particulars and placement of the marine insurances covering such Collateral Vessel and its compliance with the provisions hereunder, the endorsement of loss payable clauses and notices of assignment on the policies, the adequacy of such marine insurances and containing such other confirmations and undertakings as are customary in the New York market (including the Insurance Deliverables Requirement);

(v) a customary letter of undertaking addressed to the Administrative Agent, issued by each relevant marine insurance broker, the protection and indemnity club or war risks association through or with whom any obligatory insurances are placed or effected for such Collateral Vessel; and

(vi) a report from an independent marine insurance consultant appointed by the Administrative Agent confirming the adequacy of the marine insurances covering such Collateral Vessel.

(d) (A) the Borrower and each Subsidiary Guarantor that owns such Collateral Vessel (and each other relevant Loan Party) shall have duly authorized, executed and delivered a General Assignment Agreement substantially in the form of Exhibit M (as modified, supplemented or amended from time to time, each a "**General Assignment Agreement**") assigning all of such Loan Party's present and future Earnings and Insurance Collateral, and any Permitted Charter with a term in excess of twenty-four (24) months (any such charter, a "**Pledged Charter**") to the extent obtainable by the Borrower using reasonable commercial efforts, (B) each Commercial Manager and Technical Manager which, in either case, is a Subsidiary of the Borrower, as applicable (to the extent such Commercial Manager or Technical Manager is a named assured in the insurances of such Collateral Vessel) shall have duly authorized, executed and delivered an Assignment of Insurances substantially in the form of Exhibit N (as modified,

supplemented or amended from time to time, each an "**Assignment of Insurances**") assigning all of such Commercial Manager and Acceptable Third Party Technical Manager's present and future Insurance Collateral and (C) each such Loan Party or Commercial Manager or Technical Managers, as applicable, shall use commercially reasonable efforts to provide appropriate notices and consents related thereto, together granting a security interest and lien on (i) all of such Loan Party's present and future Earnings and Insurance Collateral and present and future rights and receivables under Pledged Charters and (ii) all of such Commercial Manager's and Technical Manager's Insurance Collateral, in each case together with proper Financing Statements (Form UCC-1) in form for filing under the UCC or in other appropriate filing offices of each jurisdiction as may be necessary to perfect the security interests purported to be created by General Assignment Agreement and the Assignment of Insurances, as applicable;

(e) Subject to Section 5.14, the Borrower, the Collateral Agent and Nordea, as depositary bank, shall have duly authorized, executed and delivered a control agreement substantially in the form attached to the Pledge Agreement with respect to the Earnings Accounts (as modified, supplemented or amended from time to time, the "**Account Control Agreement**").

"**Vessels**" shall mean all Collateral Vessels and other vessels owned by the Borrower or any of its Subsidiaries, and "**Vessel**" shall mean any one of them.

"**Voting Equity Interests**" shall mean, with respect to any person, any class or classes of Equity Interests pursuant to which the holders thereof have the power under ordinary circumstances to vote for persons to serve on the Board of Directors of such person.

"**Wholly Owned Subsidiary**" shall mean, as to any person, (a) any corporation 100% of whose capital stock (other than directors' qualifying shares and other nominal shares required to be held by local nationals, in each case to the extent required under applicable Legal Requirements) is at the time owned by such person and/or one or more Wholly Owned Subsidiaries of such person and (b) any partnership, association, joint venture, limited liability company or other entity in which such person and/or one or more Wholly Owned Subsidiaries of such person have a 100% Equity Interest (other than directors' qualifying share and other nominal shares required to be held by local nationals, in each case to the extent required under applicable Legal Requirements) at such time. Unless the context requires otherwise, "Wholly Owned Subsidiary" refers to a Wholly Owned Subsidiary of the Borrower.

"**Write-Down and Conversion Powers**" shall mean,

(a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule; and

(b) with respect to any other applicable Bail-In Legislation from any other relevant Governmental Authority, 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.

Section 2.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "**Revolving Loan**"). Borrowings also may be classified and referred to by Class (e.g., a "**Revolving Borrowing**").

Section 2.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The phrase "Material Adverse Effect" shall be deemed to be followed by the phrase ", individually or in the aggregate." The words "asset" and "property" shall be construed to have the same meaning and effect. The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (a) any definition of or reference to any Loan Document, agreement, instrument or other document herein shall be construed as referring to such Loan Document, agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in any Loan Document), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits, exhibits, Schedules and schedules shall be construed to refer to Articles and Sections of, and Exhibits, exhibits, Schedules and schedules to, this Agreement, unless otherwise indicated and (e) any reference to any law or regulation shall (i) include all statutory and regulatory provisions consolidating, amending, replacing or interpreting or supplementing such law or regulation, and (ii) unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. This Section 1.03 shall apply, mutatis mutandis, to all Loan Documents.

Section 2.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with, and all terms of an accounting or financial nature shall be construed and interpreted in accordance with, GAAP as in effect from time to time. If at any time any change in GAAP would affect the computation of any financial ratio or the Financial Covenants set forth in any Loan Document, and the Borrower, the Required Lenders or the Administrative Agent shall so request, the Administrative Agent and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to approval by the Required Lenders and the Borrower); provided, that, until so amended, such ratio, Financial Covenants or requirement shall continue to be computed in accordance with GAAP prior to such change therein, and the Borrower shall provide to the Administrative Agent and the Lenders within five days after delivery of each certificate or financial report required hereunder that is affected thereby a written statement of a Financial Officer of the Borrower setting forth in reasonable detail the differences that would have resulted if such financial statements had been prepared as if such change had been implemented.

Section 2.05 Resolution of Drafting Ambiguities. Each Loan Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of this Agreement and the other Loan Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation hereof and thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

Section 2.06 Rounding. Any financial ratios required to be satisfied in order for a specific action to be permitted under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 2.07 Currency Equivalents Generally.

(a) Any amount specified in this Agreement (other than as set forth in clause (b) of this Section 1.07) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount to be determined at the applicable exchange rate; provided that if any basket amount expressed in Dollars is exceeded solely as a result of fluctuations in applicable currency exchange rates after the last time such basket was utilized, such basket will not be deemed to have been exceeded solely as a result of such fluctuations in currency exchange rates.

(b) For the purposes of determining the Fair Market Value or calculating compliance with Section 6.10, amounts denominated in a currency other than Dollars will be converted to Dollars at the exchange rate as of the date of calculation, and will, in the case of Indebtedness, reflect the currency translation effects, determined in accordance with GAAP, of Swap Obligations permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar equivalent of such Indebtedness.

Section 2.08 Divisions. For all purposes under the Loan Documents, in connection with any division or plan or division under Delaware law (or any comparable event under a different jurisdiction's law) if any asset, right, obligation or liability on any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

ARTICLE II

THE CREDITS

Section 2.01 Commitments. (a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, (i) each Core Term Lender agrees, severally and not jointly, to make Initial Core Term Loans to the Borrower, which Initial Core Term Loans may be incurred pursuant to a single drawing on or after the Initial Borrowing Date and prior to the Term Loan Commitment Termination Date, in the principal amount equal to its Core Term Commitment on the Closing Date, (ii) each Transition Term Lender agrees, severally and not jointly, to make Transition Term Loans to the Borrower, which Transition Term Loans may be incurred pursuant to a single drawing on or after the Initial Borrowing Date and prior to the Term Loan Commitment Termination Date, in the principal amount equal to its Transition Term Commitment on the Closing Date and (iii) each Revolving Lender agrees, severally and not jointly, to make Revolving Loans to the Borrower, at any time and from time to time after the Initial Borrowing Date until the earlier of the Revolving Maturity Date and the termination of the Revolving Commitment of such Revolving Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in such Revolving Lender's Revolving Exposure exceeding such Revolving Lender's Revolving Commitment. Amounts paid or prepaid in respect of Term Loans may not be reborrowed. Within the limits set forth in clause (iii) of the second preceding sentence and subject to the terms, conditions and limitations set forth herein, the Borrower may borrow, pay or prepay and reborrow Revolving Loans.

(b) Notwithstanding the foregoing, in no event will the principal amount of the (i) Core Term Commitments and Revolving Commitments on the Closing Date exceed the lesser of (A) 60% of the Vessel Appraisal Value of the Core Collateral Vessels dated no earlier than 30 days prior to the Closing Date and (B) $340,000,000; provided that the Revolving Commitments shall not exceed $40,000,000 and the Core Term Commitments shall not exceed $300,000,000 and (ii) Transition Term Commitments on the Closing Date exceed the lesser of (A) 35% of the Vessel Appraisal Value of the Transition Collateral Vessels dated no earlier than 30 days prior to the Closing Date and (B) $50,000,000. For the avoidance of

doubt, any reduction to the Core Term Commitments in accordance with the preceding clause (i)(A) shall be applied to the Core Term Commitment.

(c) In no event shall the aggregate principal amount of the Core Facilities and the Transition Facility exceed $390,000,000 on the Closing Date.

Section 2.02 Loans. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; provided, that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Any Borrowing shall be in an aggregate principal amount that is (i) an integral multiple of $100,000 and not less than $1,000,000 or (ii) equal to the remaining available balance of the applicable Commitments.

(b) Each Lender may at its option make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided, that any exercise of such option shall not affect the obligation of the Lender to make such Loan or the Borrower to repay such Loan in accordance with the terms of this Agreement; provided, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in more than 10 Borrowings in the aggregate outstanding hereunder at any one time (or such greater number of Borrowings as may be acceptable to the Administrative Agent in its sole discretion). For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate from time to time not later than 10:00 a.m., New York City time, and the Administrative Agent shall promptly credit or remit the amounts so received to an account in the United States as directed by the Borrower in the applicable Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, promptly return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received written notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with clause (c) above, and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and the Borrower agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent (i) in the case of such Lender, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules or practices on interbank compensation and (ii) in the case of the Borrower, the interest rate applicable to such Borrowing. If such Lender shall subsequently repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement, and the Borrower' obligation to repay the Administrative Agent such corresponding amount pursuant to this Section 2.02(d) shall cease and any amounts previously so repaid by the Borrower shall be returned to the Borrower.

(e) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to continue, any Borrowing if the Interest Period requested with respect thereto would end after the applicable Maturity Date.

Section 2.03 Borrowing Procedure. (a) To request a Revolving Borrowing or a Term Borrowing, the Borrower shall deliver a written request (by email through a "pdf" copy, or facsimile transmission (or transmit by other electronic transmission) if arrangements for doing so have been approved in writing by the Administrative Agent)), a duly completed and executed Borrowing Request to the Administrative Agent not later than 1:00 pm, New York City time, on the third Business Day before the date of the proposed Borrowing. Each Borrowing Request for a Revolving Loan or a Term Loan shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the aggregate principal amount of such Borrowing, which shall comply with the requirements of Section 2.02(a) and, in the case of the initial Term Borrowing, Section 2.01(b);

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period" contained herein;

(iv) the location and number of the respective Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02(c);

(v) that the conditions set forth in Sections 4.02(b) and (c) are satisfied as of the date of the notice; and

(vi) whether the requested Borrowing is to be a Revolving Borrowing or a Term Borrowing.

If no Interest Period is specified with respect to any requested Borrowing, then the Borrower shall be deemed to have selected an Interest Period of three months' duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04 Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay to (i) the Administrative Agent for the account of each
Core Term Lender, the principal amount of each Core Term Loan of such Core Term Lender as provided in Section 2.09, (ii) the Administrative Agent for the account of each Transition Term Lender, the principal amount of each Transition Term Loan of such Transition Term Lender as provided in Section 2.09 and (iii) the Administrative Agent for the account of each Revolving Lender, the then unpaid principal amount of each Revolving Loan of such Revolving Lender on the Revolving Maturity Date.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Class thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each

Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to clauses (b) and (c) above shall be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower and the other Loan Parties to pay, and perform, the Obligations in accordance with the Loan Documents. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such entries, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(d) Any Lender by written notice to the Borrower (with a copy to the Administrative Agent) may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the Borrower shall promptly execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in the form of Exhibit F-1 or F-2, as the case may be.

Section 2.05 Fees.

(a) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment (a "**Commitment Fee**") equal to the Applicable Commitment Fee Rate multiplied by the average daily unused amount of the Commitment of such Lender during the period from and including the date hereof to but excluding the date on which such Commitment terminates. Accrued Commitment Fees shall be payable in arrears (A) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the date hereof, and (B) on the date on which such Commitment terminates. Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing Commitment Fees, the Commitment of a Lender shall be deemed to be used to the extent of the outstanding Loans of such Lender.

(b) Administrative Agent and Collateral Agent Fees. The Borrower agrees to pay to the Administrative Agent and the Collateral Agent (as applicable), for their own account, the fees set forth in the Agency Fee Letter and such other fees payable in the amounts and at the times separately agreed upon between and/or among the Borrower, the Administrative Agent and the Collateral Agent (the "**Administrative Agent Fees**").

(c) Other Fees. The Borrower agrees to pay to the Agent, for the account of the Lenders and/or the Arrangers, the fees set forth in the Fee Letter.

(d) Payment of Fees. All Fees shall be paid on the dates due, in immediately available funds in Dollars, to the Administrative Agent for distribution, if and as appropriate, among the Lenders, except that the Borrower shall pay the Fees provided under Section 2.05(b) and (c) directly to the applicable Agents. Once paid, none of the Fees shall be refundable under any circumstances.

(e) Any fees otherwise payable by the Borrower to any Defaulting Lender pursuant to this Section 2.05 shall be subject to Section 2.16(c).

Section 2.06 Interest on Loans. Subject to the provisions of Section 2.06(b), (i) the Core Term Loans and the Revolving Loans shall bear interest at a rate per annum equal to the Adjusted LIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Core Margin, each as

in effect from time to time and (ii) the Transition Term Loans shall bear interest at a rate per annum equal to the Adjusted LIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Transition Margin, each as in effect from time to time.

(a) Notwithstanding the foregoing, upon the occurrence and during the continuance of any Default under Section 8.01(a) or (b) or any Event of Default, each Loan shall bear interest, after as well as before judgment, at a rate per annum equal to the rate which is 2.00% in excess of the rate then borne by such Loans (the "**Default Rate**").

(b) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided, that (i) interest accrued pursuant to Section 2.06(b) (and all interest on past due interest) shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(c) All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual numbers of days elapsed (including the first day but excluding the last day); provided, that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.13, bear interest for one day. The applicable Adjusted LIBOR Rate shall be determined by the Administrative Agent in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error. Interest hereunder shall be due and payable in accordance with the terms hereof before and after any judgment, and before and after the commencement of any Insolvency Proceeding.

Section 2.07 Termination and Reduction of Commitments. Subject to the provisions of Section 2.18, the initial Term Commitments made effective on the Initial Borrowing Date shall automatically terminate on the earlier of (i) the Initial Borrowing Date immediately upon the making of the Initial Core Term Loans and the Transition Term Loans on such date and (ii) the Term Loan Commitment Termination Date. The Revolving Commitments shall automatically terminate on the Revolving Maturity Date.

(a) At its option, the Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; provided, that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $100,000 and not less than $1,000,000 and (ii) the Revolving Commitments shall not be terminated or reduced if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the Total Revolving Exposure would exceed the Total Revolving Commitments.

(b) The Borrower shall notify the Administrative Agent in writing of any election to terminate or reduce Commitments of any Class under Section 2.07(b) at least three Business Days prior to the effective date of such termination or reduction (which effective date shall be a Business Day), specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.07 shall be irrevocable; provided, that a notice of termination of all then remaining Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities in order to refinance in full the Obligation hereunder, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments for such Class.

Section 2.08 Interest Elections. Each Revolving Borrowing and Term Borrowing initially shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to continue such Borrowing and may elect Interest Periods therefor, all as provided in this Section 2.08. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding anything herein to the contrary, the Borrower shall not be entitled to request any continuation that, if made, would (i) result in more than eight Interest Periods with respect to any Borrowings outstanding hereunder at any one time (or such greater number of Borrowings as may be acceptable to the Administrative Agent in its sole discretion) or (ii) would result in more than three one-month Interest Periods occurring in any 12 month period.

(a) To make an election pursuant to this Section 2.08, the Borrower shall deliver, by hand delivery, email through "pdf" copy or telecopies, or facsimile transmission (or transmit by other electronic transmission if arrangements for doing so have been approved in writing by the Administrative Agent), a duly completed and executed Interest Election Request to the Administrative Agent not later than the time that a Borrowing Request would be required under Section 2.03. Each Interest Election Request shall be irrevocable.

(b) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, or if outstanding Borrowings are being combined, allocation to each resulting Borrowing (in which case the information to be specified pursuant to clause (iii) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day; and

(iii) the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period" contained herein.

If any such Interest Election Request does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of three months' duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

Section 2.09 Amortization of Term Borrowings. (a) The Borrower shall pay to the Administrative Agent, for the account of the Core Term Lenders, on each March 31, June 30, September 30 and December 31 (commencing on June 30, 2020) or, if any such date is not a Business Day, on the immediately following Business Day, unless such next following Business Day would fall in the next calendar month, in which case such date shall be the next preceding Business Day (each such date, a "**Core Term Loan Repayment Date**"), a principal amount of the Initial Core Term Loans equal to the Core Scheduled Amortization Payment Amount of the initial aggregate principal amount of such Initial Core Term Loans (as adjusted from time to time pursuant to Section 2.10 and/or Section 2.18), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(a) To the extent not previously irrevocably paid in full in cash, all Core Term Loans of a Class shall be due and payable on the Core Term Loan Maturity Date for such Class of Core Term Loans.

(b) The Borrower shall pay to the Administrative Agent, for the account of the Transition Term Lenders, on each March 31, June 30, September 30 and December 31 (commencing March 31, 2020) or, if any such date is not a Business Day, on the immediately following Business Day unless such next following Business Day would fall in the next calendar month, in which case such date shall be the next preceding Business Day (each such date, a "**Transition Term Loan Repayment Date**"), a principal amount of the Transition Term Loans equal to the Transition Scheduled Amortization Payment Amount of the initial aggregate principal amount of such Transition Term Loans (as adjusted from time to time pursuant to Section 2.10), together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(c) To the extent not previously irrevocably paid in full in cash, all Transition Term Loans of a Class shall be due and payable on the Transition Term Loan Maturity Date for such Class of Transition Term Loans.

Section 2.10 Optional and Mandatory Prepayments of Loans. Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, without premium or penalty subject to the requirements of this Section 2.10; provided, that each partial prepayment shall be in an amount that is an integral multiple of $100,000 and not less than $1,000,000.

(a) Mandatory Prepayments.

(i) In the event of the termination of all the Revolving Commitments, the Borrower shall, on the date of such termination, repay or prepay all outstanding Revolving Loans.

(ii) In the event of any partial reduction of the Revolving Commitments by the Borrower, then (x) at or prior to the effective date of such reduction, the Administrative Agent shall notify the Borrower and the Revolving Lenders of the Total Revolving Exposure after giving effect thereto and (y) if the Total Revolving Exposure would exceed the aggregate amount of Revolving Commitments after giving effect to such reduction, then the Borrower shall, on the date of such reduction, repay or prepay Revolving Loans in an aggregate amount sufficient to eliminate such excess.

(iii) If at any time the Total Revolving Exposure exceeds the Revolving Commitments at such time, the Borrower shall, without notice or demand, immediately repay or prepay Revolving Loans in an aggregate amount sufficient to eliminate such excess.

(iv) On (i) the date of any Asset Sale in respect of a Core Collateral Vessel or Sale and Leaseback Transaction in respect of a Core Collateral Vessel (or Asset Sale in respect of the Equity Interests in the owner of a Core Collateral Vessel) and (ii) the earlier of (A) the date which is one hundred and eighty (180) days following the Total Loss Date in respect of a Core Collateral Vessel (or, if such date is not a Business Day, on the following Business Day) and (B) the date of receipt by the Borrower, any Subsidiary Guarantor or the Administrative Agent of the insurance proceeds relating to such Total Loss (or, if such date is not a Business Day, on the following Business Day); provided that if any Core Collateral Vessel which is the subject of a Requisition is redelivered to the full control of the Subsidiary Guarantor prior to such date, no prepayment shall be required, in each case, the Borrower shall repay an aggregate principal amount of outstanding Core Term Loans

in an amount equal to the then aggregate outstanding principal amount of the Core Term Loans, multiplied by a fraction, the numerator of which is the Vessel Appraisal Value of the affected Core Collateral Vessel and the denominator of which is the aggregate of the Vessel Appraisal Values of all Core Collateral Vessels (including such affected Core Collateral Vessel).

(v) On (i) the date of any Asset Sale in respect of a Transition Collateral Vessel or Sale and Leaseback Transaction in respect of a Transition Collateral Vessel (or Asset Sale in respect of the Equity Interests in the owner of a Transition Collateral Vessel) and (ii) the earlier of (A) the date which is one hundred and eighty (180) days following the Total Loss Date in respect of a Transition Collateral Vessel (or, if such date is not a Business Day, on the following Business Day) and (B) the date of receipt by the Borrower, any Subsidiary Guarantor or the Administrative Agent of the insurance proceeds relating to such Total Loss (or, if such date is not a Business Day, on the following Business Day); provided that if any Transition Collateral Vessel which is the subject of a Requisition is redelivered to the full control of the Subsidiary Guarantor prior to such date, no prepayment shall be required, in each case, the Borrower shall repay an aggregate principal amount of outstanding Transition Term Loans in an amount equal to the then aggregate outstanding principal amount of the Transition Term Loans, multiplied by a fraction, the numerator of which is the Vessel Appraisal Value of the affected Transition Collateral Vessel and the denominator of which is the aggregate of the Vessel Appraisal Values of all Transition Collateral Vessels (including such affected Transition Collateral Vessel).

(vi) On the day on which any Transition Collateral Vessel has reached 20 years of age, the Borrower shall repay an aggregate principal amount of the Transition Term Loans, in an amount equal to the then aggregate outstanding principal amount of the Transition Term Loans, multiplied by a fraction, the numerator of which is the Vessel Appraisal Value of such affected Transition Collateral Vessel and the denominator of which is the aggregate of the Vessel Appraisal Values of all Transition Collateral Vessels (including such affected Transition Collateral Vessel).

(c) [Reserved].

(d) Application of Prepayments under the Core Facilities. Prior to any optional prepayment with respect to the Core Facilities hereunder, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to Section 2.10(f), subject to the provisions of this Section 2.10(d). Any prepayments pursuant to Section 2.10(b)(iv) shall be applied (i) *first*, to prepay principal of outstanding Core Term Loans and, to the extent so applied, to reduce future Core Scheduled Amortization Payment Amounts required under Section 2.09 (including the Core Scheduled Amortization Payment Amount due on the Core Term Loan Maturity Date) on a pro rata basis among the payments remaining to be made on each Core Term Loan Repayment Date, and (ii) *second*, to the extent there are prepayment amounts remaining after the application of such prepayments under preceding clause (i), such excess amounts shall be applied to the prepayment of principal of outstanding Revolving Loans (but without any corresponding reduction in Revolving Commitments). Optional prepayments of Core Term Loans pursuant to Section 2.10(a) shall be applied to reduce future Core Scheduled Amortization Payment Amounts under Section 2.09 (including the Core Scheduled Amortization Payment Amount due on the Core Term Loan Maturity Date) on a pro rata basis among the payments remaining to be made on each Core Term Loan Repayment Date.

(e) Application of Prepayments under the Transition Facility. Prior to any optional prepayment with respect to the Transition Facility hereunder, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to Section 2.10(f), subject to the provisions of this Section 2.10(e). Any prepayments pursuant to Sections 2.10(b)(v) and 2.10 (b)(vi) shall be applied to prepay principal of outstanding Transition Term Loans and,

to the extent so applied to reduce future Transition Scheduled Amortization Payment Amounts required under Section 2.09 (including the Transition Scheduled Amortization Payment Amount due on the Transition Term Loan Maturity Date) on a pro rata basis among the payments remaining to be made on each Transition Term Loan Repayment Date. Optional prepayments of Transition Term Loans pursuant to Section 2.10(a) shall be applied to reduce future Transition Scheduled Amortization Payment Amounts under Section 2.09 (including the Transition Scheduled Amortization Payment Amount due on the Transition Term Loan Maturity Date) on a pro rata basis among the payments remaining to be made on each Transition Term Loan Repayment Date.

(f) Notice of Prepayment. The Borrower shall notify the Administrative Agent by written notice of any prepayment hereunder, not later than 1:00 p.m., New York City time, on the third Business Day before the date of prepayment. Each such notice shall be irrevocable; provided, that a notice of prepayment of all outstanding Loans may state that such notice is conditioned upon the effectiveness of other credit facilities, the sale of debt securities, or, in the case of an Asset Sale, closing of such sale, in order to refinance in full all Obligations hereunder, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Each such notice shall specify the Class of Loans being prepaid, the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Promptly following receipt of any such notice, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Such notice to the Lenders may be by electronic communication. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Borrowing as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing and otherwise in accordance with this Section 2.10. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

Section 2.11 Market Disruption Event. (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of such Loan for the relevant Interest Period shall be the rate per annum which is the sum of:

(i) the Applicable Core Margin or the Applicable Transition Margin, as applicable; and

(ii) the rate determined by each Lender and notified to the Administrative Agent and the Borrower, which expresses the actual cost to each such Lender of funding its participation in such Loan for a period equivalent to such Interest Period from whatever source it may reasonably select. Each such notice to the Administrative Agent and the Borrower shall be accompanied by a certificate of such Lender setting forth in reasonable detail the derivation and any computation of the actual cost claimed by such Lender.

(b) If a Market Disruption Event occurs and the Administrative Agent or the Borrower so require, the Administrative Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest. Any alternative basis agreed pursuant to the immediately preceding sentence shall, with the prior written consent of all the Lenders and the Borrower, be binding on all parties with retroactive effect to the date of such Market Disruption Event. If no agreement is reached pursuant to this clause (b), the rate provided for in clause (a) above shall apply for the entire Interest Period.

(c) If any Reference Bank ceases to be a Lender under this Agreement, (x) it shall cease to be a Reference Bank and (y) the Administrative Agent shall, with the approval (which shall not be

unreasonably withheld) of the Borrower, nominate as soon as reasonably practicable another Lender to be a Reference Bank in place of such Reference Bank.

(d) If (i) at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that or the Required Lenders have notified the Administrative Agent that they have determined that (x) a Market Disruption Event has arisen and such circumstances are unlikely to be temporary or (y) a Market Disruption Event has not arisen but the supervisor for the administrator of the screen rate used by the Administrative Agent pursuant to the definition of "LIBOR Rate" or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which such screen rate shall no longer be used or published for determining interest rates for loans, or (ii) the Administrative Agent determines or the Required Lenders have notified the Administrative Agent that they have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language relating to the termination of the availability of the LIBOR Rate or the screen rate used in determining the LIBOR Rate, are being executed or amended, as applicable to incorporate or adopt a new benchmark interest rate to replace the LIBOR Rate or the screen rate used in determining the LIBOR Rate, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the LIBOR Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for U.S. dollar syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Core Margin or the Applicable Transition Margin, as applicable).

Notwithstanding anything to the contrary in Section 11.12, any amendment resulting from a notification pursuant to clause (d)(i) shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Notwithstanding anything to the contrary in Section 11.12, any amendment resulting from a notification pursuant to clause (d)(ii) shall become effective on the date that Lenders comprising Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment.

Section 2.12 Increased Costs; Change in Legality. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge, liquidity or similar requirement against property of, deposits with or for the account of, or credit extended by or participated in by, any Lender (except any such reserve requirement reflected in the Adjusted LIBOR Rate);

(ii) impose on any Lender or the London interbank market any other condition, cost or expense (other than with respect to Taxes) affecting this Agreement or the Loans made by such Lender; or

(iii) subject any Lender to any Taxes (other than (A) Indemnified Taxes or Other Taxes indemnified pursuant to Section 2.15, (B) Taxes described in clauses (b) through (f) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its Loans, principal, letters of credit, Commitments or other Obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), then the Borrower will

pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered; it being understood that this Section 2.12 shall not apply to Taxes that are Indemnified Taxes or Other Taxes indemnified pursuant to Section 2.15.

(e) If any Lender determines (in good faith, but in its sole absolute discretion) that any Change in Law regarding Capital Requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company, for any such reduction suffered.

(f) A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in clause (a) or (b) of this Section 2.12 shall be delivered to the Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(g) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's right to demand such compensation; provided that (i) the Borrower shall not be required to compensate a Lender for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, (ii) if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to indicate the period of retroactive effect thereof and (iii) such increased costs or reductions shall only be payable by the Borrower to the applicable Lender under this Section 2.12 to the extent that such Lender is generally imposing such charges on similarly situated borrowers.

(h) Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Loan or to give effect to its obligations as contemplated hereby with respect to any Loan, then, by written notice to the Borrower and to the Administrative Agent, such Lender may declare that Loans will not thereafter (for the duration of such unlawfulness (as determined in good faith by such Lender)) be made by such Lender hereunder (or be continued for additional Interest Periods) and the Borrower shall either (x) if the affected Loan is then being made initially, cancel the respective Credit Extension by giving the Administrative Agent telephonic notice (confirmed in writing) on the same date or the next Business Day that the Borrower was notified by the affected Lender or the Administrative Agent or (y) if the affected Loan is then outstanding, upon at least three Business Days' written notice to the Administrative Agent, repay such affected Loan of such Lender (within the time period required by the applicable law or governmental rule, governmental regulation or governmental order) in full in accordance with the applicable requirements of Section 2.14; provided that if more than one Lender is affected at any time, then all affected Lenders must be treated the same pursuant to this Section 2.12(e).

(i) For purposes of clause (e) of this Section 2.12, a notice to the Borrower by any Lender shall be effective as to each Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

Section 2.13 Breakage Payments. In the event of (a) the payment or prepayment, whether optional or mandatory, of any principal of any Loan earlier than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the failure to borrow, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice is permitted to be withdrawn by the Borrower), or (c) the assignment of any Loan earlier than the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (including any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its Loans but excluding loss of anticipated profits). Each Lender shall calculate any amount or amounts in good faith and in a commercially reasonable manner. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to the Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof. Notwithstanding the foregoing, this Section 2.13 shall not apply to losses, costs or expenses resulting from Taxes, as to which Section 2.15 shall govern.

Section 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs. The Borrower shall make each payment required to be made hereunder or under any other Loan Document (whether of principal, interest, fees or of amounts payable under Section 2.12, 2.13 or 2.15, or otherwise) on or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., New York City time), on the date when due, in immediately available funds, without setoff, deduction or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 1211 Avenue of the Americas, New York, New York, 10036; Attn: Credit Administration Department, except that payments pursuant to Sections 2.12, 2.13, 2.15 and 11.03 shall be made directly to the persons entitled thereto and payments pursuant to other Loan Documents shall be made to the persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, unless specified otherwise, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in Dollars.

(a) Subject to Section 9.01, if at any time insufficient funds are received by and available to the Administrative Agent to pay in full all amounts of principal, premium, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest, premium and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, premium and fees then due to such parties and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(b) If any Lender shall, by exercising any right of setoff or counterclaim (including pursuant to Section 11.08) or otherwise (including by exercise of its rights under the Security Documents), obtain payment in respect of any principal of or premium or interest on any of its Revolving Loans, Core Term Loans or Transition Term Loans, resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans, Core Term Loans or Transition Term Loans and accrued interest thereon than the proportion received by any other Lender entitled thereto, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans, Core Term Loans or Transition Term Loans of other Lenders to the extent necessary so that the benefit of all

such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest and premium on their respective Revolving Loans, Core Term Loans or Transition Term Loans; provided, that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 2.14(c) shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans, Core Term Loans or Transition Term Loans to any Eligible Assignee or participant, other than to any Company or any Affiliate thereof (as to which the provisions of this Section 2.14(c) shall apply). Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Legal Requirements, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation. If under applicable Insolvency Law any Secured Party receives a secured claim in lieu of a setoff or counterclaim to which this Section 2.14(c) applies, such Secured Party shall to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Secured Party is entitled under this Section 2.14(c) to share in the benefits of the recovery of such secured claim.

(c) Unless the Administrative Agent shall have received written notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate.

(d) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), 2.14(d) or 11.03(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.15 Taxes. Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall be made without setoff, counterclaim or other defense and free and clear of and without deduction, reduction or withholding for any and all Taxes except as required by applicable Legal Requirements. If any amounts on account of Indemnified Taxes are required to be deducted or withheld from such payments, then (i) the sum payable by or on behalf of such Loan Party shall be increased as necessary so that after making all required deductions (including deductions, reductions or withholdings applicable to additional sums payable under this Section 2.15) the Administrative Agent or any Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions, reductions or withholdings been made, (ii) the Borrower shall make such deductions, reductions or withholdings and (iii) the Borrower shall timely pay to the relevant Governmental Authority the full amount deducted or withheld in accordance with applicable Legal Requirements.

(a) In addition, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirements, or at the option of the Administrative Agent reimburse it for payment of any Other Taxes.

(b) The Borrower agrees to indemnify the Administrative Agent and each Lender within 10 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under any other Loan Document or any Other Taxes paid by the Administrative Agent or such Lender (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) and any penalties, interest and expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (in each case with a copy delivered concurrently to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(c) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.04(e) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (d).

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes, and in any event within 30 days following any such payment being due by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the Tax Return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. If the Borrower fails to pay any Indemnified Taxes or Other Taxes when due to the appropriate Governmental Authority or fails to remit to the Administrative Agent the required receipts or other documentary evidence, the Borrower shall indemnify the Administrative Agent and each Lender for any incremental Taxes or expenses that may become payable by the Administrative Agent or such Lender, as the case may be, as a result of any such failure.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent such properly completed and executed documentation and information reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Without limiting the generality of the foregoing, each Foreign Lender shall, to the extent it is legally able to do so, (i) furnish to the Borrower and the Administrative Agent on or prior to the date it becomes a party hereto, either (a) two accurate and complete executed copies of U.S. Internal Revenue Service Forms W-8BEN or W-8BEN-E, as applicable (or successor form) (claiming the benefits of an applicable tax treaty), (b) two accurate and complete executed copies of U.S. Internal Revenue Service Forms W-8ECI (or successor form), together with required attachments, (c) two accurate and complete executed copies of U.S. Internal Revenue Service Forms W-8IMY (or successor form), (d) two accurate and complete executed copies of U.S. Internal Revenue Service Forms W-8EXP (or successor form) or (e) if such Foreign Lender is relying on the so-called "portfolio

interest exemption," an accurate and complete originally executed "**Portfolio Interest Certificate**" in the form of Exhibit H and two accurate and complete executed copies of U.S. Internal Revenue Service Forms W-8BEN or W-8BEN-E, as applicable (or successor form), in the case of each of the preceding clauses (a) through (e), together with any required schedules or attachments, certifying, in each case, to such Foreign Lender's legal entitlement to an exemption or reduction from U.S. federal withholding tax with respect to all payments hereunder, (ii) promptly notify the Borrower and the Administrative Agent if such Foreign Lender no longer qualifies for the exemption or reduction that it previously claimed as a result of change in such Foreign Lender's circumstances, and (iii) to the extent it may lawfully do so at such times, provide a new Form W-8BEN or W-8BEN-E, as applicable (or successor form), Form W-8ECI (or successor form), Form W-8IMY (or successor form), Form W-8EXP (or successor form) and/or Portfolio Interest Certificate upon the expiration or obsolescence of any previously delivered form, or at any other time upon the reasonable request of the Borrower or the Administrative Agent, to reconfirm any complete exemption from, or any entitlement to a reduction in, U.S. federal withholding tax with respect to any payment hereunder. Each Lender that is not a Foreign Lender shall (i) furnish to the Borrower and the Administrative Agent on or prior to the date it becomes a party hereto two accurate and complete executed copies of U.S. Internal Revenue Service Forms W-9 (or successor form) or otherwise establish an exemption from U.S. backup withholding and (ii) to the extent it may lawfully do so at such times, provide a new Form W-9 (or successor form) upon the expiration or obsolescence of any previously delivered form, or at any other time upon the reasonable request of the Borrower or the Administrative Agent, to reconfirm its complete exemption from U.S. federal withholding tax with respect to any payment hereunder. The Administrative Agent shall (i) furnish to the Borrower on or prior to the date it becomes a party hereto two accurate and complete executed copies of U.S. Internal Revenue Service Form W-8IMY (or successor form), together with required withholding statement and any other required documents, and (ii) provide a new Form W-8IMY (or successor form), together with required withholding statement and any other required documents, upon the expiration or obsolescence of any previously delivered form or at any other time upon the reasonable request of the Borrower.

(f) If a payment made to a Lender under any Loan Document may be subject to U.S. federal withholding Tax imposed under FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such times reasonably requested by the Borrower and the Administrative Agent, (A) such documentation prescribed by applicable Legal Requirements (including as prescribed by Section 1471(b)(3)(C)(i) of the Code), and (B) such other documentation reasonably requested by the Borrower and the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine that such Lender has complied with such Lender's obligations under FATCA, or to determine the amount to deduct and withhold from such payment, or notify the Administrative Agent and the Borrower that such Lender is not in compliance with FATCA. Solely for purposes of this Section 2.15(g), "**FATCA**" shall include any amendments made to FATCA after the date of this Agreement.

(g) If the Administrative Agent or a Lender (or an assignee) determines in its sole discretion that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.15 with respect to the Indemnified Taxes or the Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender (or assignee) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that if the Administrative Agent or such Lender (or assignee) is required to repay all or a portion of such refund to the relevant Governmental Authority, the Borrower, upon the request of the Administrative Agent or such Lender (or

assignee), shall repay the amount paid over to the Borrower that is required to be repaid (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender (or assignee) within three Business Days after receipt of written notice that the Administrative Agent or such Lender (or assignee) is required to repay such refund (or a portion thereof) to such Governmental Authority. Nothing contained in this Section 2.15(h) shall require the Administrative Agent or any Lender (or assignee) to make available its Tax Returns or any other information which it deems confidential or privileged to the Borrower or any other person. Notwithstanding anything to the contrary, in no event will the Administrative Agent or any Lender (or assignee) be required to pay any amount to the Borrower the payment of which would place the Administrative Agent or such Lender (or assignee) in a less favorable net after-tax position than the Administrative Agent or such Lender (or assignee) would have been in if the additional amounts giving rise to such refund of any Indemnified Taxes or Other Taxes had never been paid.

Section 2.16 Mitigation Obligations; Replacement of Lenders.

(a) Mitigation of Obligations. If any Lender requests compensation under Section 2.12(a) or (b), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall, if requested by the Borrower, use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce materially amounts payable pursuant to Section 2.12(a), 2.12(b) or 2.15, as the case may be, in the future, (ii) would not subject such Lender to any unreimbursed cost or expense, (iii) would not require such Lender to take any action inconsistent with its internal policies or legal or regulatory restrictions, and (iv) would not otherwise be disadvantageous to such Lender. The Borrower shall pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. A certificate setting forth such costs and expenses submitted by such Lender to the Administrative Agent shall be conclusive absent manifest error.

(b) Replacement of Lenders. In the event (i) any Lender delivers a certificate requesting compensation pursuant to Section 2.12(a) or (b), (ii) any Lender delivers a notice described in Section 2.12(e), (iii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.15, (iv) any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of 100% of the Lenders or 100% of all affected Lenders and which, in each case, has been consented to by the Required Lenders or (v) any Lender becomes a Defaulting Lender, the Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 11.04(b)), upon notice to such Lender and the Administrative Agent, require such Lender to transfer and assign, without recourse (in accordance with and subject to restrictions contained in Section 11.04; provided that the failure of such assigning Lender to execute an Assignment and Acceptance shall not affect the validity and effect of such assignment), all of its interests, rights and obligations under this Agreement to an Eligible Assignee which shall assume such assigned obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment); provided, that (w) except in the case of clause (iv) above if the effect of such amendment, waiver or other modification of the applicable Loan Document would cure any Default then ongoing, no Default shall have occurred and be continuing, (x) such assignment shall not conflict with any applicable Legal Requirement, (y) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld or delayed, and (z) the Borrower or such assignee shall have paid to the affected Lender in immediately available funds an amount equal to the sum of the principal of and interest and any prepayment premium or penalty (if any) accrued to the date of such payment on the outstanding Loans of such Lender affected by such assignment plus all Fees and other amounts owing to or accrued for the account of such

Lender hereunder (including any amounts under Sections 2.12 and 2.13); provided, further, that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's claim for compensation under Section 2.13(a) or (b) or notice under Section 2.12(e) or the amounts paid pursuant to Section 2.15, as the case may be, cease to cause such Lender to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to have the consequences specified in Section 2.12(e), or cease to result in amounts being payable under Section 2.15, as the case may be (including as a result of any action taken by such Lender pursuant to clause (a) of this Section 2.16), or if such Lender shall waive its right to claim further compensation under Section 2.12(a) or (b) in respect of such circumstances or event or shall withdraw its notice under Section 2.12(e) or shall waive its right to further payments under Section 2.15 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification, as the case may be, then such Lender shall not thereafter be required to make any such transfer and assignment hereunder. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section 2.16(b).

(c) Defaulting Lenders. Anything contained herein to the contrary notwithstanding, in the event that any Lender becomes a Defaulting Lender, then (i) during any Default Period with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender," and the amount of such Defaulting Lender's Revolving Commitment, Revolving Loans, Core Term Commitments, Transition Term Commitments, Core Term Loans and Transition Term Loans shall be excluded for purposes of voting, and the calculation of voting, on any matters (including the granting of any consents or waivers) with respect to any of the Loan Documents, except that the amount of such Defaulting Lender's Revolving Commitment, Revolving Loans, Core Term Commitments, Core Term Loans and Transition Term Loans shall be included for purposes of voting, and the calculation of voting, on the matters set forth in Sections 11.02(b)(i)-(viii) and 11.02(b)(xi)-(xii) (including the granting of any consents or waivers) only to the extent that any such matter disproportionately affects such Defaulting Lender; (ii) to the extent permitted by applicable Legal Requirements, until such time as the Default Excess with respect to such Defaulting Lender shall have been reduced to zero, (A) any optional prepayment of the Revolving Loans pursuant to Section 2.10(a) shall, if the Borrower so directs at the time of making such optional prepayment, be applied to the Revolving Loans of other Revolving Lenders in accordance with Section 2.10 as if such Defaulting Lender had no Revolving Loans outstanding and the Revolving Exposure of such Defaulting Lender were zero, and (B) any mandatory prepayment of the Revolving Loans pursuant to Section 2.10 shall, if the Borrower so directs at the time of making such mandatory prepayment, be applied to the Revolving Loans and Revolving Exposure of other Revolving Lenders (but not to the Revolving Loans and Revolving Exposure of such Defaulting Lender) in accordance with Section 2.10 as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender, it being understood and agreed that the Borrower shall be entitled to retain any portion of any mandatory prepayment of the Revolving Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (B); (iii) the amount of such Defaulting Lender's Revolving Commitment and Revolving Loans shall be excluded for purposes of calculating the Commitment Fee payable to Revolving Lenders pursuant to Section 2.05(a) in respect of any day during any Default Period with respect to such Defaulting Lender, and such Defaulting Lender shall not be entitled to receive any Commitment Fee pursuant to Section 2.05(a) with respect to such Defaulting Lender's Revolving Commitment in respect of any Default Period with respect to such Defaulting Lender; and (iv) the Revolving Exposure of all Lenders as at any date of determination shall be calculated as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender. In the event that each of the Administrative Agent and the Borrower agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Revolving Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such

Revolving Lender's Revolving Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the other Revolving Lenders as the Administrative Agent shall determine may be necessary in order for such Revolving Lender to hold such Revolving Loans in accordance with its Revolving Commitment.

For purposes of this Agreement, (i) "**Funding Default**" shall mean, with respect to any Defaulting Lender, the occurrence of any of the events set forth in the definition of "Defaulting Lender," (ii) "**Default Period**" shall mean, with respect to any Defaulting Lender, the period commencing on the date of the applicable Funding Default and ending on the earliest of the following dates: (a) the date on which all Commitments are cancelled or terminated and/or the Obligations are declared or become immediately due and payable; (b) with respect any Funding Default (other than any such Funding Default arising pursuant to clause (e) of the definition of "Defaulting Lender"), the date on which (1) the Default Excess with respect to such Defaulting Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any Revolving Loan of such Defaulting Lender (such Revolving Loans being "**Defaulted Loans**") or by the non-pro rata application of any optional or mandatory prepayments of the Revolving Loans in accordance with the terms hereof or any combination thereof) and (2) such Defaulting Lender shall have delivered to the Borrower and the Administrative Agent a written reaffirmation of its intention to honor its obligations under this Agreement with respect to its Revolving Commitment; and (c) the date on which the Borrower, the Administrative Agent and the Required Lenders waive all Funding Defaults of such Defaulting Lender in writing, and (iii) "**Default Excess**" shall mean, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender's Pro Rata Percentage of the aggregate outstanding principal amount of Revolving Loans of all Revolving Lenders (calculated as if all Defaulting Lenders (including such Defaulting Lender) had funded all of their respective Defaulted Loans) over the aggregate outstanding principal amount of Revolving Loans of such Defaulting Lender.

No amount of the Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in Section 2.16(c), performance by the Borrower of its obligations under this Agreement and the other Loan Documents shall not be excused or otherwise modified, as a result of any Funding Default or the operation of Section 2.16(c). The rights and remedies against a Defaulting Lender under Section 2.16(c) are in addition to other rights and remedies that the Borrower may have against such Defaulting Lender with respect to any Funding Default and that the Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default.

Section 2.17 Nature of Obligations.

(a) Notwithstanding anything to the contrary contained elsewhere in this Agreement or any other Loan Document, it is understood and agreed by the various parties to this Agreement that all Obligations to repay principal of, interest on, and all other amounts with respect to, all Loans and all other Obligations pursuant to this Agreement and each other Loan Document (including all fees, indemnities, taxes and other Obligations in connection therewith or in connection with the related Revolving Commitments) shall constitute the obligations of the Borrower. In addition to the direct obligations of the Borrower with respect to Obligations as described above, all such Obligations shall be guaranteed pursuant to, and in accordance with the terms of, the Guarantees.

(b) The obligations of the Borrower with respect to the Obligations are independent of the obligations of the Guarantors under the Guarantees of such Obligations, and a separate action or actions may be brought and prosecuted against the Borrower and each Guarantor (in its capacity as a Guarantor), whether or not any Guarantor is joined in any such action or actions. The Borrower waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof.

(c) The Borrower authorizes the Administrative Agent, the Collateral Agent and the Lenders without notice or demand (except as shall be required by applicable statute and cannot be waived), and without affecting or impairing its liability hereunder, from time to time to, to the maximum extent permitted by applicable law and the Loan Documents:

(i)exercise or refrain from exercising rights against any Guarantor or others or otherwise act or refrain from acting;

(ii)release or substitute endorsers, Guarantors or other obligors;

(iii)settle or compromise any of the Obligations of any other Loan Party, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Borrower to its creditors other than the Lenders;

(iv)apply any sums paid by any other person, howsoever realized to any liability or liabilities of the Borrower or other person regardless of what liability or liabilities of such other Borrower or other person remain unpaid; and/or

(v)consent to or waive any breach of, or act, omission or default under, this Agreement or any of the instruments or agreements referred to herein, or otherwise, by any person.

(d) It is not necessary for the Administrative Agent, the Collateral Agent or any Lender to inquire into the capacity or powers of the Borrower or any of its Subsidiaries or the officers, directors, members, partners or agents acting or purporting to act on its behalf, and any Obligations made or created in reliance upon the professed exercise of such powers shall constitute the obligations of the Borrower.

(e) The Borrower waives any right to require the Administrative Agent, the Collateral Agent or the Lenders to (a) proceed against any Guarantor or any other party, (b) proceed against or exhaust any security held from the Borrower, any Guarantor or any other party or (c) pursue any other remedy in the Administrative Agent's, the Collateral Agent's or the Lenders' power whatsoever. The Borrower waives any defense based on or arising out of suretyship or any impairment of security held from the Borrower, any Guarantor or any other party or on or arising out of any defense of any Guarantor or any other party other than payment in full in cash of the Obligations, including any defense based on or arising out of the disability of any Guarantor or any other party, or the unenforceability of the Obligations or any part thereof from any cause, in each case other than as a result of the payment in full in cash of the Obligations.

Section 2.18 Increases of the Core Commitments.

(a) The Borrower may, from time to time after the Initial Borrowing Date, but no later than 18 months after the Closing Date, request to increase the then effective aggregate principal amount of the Core Term Commitments and make additional Core Term Loans pursuant thereto (such Core Term Loans, "**Incremental Core Term Loans**"); provided that:

(i) the aggregate principal amount of all increases in the Core Term Commitments pursuant to this Section 2.18 and the aggregate principal amount of all Incremental Core Term Loans made pursuant thereto shall not exceed $100,000,000, and the aggregate principal amount of any requested increase shall be in a minimum amount of

$10,000,000 (or such lower amount that represents all remaining availability pursuant to this Section 2.18);

(ii) the Incremental Core Term Loans shall be used by the Borrower or any other Loan Party solely to finance the acquisition of one or more Additional Vessels;

(iii) the Incremental Core Term Loans shall not exceed an amount equal to the lesser of (x) 55% of the Fair Market Value of the Additional Vessels financed thereby (with Vessel Appraisals used to determine such Fair Market Value dated no earlier than 30 days prior to the acquisition of such Additional Vessel) and (y) an amount that would cause the ratio of (I) the outstanding principal amount of the Core Term Facility (after giving effect to the Incremental Core Term Loans) and any drawn amount under the Revolving Facility to (II) the aggregate Fair Market Value of all Core Collateral Vessels (including such Additional Vessels) (with each Vessel Appraisal used to determine the Fair Market Value to be dated no earlier than 30 days prior to the applicable testing date) (such ratio, the "**LTV Ratio**") to be not greater than the LTV Ratio immediately prior to the incurrence of the Incremental Core Term Loans;

(iv) the Borrower and the Guarantors shall execute and deliver such agreements, instruments and documents and take such other actions as may be reasonably requested by the Administrative Agent in connection with such increases and at the time of any such proposed increase;

(v) immediately after giving effect to any such increase and/or the incurrence of any such Incremental Core Term Loans and the application of proceeds therefrom, the Borrower shall be in compliance with the Financial Covenants;

(vi) (x) no Default shall have occurred and be continuing or would occur after giving effect to such increase and the application of proceeds therefrom and (y) both immediately before and after giving effect to any such increase and the application of proceeds therefrom, each of the representations and warranties made by any Loan Party set forth in Article III or in any other Loan Document shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of the date of such increase with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of such earlier date); and

(vii) the terms of any Incremental Core Term Loans shall be substantially identical to the terms of the Initial Core Term Loans.

(b) Any request under this Section 2.18 shall be submitted by the Borrower in writing to the Administrative Agent (which shall promptly forward copies to the Lenders) or to any individual Lender. The Borrower may also specify any fees offered to those Core Lenders (the "**Increasing Lenders**") that agree to increase the principal amount of their Core Term Commitments and make Incremental Core Term Loans pursuant thereto, which fees may be variable based upon the amount by which any such Core Lender is willing to increase the amount of its Core Term Commitment and make Incremental Core Term Loans pursuant thereto. No Lender shall have any obligation, express or implied, to offer to increase the aggregate amount of its Core Term Commitment, Transition Term Commitment or Revolving

Commitment. Only the consent of each Increasing Lender shall be required for an increase in the aggregate amount of the Core Term Commitments pursuant to this Section 2.18. No Core Lender which declines to increase the amount of its Core Term Commitment may be replaced with respect to its existing Core Term Commitment as a result thereof without such Core Lender's consent.

(c) Each Increasing Lender shall as soon as reasonably practicable specify in writing the amount of the proposed increase of the Core Term Commitments, that it is willing to assume (provided that any Core Lender not so responding within twenty Business Days (or such shorter period as may be specified by the Administrative Agent) shall be deemed to have declined such a request). The Borrower may accept some or all of the offered amounts or designate new lenders that are reasonably acceptable to the Administrative Agent as additional Core Lenders hereunder in accordance with this Section 2.18 (each such new lender being a "**New Core Lender**"), which New Core Lenders may assume all or a portion of the increase in the aggregate amount of the applicable Core Term Commitments. The Administrative Agent, in consultation with the Borrower, shall have discretion jointly to adjust the allocation of the increased aggregate principal amount of the Core Term Commitments among Increasing Lenders and New Core Lenders.

(d) Subject to the foregoing, any increase requested by the Borrower shall be effective upon (A) delivery to the Administrative Agent of each of the following documents: (i) an originally executed copy of a joinder agreements in form and substance reasonably satisfactory to the Administrative Agent (each, an "**Incremental Joinder Agreement**") signed by a duly authorized officer of each New Core Lender (if any); (ii) a notice to the Increasing Lenders and New Core Lenders, in form and substance reasonably acceptable to the Administrative Agent, signed by a Financial Officer of the Borrower; (iii) an Officer's Certificate of the Borrower, in form and substance reasonably acceptable to the Administrative Agent; (iv) to the extent requested by any New Core Lender or Increasing Lender, executed Notes issued by the Borrower in accordance with Section 2.04(e); (v) an amendment (an "**Incremental Core Term Loan Amendment**") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Guarantor, each Increasing Lender (if any), each New Core Lender (if any) and the Administrative Agent; and (vi) any other certificates or documents that the Administrative Agent shall reasonably request, in form and substance reasonably satisfactory to the Administrative Agent, and (B) satisfaction on the effective date of the Incremental Core Term Loan Amendment of (x) each of the conditions specified in Section 4.02 (it being understood that all references to "the date of such Credit Extension" or similar language in Section 4.02 shall be deemed to refer to the effective date of the Incremental Core Term Loan Amendment), and (y) such other conditions as the parties thereto shall agree. Any such increase shall be in an aggregate amount equal to (A) the amount that Increasing Lenders are willing to assume as increases to the amount of their Core Term Commitments, plus (B) the amount offered by New Core Lenders with respect to the Core Term Commitments, as adjusted by the Borrower and the Administrative Agent pursuant to this Section 2.18. Notwithstanding anything to the contrary in Section 11.02, the Administrative Agent is expressly permitted, without the consent of the other Lenders, to amend the Loan Documents to the extent necessary or appropriate in the reasonable opinion of the Administrative Agent to give effect to any increases pursuant to this Section 2.18.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to the Administrative Agent, the Collateral Agent and each of the Lenders on the Closing Date and upon each Credit Extension thereafter that:

Section 3.01 Organization; Powers. Each Loan Party (a) is duly incorporated or organized and validly existing under the laws of the jurisdiction of its incorporation or organization, as the

case may be, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to carry on its business as now conducted and to own, lease and operate its property, except for such governmental licenses, authorizations, consents and approvals that the failure to obtain would not reasonably be expected to result in a Material Adverse Effect, and (c) is registered, qualified, licensed and in good standing to do business in every jurisdiction where such qualification is required (except in such jurisdictions where the failure to so register, qualify, be licensed or be in good standing would not reasonably be expected to result in a Material Adverse Effect) and, if applicable qualification as a foreign maritime entity in such jurisdiction where such qualification is required for ownership of a Collateral Vessel.

Section 3.02 Authorization; Enforceability. The Loan Documents to be entered into by each Loan Party are within such Loan Party's powers and have been duly authorized by all necessary corporate or other organizational action on the part of each such Loan Party. Each Loan Document has been duly executed and delivered by each Loan Party party thereto and constitutes a legal, valid and binding obligation of each such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03 No Conflicts; No Default. The Loan Documents (a) do not require any consent, exemption, authorization or approval of, registration or filing with, or any other action by, any Governmental Authority or other person, except (i) such as have been obtained or made and are in full force and effect, (ii) filings necessary to perfect or maintain the perfection or priority of the Liens created by the Security Documents and (iii) consents, approvals, exemptions, authorizations, registrations, filings, permits or actions the failure of which to obtain or perform would not reasonably be expected to result in a Material Adverse Effect, (b) will not violate the Organizational Documents of any Loan Party, (c) will not violate or result in a default or require any consent or approval under any material indenture, instrument, agreement, or other document binding upon any Company or any of its property or to which any Company or any of its property is subject, or give rise to a right thereunder to require any payment to be made by any Company, (d) will not violate any Legal Requirement, except to the extent that any such violation, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect and (e) will not result in the creation or imposition of (or the obligation to create or impose) any Lien on any property of any Company, other than the Liens created by the Security Documents. No Default or Event of Default has occurred and is continuing.

Section 3.04 Financial Statements; Projections. The Borrower has heretofore delivered to the Lenders (i) the audited consolidated balance sheets and related consolidated statements of operations, stockholders' equity and cash flows of Holdings and its Subsidiaries as of the fiscal years ended December 31, 2016, December 31, 2017 and December 31, 2018 and (ii) the unaudited consolidated balance sheets and related consolidated statements of operations, stockholders' equity and cash flows of Holdings and its Subsidiaries, for the fiscal quarter ended September 30, 2019. Such financial statements, and all financial statements delivered pursuant to Sections 5.01(a) and (b), have been prepared in accordance with GAAP consistently applied throughout the applicable period covered, respectively, thereby and present fairly and accurately in all material respects the financial condition and results of operations and, if applicable, cash flows of Holdings, the Borrower and its Subsidiaries, in each case, as of the dates and for the periods to which they relate (subject, in the case of interim financial statements, to normal year-end audit adjustments and the absence of footnotes). Except as set forth in such financial statements, as of the Closing Date, there are no liabilities of Holdings, the Borrower or any of their respective Subsidiaries of any kind, whether accrued, contingent, absolute, determined, determinable or otherwise, that would reasonably be expected to have a Material Adverse Effect.

(c) The Borrower has heretofore delivered to the Lenders the forecasts of financial performance consisting of projected income statements, balance sheets and cash flows of Holdings and its Subsidiaries, for the fiscal years 2019-2022 (the "**Projections**") and the assumptions upon which the Projections are based. The Projections have been prepared in good faith by the Borrower based upon assumptions that are reasonable at the time made and at the time the related Projections are made available to the Lenders (it being understood by the parties that projections by their nature are inherently uncertain, no assurances are being given that the results reflected in such Projections will be achieved, that actual results may differ and that such differences may be material).

(d) Since September 30, 2019, there has been no event, change, effect, circumstance, condition, development or occurrence that has had, or would reasonably be expected to result in, a Material Adverse Effect.

Section 3.05 Properties. Each Loan Party has good and marketable title to, or valid leasehold interests in, all Collateral free and clear of all Liens and irregularities, deficiencies and defects in title except for Permitted Liens and minor irregularities, deficiencies and defects in title that, individually or in the aggregate, do not, and would not reasonably be expected to, interfere with its ability to conduct its business as currently conducted or to utilize such property for its intended purpose. The tangible property of the Loan Parties (x) taken as a whole, (i) is in good operating order, condition and repair (ordinary wear and tear excepted), but excluding, for purposes of this clause (i), the Collateral Vessels (which are covered by Section 5.16) and (ii) constitutes all the tangible property which is required for the business and operations of the Loan Parties as presently conducted and (y) with respect to Collateral Vessels, satisfies the requirements set forth in Section 5.16.

(a) Each Loan Party owns or has rights to use all of its tangible property and all rights with respect to any of the foregoing used in, necessary for or material to such Loan Party's business as currently conducted, subject to Permitted Liens. The use by each Loan Party of its tangible property and all such rights with respect to the foregoing do not infringe on the rights or other interests of any person, other than any infringement that would not reasonably be expected to result in a Material Adverse Effect. No claim has been made upon any Loan Party and remains outstanding that any Loan Party's use of any of its tangible property does or may violate the rights of any third party that has had, or would reasonably be expected to result in, a Material Adverse Effect.

Section 3.06 [Reserved].

Section 3.07 Equity Interests and Subsidiaries. Schedule 3.07(a) sets forth, as of the Closing Date and after giving effect to the Transactions, a list of (i) each Company and each such Company's jurisdiction of incorporation or organization, and (ii) the number of each class of each Company's Equity Interests authorized, and the number outstanding, and the number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights. All Equity Interests of each Company are duly and validly issued and are fully paid and non-assessable, and (x) all Equity Interests of the Borrower are directly owned by Holdings and (y) all Equity Interests of each Subsidiary Guarantor are owned by the Borrower directly or indirectly through other Subsidiary Guarantors. Each Loan Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by (or purporting to be pledged by) it under the Security Documents, free of any and all Liens, rights or claims of other persons, except any Permitted Liens that arise by operation of applicable Legal Requirements and are not voluntarily granted. As of the Closing Date, except as set forth in Schedule 3.07(a), there are no outstanding warrants, options or other rights (including derivatives) to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests (or any economic or voting interests therein).

(b) No consent of any person, including any general or limited partner, any other member or manager of a limited liability company, any shareholder, any other trust beneficiary or derivative counterparty, is necessary in connection with the creation, perfection or First Priority Lien status (or the maintenance thereof) of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent under the Security Documents or the exercise by the Collateral Agent or any Lender of the voting or other rights provided for in the Security Documents or the exercise of remedies in respect of such Equity Interests as provided therein.

(c) A complete and accurate organization chart, showing the ownership structure of the Loan Parties as of the Closing Date, after giving effect to the Transactions, is set forth on Schedule 3.07(c).

(d) As of the Closing Date (or, with respect to clauses (I) and (II) of the parenthetical contained in clause (x) below, as of the date and/or for the period described therein), (x) the Subsidiaries of Holdings set forth on Schedule 3.07(a) are, in addition to the Borrower, the only direct Subsidiaries of Holdings and (y) other than with respect to the Borrower, (i) all such direct Subsidiaries, and all assets other than cash and Cash Equivalents directly held by Holdings, are either immaterial or non-operational and (ii) no such direct Subsidiary (I) owns or charters a vessel to or from a third party, (II) manages or operates a vessel or (III) is otherwise party to a vessel charter or hiring agreement with a third party, in each case, except in the capacity as agent for a Subsidiary (other than for purposes of accepting payments).

Section 4.01 Litigation; Compliance with Legal Requirements. There are no actions, suits, claims, disputes, proceedings or, to the knowledge of any Loan Party, investigations at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Loan Party, threatened against any Company or any business, property or rights of any Company (i) that purport to affect or involve any Loan Document or, as of the Closing Date, any of the Transactions or (ii) that have resulted, or would reasonably be expected to result, in a Material Adverse Effect.

(a) Each Company is in compliance with all Legal Requirements of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its property, except such non-compliance as would not reasonably be expected to result in a Material Adverse Effect.

Section 4.02 Agreements. No Company is a party to or has violated any agreement, instrument or other document to which it is a party, or is subject to any corporate or other constitutional restriction, or any restriction (including under its Organizational Documents) to which it is subject, that has resulted, or would reasonably be expected to result, in a Material Adverse Effect.

Section 4.03 Federal Reserve Regulations. (a) No Company is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing, buying or carrying Margin Stock.

(b) No part of the proceeds of any Credit Extension will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, Regulation U or X. The pledge of the Securities Collateral pursuant to the Pledge Agreement does not violate such regulations.

Section 4.04 Investment Company Act; etc.. No Loan Party is an "investment company" or a company "controlled" by an "investment company," as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

Section 4.05 Use of Proceeds. (a) The Borrower will use the proceeds of the Revolving Loans after the Initial Borrowing Date to finance general corporate and working capital purposes (including for Capital Expenditures, Permitted Acquisitions, other Investments, Dividends and Restricted Debt Payments permitted hereunder).

(a) The Borrower will use the proceeds of the Initial Core Term Loans and the Transition Term Loans solely to finance the Transactions and to pay fees and expenses in connection therewith.

(b) The Borrower will use the proceeds of any Incremental Core Term Loans solely for such general corporate and working capital purposes as are necessary or appropriate to acquire one or more Additional Vessels.

Section 4.06 [Reserved].

Section 4.07 Taxes. Each Company has (a) timely filed or caused to be timely filed all U.S. federal and material state, local and foreign Tax Returns required to have been filed by it and all such Tax Returns are true and correct in all material respects and (b) duly and timely paid or caused to be duly and timely paid all Taxes (whether or not shown on any Tax Return) due and payable by it and all assessments received by it, except (i) material Taxes that are being contested in good faith by appropriate proceedings and for which such Company has set aside on its books adequate reserves in accordance with GAAP or (ii) Taxes the nonpayment of which would not reasonably be expected to result in a Material Adverse Effect. Each Company has made adequate provision in accordance with GAAP for all Taxes not yet due and payable. No Loan Party has knowledge of any proposed or pending tax assessments, deficiencies, audits or other proceedings and no proposed or pending tax assessments, deficiencies, audits or other proceedings have resulted, or would reasonably be expected to result in, a Material Adverse Effect. No Company has ever "participated" in a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4(b)(2). No Company is a party to any tax sharing or similar agreement.

Section 4.08 No Material Misstatements. As of the Closing Date, the Loan Parties have disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which they or any of their respective Subsidiaries are subject, and all other matters known to any Loan Party, that would reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the Transactions or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), when taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information and other forward looking information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time and, if such projected financial information was delivered prior to the Closing Date, as of the Closing Date, it being understood that any such projected financial information may vary from actual results and such variations could be material.

Section 4.09 Labor Matters. There are no strikes, lockouts or slowdowns against any Company pending or, to the knowledge of the Loan Parties, threatened that have resulted in, or would reasonably be expected to result in, a Material Adverse Effect. The hours worked by and payments made to employees of any Company have not been in violation of the Fair Labor Standards Act of 1938, as amended, or any other applicable Legal Requirement dealing with such matters in any manner that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect. All payments due from any Company, or for which any claim may be made against any Company, on account of wages and

employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Company, except to the extent that the failure to do so has not resulted in, and would not reasonably be expected to result in, a Material Adverse Effect.

Section 4.10 Solvency. Immediately after the consummation of the Transactions to occur on the Initial Borrowing Date and immediately following the making of each Credit Extension, and after giving effect to the application of the proceeds of each Credit Extension, Holdings and its Subsidiaries, on a consolidated basis, are Solvent.

Section 4.11 Employee Benefit Plans. None of the Companies or any of their ERISA Affiliates maintains, contributes to, or is obliged to contribute to (or during the preceding six years maintained, contributed to or had an obligation to contribute to) any Pension Plan that is subject to the provisions of Title IV of ERISA or any Multiemployer Plan.

(a) Except as would not reasonably be expected to result in a Material Adverse Effect, (i) the Companies and each of their ERISA Affiliates are in compliance with all applicable Legal Requirements, including all applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder, with respect to all Employee Benefit Plans, (ii) each Employee Benefit Plan complies, and is operated and maintained in compliance, with its terms and all applicable Legal Requirements, including the applicable provisions of ERISA and the Code and the regulations thereunder and (iii) each Employee Benefit Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service (or an opinion letter or determination letter will be applied for during the applicable remedial amendment period) and nothing has occurred which is reasonably likely to prevent, or cause the loss of, such qualification.

(b) Except in relation to (i) any arrangement which provides benefits on death which are wholly insured and (ii) the UK Pension Plan, none of the Companies or their Affiliates is, or has at any time in the past six years been, an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) in relation to any UK registered occupational pension scheme (as defined in the Pension Schemes Act 1993) which is a defined benefit pension plan.

(c) No ERISA Event has occurred or is reasonably expected to occur that would reasonably be expected to result in a Material Adverse Effect.

(d) There are no actions, suits or claims pending against or involving an Employee Benefit Plan (other than routine claims for benefits) or, to the knowledge of any Loan Party, threatened, which would reasonably be expected to result in a Material Adverse Effect.

(e) There is no (i) ongoing investigation by the U.K. Pensions Regulator (and no warning notice has been issued by the U.K. Pensions Regulator to Holdings or any Subsidiary of Holdings) which may lead to the issue of a Financial Support Direction or a Contribution Notice or (ii) Financial Support Direction or Contribution Notice that has been issued, to Holdings or any Subsidiary of Holdings, imposing an aggregate liability with respect to the UK Pension Plan which has or would reasonably be expected to have a Material Adverse Effect.

(f) Except as would not reasonably be expected to result in a Material Adverse Effect, (i) each Non-U.S. Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Legal Requirements and has been maintained, where required, in good standing with applicable regulatory authorities and rules applicable thereto, including all funding requirements (including, but not limited to, Part 3 of the U.K. Pensions Act 2004) and the respective requirements of the governing documents in relation to any such Non-U.S. Plan, (ii) there are no actions, suits or claims (other than routine

claims for benefits) pending or, to the knowledge of any Loan Party, threatened against Holdings or any Subsidiary of Holdings in respect of any Non-U.S. Plan, and (iii) no Non-U.S. Plan has been terminated or wound-up and no actions or proceedings have been taken or instituted to terminate or wind-up such a Non-U.S. Plan.

Section 4.12 Environmental Matters. Except as would not reasonably be expected to result in a Material Adverse Effect:

(i) the Companies and their businesses, operations, Real Property and Vessels are in compliance with all applicable Environmental Laws, and none of the Companies have any material liability under, any applicable Environmental Law or relating to any Environmental Claim;

(ii) the Companies have obtained all Environmental Permits required for the conduct of their businesses and operations, and their ownership, lease, operation and use of any Real Property and Vessel, under all applicable Environmental Laws. The Companies are in compliance with the terms and conditions of such Environmental Permits, and all such Environmental Permits are valid and in good standing;

(iii) there has been no Release or threatened Release or any handling, management, generation, treatment, storage or disposal of Hazardous Materials by any Company or, to the knowledge of the Loan Parties, by any other person on, at, under or from any Real Property or Vessel, or facility presently or formerly owned, leased or operated by any of the Companies or their predecessors in interest, or at any other location that has resulted in, or is reasonably likely to result in an Environmental Claim against any of the Companies or otherwise related to any Real Property or the operation of any Vessel;

(iv) there is no Environmental Claim pending or, to the knowledge of the Loan Parties, threatened against any of the Companies relating to any Real Property or Vessel currently or formerly owned, leased or operated by any of the Companies or relating to the operations of any of the Companies, and, to the knowledge of the Loan Parties, there are no actions, activities, circumstances, conditions, events or incidents that are reasonably likely to form the basis of such an Environmental Claim;

(v) no Real Property, Vessel or facility owned, operated or leased by the Companies and, to the knowledge of the Loan Parties, no Real Property or facility formerly owned, operated or leased by any of the Companies or any of their predecessors in interest is (i) listed or, to the knowledge of the Loan Parties, proposed for listing on the National Priorities List as defined in and promulgated pursuant to CERCLA or (ii) included on any similar list maintained by any Governmental Authority that indicates that any Company has or may have an obligation to undertake investigatory or remediation obligations under applicable Environmental Laws; and

(vi) no Lien has been recorded or threatened under any Environmental Law with respect to any Real Property, Vessel or any other vessel or property of the Companies.

Section 4.13 Insurance. Schedule 3.20 sets forth a true, complete and accurate description in reasonable detail of all Required Insurance. Each Loan Party (i) has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations and (ii) maintains the Required Insurance. All insurance (including Required Insurance) maintained by each Loan Party is in full force and effect, all premiums due have been duly paid, no Loan Party has received notice of violation, invalidity, or cancellation thereof. Each Collateral Vessel owned by a Loan Party and the use and operation thereof comply in all material respects with the Required Insurance, and there exists no material payment or other default under any such Required Insurance.

Section 4.14 Security Documents. The Pledge Agreement, upon execution and delivery thereof by the parties thereto, is effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable (except as such enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, regardless of whether considered in a proceeding in equity or at law) Liens on, and security interests in, the Pledge Agreement Collateral and (x) when financing statements in appropriate form are filed in the relevant filing offices identified in the Pledge Agreement, Collateral with respect to which a security interest may be perfected by filing of a financing statement or (y) upon the taking of possession or control by the Collateral Agent of the Pledge Agreement Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control has been given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by each Security Document), the Liens created by the Pledge Agreement in such Pledge Agreement Collateral shall constitute fully perfected First Priority Liens in each case subject to no Liens other than Permitted Liens.

(a) Each Account Control Agreement is effective to create "control" by the Collateral Agent over each Earnings Account held at the Collateral Agent.

(b) Each Collateral Vessel Mortgage is effective to create, in favor of the Security Trustee, for its benefit and the benefit of the Secured Parties, legal, valid and enforceable (except as such enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, regardless of whether considered in a proceeding in equity or at law) a first priority preferred ship mortgage Lien on the Collateral Vessel subject to such Collateral Vessel Mortgage and the proceeds thereof, subject only to Permitted Liens, and when the Collateral Vessel Mortgage is recorded or registered in accordance with the laws of the relevant Acceptable Flag Jurisdiction (or, in the case of any Collateral Vessel Mortgage executed and delivered after the date thereof in accordance with the provisions of Section 5.10, when such Collateral Vessel Mortgage is recorded or registered in accordance with the laws of the relevant Acceptable Flag Jurisdiction), such Collateral Vessel Mortgage shall constitute a fully perfected preferred ship mortgage Lien on the Collateral Vessel subject to such Collateral Vessel Mortgage, in each case, subject to no Liens other than Permitted Liens.

(c) Each Security Document delivered pursuant to Sections 5.10, 5.11 and 5.14 will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent (or, in the case of Collateral Vessel Mortgages, the Security Trustee), for the benefit of the Secured Parties, a legal, valid and enforceable (except as such enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, regardless of whether considered in a proceeding in equity or at law) Lien on, and security interest in, all of the Borrower's and Subsidiary Guarantors' right, title and interest in and to the Collateral thereunder, and (i) when all appropriate filings or recordings are made in the appropriate offices as may be required under applicable Legal Requirements and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which such possession or control has been given to the Collateral Agent to the extent required by any Security Document), the Liens in favor of the Collateral Agent created under such Security Document will constitute perfected First Priority Liens on, and security interests in, all right, title and interest of the Borrower and the Subsidiary Guarantors in such Collateral, in each case subject to no Liens other than Permitted Liens.

Section 4.15 Anti-Terrorism Law; Foreign Corrupt Practices Act.

(a) No Company, none of its directors or officers, and, to the knowledge of the Loan Parties, none of its Affiliates or employees, is in violation of any Legal Requirements relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening

America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the "**Patriot Act**").

(b) No Company, none of its directors or officers, and to the knowledge of the Loan Parties, no Affiliate, employee or broker or other agent of any Company, where such broker or agent is acting or benefiting solely in such capacity in connection with the Credit Extensions, is a person with whom dealings are restricted or prohibited under any Sanctions Laws, either by (i) being designated on a sanctions list or for being owned or controlled by such designated person, including U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"), or (ii) being included on the Specially Designated Nationals and Blocked Persons List maintained by OFAC or any other sanctions list administered by any other Sanctions Authority provided such list imposes restrictions or prohibitions or (iii) being located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions Law broadly prohibiting dealings with such government, country, or territory (a "**Sanctioned Country**"); no Company is in violation of any U.S. or other applicable Sanctions Laws; and the Borrower will not directly or indirectly use the proceeds of the Credit Extensions or lend, contribute or otherwise make available such proceeds to any person, for the purpose of financing the activities of any person with whom dealings are restricted or prohibited under any Sanctions Laws administered by OFAC or any other applicable Sanctions Authority, in each case if such activities would result in a violation of applicable Sanctions Laws by any party to this Agreement.

(c) No Company and, to the knowledge of the Loan Parties, no directors, officers, broker or other agent of any Company acting solely in any such capacity in connection with the Credit Extensions, (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 3.22(b) or Section 6.19, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to any executive order or any laws or regulations administered and enforced by any Sanctions Authority, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or laws, regulations, and orders administered and enforced by any Sanctions Authority, in each case under this Section 3.22(c) if such activities would result in a violation of Sanctions Laws.

(d) No Company nor any director or officer of any Company, and to the knowledge of the Loan Parties, no agent, employee nor Affiliate of any Company, has, in the course of its actions for, or on behalf of, any Company, directly or indirectly, in violation of applicable Anti-Corruption Laws (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity or to influence official action, (ii) made or taken an act in furtherance of any unlawful payment to any foreign or domestic government official or employee, (iii) made or taken in an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit to any foreign or domestic government official or employee, (iv) is or has at any time within the past five years engaged in any activity, practice, or conduct proscribed under any provision of any Anti-Corruption Laws or (v) used the proceeds of any Loans in a manner or for a purpose prohibited by any Anti-Corruption Laws. The Borrower (x) has instituted and maintains policies and procedures designed to ensure compliance by each Company with the foregoing and (y) has and will maintain in place adequate procedures designed to prevent any person who, directly or indirectly, performs or has performed services for or on behalf of the Companies or any Company from undertaking any conduct in connection with providing such services to the Companies that would give rise to an offence under section 7 of the UKBA. No Company is or has in the last 5 years been notified or otherwise been made aware that it is the subject of any enforcement proceedings or any investigation or inquiry by any governmental, administrative, or regulatory body regarding any offense or alleged offense under any Anti-Corruption Laws, and, to the knowledge of any Loan Party, no such investigation, inquiry, or proceedings have been threatened or are pending.

(e) Each Company and, to the best of its knowledge, its Affiliates, directors, officers and employees has been in the last 5 years and is in compliance with Sanctions Laws.

Section 4.16 Concerning Collateral Vessels.

(a) The name, record owner (and whether or not such registered owner is a Loan Party), official number, jurisdiction of registration, build month and year and flag (which shall be in an Acceptable Flag Jurisdiction) of each Collateral Vessel as of the Closing Date is set forth on Schedule 1.01(a). Each Collateral Vessel owned by a Loan Party is operated in compliance with all applicable Legal Requirements in all material respects.

(b) Each Loan Party which owns, charters by demise or operates one or more Collateral Vessels is qualified in all material respects to own, lease or operate such Collateral Vessels under the laws of its jurisdiction of incorporation and flag jurisdiction of such Collateral Vessel.

(c) Each Collateral Vessel is classed with an Approved Classification Society, free of any overdue recommendations, other than as permitted under the Collateral Vessel Mortgages related thereto.

(d) As of the Closing Date, there is no pending or, to the knowledge of any Loan Party, threatened condemnation, confiscation, requisition, purchase, seizure or forfeiture of, or any taking of title to, any Collateral Vessel.

(e) Each Collateral Vessel owned by a Loan Party is free and clear of all Liens other than Permitted Liens.

Section 4.17 Form of Documentation; Citizenship.

No Loan Party is organized in any jurisdiction, and none of the Collateral Vessels owned by any Loan Party is flagged in any jurisdiction other than an Acceptable Flag Jurisdiction, and none of the Security Documents is required to be filed or registered with any Governmental Authority outside the United States or such Acceptable Flag Jurisdiction to ensure the validity of the Security Documents (except for registration or recording of each Collateral Vessel Mortgage in accordance with the Acceptable Flag Jurisdiction of the relevant Collateral Vessel) and no stamp or similar tax is required to be paid in respect of the registration of any Security Document or perfection of any security interest in the Collateral pledged thereunder.

Section 4.18 Compliance with ISM Code and ISPS Code. Each Collateral Vessel owned, leased or operated by a Loan Party complies with the requirements of the ISM Code and the ISPS Code in all material respects, including the maintenance and renewal of valid certificates pursuant thereto.

Section 4.19 Threatened Withdrawal of DOC, SMC or ISSC. There is no actual or, to the knowledge of the Loan Parties, threatened withdrawal of (a) any document of compliance ("**DOC**") issued to an Operator in accordance with rule 13 of the ISM Code in respect of any of the Collateral Vessels (and, for these purposes, the "Operator" of a vessel shall mean the person who is concerned with the operation of such vessel and falls within the definition of "Company" set out in rule 1.1.2 of the ISM Code), (b) safety management certificate ("**SMC**") issued in respect of any of the Collateral Vessels in accordance with rule 13 of the ISM Code or (c) the international ship security certificate ("**ISSC**") issued pursuant to the ISPS Code in respect of any of the Collateral Vessels.

Section 4.20 No Immunity. No Loan Party or any of their respective properties have any right of immunity on the grounds of sovereignty or otherwise from the jurisdiction of any court or from setoff or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of any jurisdiction.

Section 4.21 Pari Passu or Priority Status. The claims of the Administrative Agent, the Collateral Agent and the Lenders against the Borrower and the other Loan Parties under this Agreement or the other Loan Documents will rank (a) at least pari passu with the claims of (i) all unsecured creditors of the Borrower or any other Loan Party, as the case may be (other than claims of such creditors to the extent that they are statutorily preferred), and (ii) any other creditor of the Borrower and (b) senior in priority to the claims of any creditor of any Subsidiary Guarantor (other than claims of such creditors to the extent that they are statutorily preferred).

Section 4.22 No Undisclosed Commission. There are and will be no commissions, rebates, premiums or other payments by or to or on account of any Loan Party, their shareholders or directors in connection with the Core Term Facility, the Revolving Facility or the Transactions as a whole other than as disclosed to the Administrative Agent in writing.

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ARTICLE IV

CONDITIONS TO CREDIT EXTENSIONS

Section 4.01 Conditions to Initial Credit Extension. The obligation of each Lender to fund any initial Credit Extension on the Initial Borrowing Date requested to be made by it shall be subject to the prior or concurrent satisfaction or waiver of each of the conditions precedent set forth in this Section 4.01.

(a) Closing Date. On or prior to the Initial Borrowing Date, (i) the Closing Date shall have occurred and (ii) the Borrower shall have delivered to the Administrative Agent for the account of each Lender that has requested the same, a Note executed in accordance with Section 2.04.

(b) Corporate Documents. The Administrative Agent shall have received:

(i) a certificate of the secretary or assistant secretary of each Loan Party dated the Initial Borrowing Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document of such Loan Party certified (to the extent applicable) as of a recent date by the Secretary of State of the state of its incorporation or organization, as the case may be, (B) that attached thereto is a true and complete copy of customary powers of attorney (if any), resolutions duly adopted by the Board of Directors of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of the Borrower, the making of the Credit Extensions hereunder, and that such powers of attorney and/or resolutions have not been modified, rescinded or amended and are in full force and effect and (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith and the other Loan Documents on behalf of such Loan Party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary or assistant secretary executing the certificate required by this clause (i)); and

(ii) a certificate as to the good standing of each Loan Party (in so-called “long-form” if available) as of a recent date and a “bring down” good standing certificate of each Loan Party as

of the Initial Borrowing Date (or, in each case, local equivalent thereof), in each case, from such Secretary of State.

(c) Officer's Certificate. The Administrative Agent shall have received an Officer's Certificate of the Borrower, dated the Initial Borrowing Date, confirming compliance with the conditions precedent set forth in this Section 4.01.

(d) Transactions, Etc.

(i) In connection with the Refinancing, evidence that all Indebtedness under the Existing Debt Agreements has been (or substantially simultaneously with the funding of the Initial Core Term Loans, any Revolving Loans incurred on the Initial Borrowing Date and the Transition Term Loans hereunder, shall be) prepaid or repaid (or, with respect to the 2023 Notes, acquired by Holdings) in full and all commitments relating thereto terminated and all security interests granted and guarantees provided in connection therewith released. After giving effect to the Transactions on the Initial Borrowing Date, and the initial Credit Extension hereunder, the Borrower shall have no Indebtedness or Contingent Obligations, except (i) Indebtedness incurred (A) pursuant to this Agreement and the other Loan Documents and (B) in the ordinary course of trade with respect to the Collateral Vessels and other Vessels owned or operated by its Subsidiaries, and (ii) Indebtedness listed on Schedule 6.01(b).

(ii) The Collateral Agent, for the benefit of the Secured Parties, shall have been granted (to the extent required on the Initial Borrowing Date) First Priority Liens and security interests in the Collateral.

(iii) Each of the Collateral Vessel Mortgages required to be recorded on the Initial Borrowing Date shall have been executed and delivered to the Security Trustee for submission to the appropriate ship registry of the applicable Acceptable Flag Jurisdiction for filing and recording (with adequate arrangements for a copy to be delivered to the Security Trustee upon filing and recordation thereof) and all actions reasonably necessary or advisable in connection therewith (and in connection with the other Collateral) shall have been taken.

(e) Financial Statements. The Administrative Agent shall have received the historical financial statements and projections described in Section 3.04 (it being understood and agreed that the Administrative Agent has received such historical financial statements and projections).

(f) Opinions of Counsel. The Administrative Agent shall have received, on behalf of itself, the other Agents and the Lenders favorable written opinions from Holland & Knight LLP, counsel for the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent (i) dated the Initial Borrowing Date, (ii) addressed to the Agents and the Lenders (and allowing for reliance by their permitted successors and assigns on customary terms) and (iii) covering such matters relating to the Loan Documents and the Transactions as the Administrative Agent shall reasonably request.

(g) Solvency Certificate. The Administrative Agent shall have received a solvency certificate in the form of Exhibit I (appropriately completed), dated the Initial Borrowing Date and signed by the chief financial officer of Holdings, certifying that Borrower and its Subsidiaries, on a consolidated basis after giving effect to the Transactions are Solvent.

(h) Fees. The Agents and the Lenders shall have received all amounts due and payable under any Loan Document, the Commitment Letter, the Fee Letter and the Agency Fee Letter on or prior to the Initial Borrowing Date, including all Fees and all reasonable and documented costs, expenses (including legal fees and expenses of White & Case LLP and other counsel to the Agents and recording taxes and fees) and other compensation and amounts required to be reimbursed or paid by the Loan Parties hereunder, under any other Loan Document, the Commitment Letter, the Fee Letter and the Agency Fee Letter, in each case, to the extent reasonably invoiced at least two (2) Business Days prior to the Initial Borrowing Date.

(i) Personal Property Requirements. The Collateral Agent shall have received:

(i) all certificates, agreements or instruments representing or evidencing the Securities Collateral accompanied by instruments of transfer and stock powers undated and endorsed in blank;

(ii) the Intercompany Subordination Agreement, executed by and among Holdings and the Loan Parties;

(iii) subject to Section 5.14(a), all other certificates, agreements or instruments necessary to perfect the Collateral Agent's security interest in all Equity Interests of the Borrower and each Subsidiary Guarantor and all Deposit Accounts identified in Annexes C and F of the Pledge Agreement and all other Investment Property of each Loan Party (as each such term is defined in, and to the extent required by, the Pledge Agreement);

(iv) UCC financing statements in appropriate form for filing under the UCC in each U.S. jurisdiction as may be necessary or appropriate or, in the reasonable opinion of the Administrative Agent, desirable to perfect the First Priority Liens in all Collateral created, or purported to be created, by the Security Documents; and

(v) copies, each as of a recent date, of (w) the UCC searches required by the Administrative Agent, (x) tax and judgment lien searches and pending U.S. lawsuit searches or equivalent reports or searches listing all effective lien notices or comparable documents that name any Loan Party as debtor and that are filed in the state and county jurisdictions in which any Loan Party is organized or maintains its principal place of business and (y) such other searches that the Administrative Agent deems reasonably necessary or appropriate.

(j) Insurance. (i) The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 5.04 and the applicable provisions of the Security Documents, each of which shall be endorsed or otherwise amended to include a "standard" or "New York" lender's loss payable or mortgagee endorsement (as applicable) (or comparable language customary in the overseas insurance market) and shall name the Collateral Agent, on behalf of the Secured Parties, as additional insured (or comparable language customary in the overseas insurance market), in form and substance reasonably satisfactory to the Administrative Agent, and (ii) the Administrative Agent shall be satisfied that the Insurance Deliverables Requirement shall have been satisfied with respect to each Collateral Vessel.

(k) Bank Regulatory Documentation. To the extent reasonably requested at least 10 Business Days prior to the Initial Borrowing Date, the Borrower shall use its best efforts to procure that the Administrative Agent and the Lenders shall have received at least three Business Days before the Initial Borrowing Date, all necessary and customary documentation and other information required by bank

regulatory authorities, including a Beneficial Ownership Certification in relation to the Borrower, under or in respect of applicable Anti-Terrorism Laws or "know-your-customer" Legal Requirements, including the Patriot Act and the Beneficial Ownership Regulation.

(l) Maritime Registry Searches; Maritime Insurance; Etc. The Administrative Agent shall have received with respect to each Collateral Vessel:

(i) certified copies of all technical management agreements and commercial management agreements, if any, and all pooling agreements and charter contracts having a remaining term in excess of 6 months;

(ii) an undertaking in customary form by V. Ships UK Limited or any other Acceptable Third Party Technical Manager, as applicable, with respect to such Collateral Vessel;

(iii) a confirmation of class certificate issued by an Approved Classification Society showing such Collateral Vessel to be free of overdue recommendations, issued not more than 10 days prior to the Initial Borrowing Date, and copies of all ISM Code and ISPS Code documentation for such Collateral Vessel and its owner or manager, as appropriate, which shall be valid and unexpired;

(iv) a certificate of ownership and encumbrance confirming registration of such Collateral Vessel under the law and flag of the applicable Acceptable Flag Jurisdiction, the record owner of the Collateral Vessel, the recording of a Collateral Vessel Mortgage on such Collateral Vessel in accordance with the law and flag of the applicable Acceptable Flag Jurisdiction, and all Liens of record (which shall be only Permitted Liens or Liens to be discharged on or prior to the Initial Borrowing Date), such certificate to be issued not earlier than 30 days prior to the Initial Borrowing Date, and reasonably satisfactory to the Administrative Agent; and

(v) a report, addressed to and in form and scope reasonably acceptable to the Administrative Agent, from a firm of marine insurance brokers reasonably acceptable to the Administrative Agent (including Marsh and Willis), confirming the particulars and placement of the marine insurances covering the Collateral Vessels and their compliance with the provisions hereunder, the endorsement of loss payable clauses and notices of assignment on the policies, and containing such other confirmations and undertakings as are customary in the New York market.

(m) Appointment of Process Agent. The Administrative Agent shall have received a duly executed letter evidencing the acceptance by International Seaways Ship Management LLC of its appointment as agent for the service of process for each Loan Party, which acceptance shall be in form and substance reasonably satisfactory to the Administrative Agent.

(n) No Material Adverse Effect. On and as of the Initial Borrowing Date, nothing shall have occurred since September 30, 2019 (and neither the Administrative Agent nor any of the Required Lenders shall have become aware of any condition or circumstance not previously known to them), which the Administrative Agent or the Required Lenders determine has had or could reasonably be expected to have a Material Adverse Effect.

(o) Appraisals. The Administrative Agent shall have received a recent Vessel Appraisal of each Collateral Vessel prepared by two Approved Brokers selected by the Borrower in form, scope and methodology reasonably acceptable to the Collateral Agent, addressed to the Collateral Agent and upon which the Administrative Agent, the Collateral Agent and the Lenders are expressly permitted to rely; *provided* that the Vessel Appraisals delivered to the Administrative Agent and dated January 2, 2020 and January 8, 2020 shall be deemed to be acceptable for this purpose.

(p) Vessel Collateral Requirements. On or prior to Initial Borrowing Date, the Vessel Collateral Requirements with respect to each Loan Party and with respect to each Collateral Vessel shall be satisfied or the Lenders shall have waived such requirements and/or conditioned such waiver on the satisfaction of such requirements within a specific period of time, it being understood that all Core Lenders will be required for a waiver of such requirements with respect to Core Collateral Vessels and all Transition Term Lenders will be required for a waiver of such requirements with respect to Transition Collateral Vessels.

Section 4.02 Conditions to All Credit Extensions. The obligation of each Lender to make any Credit Extension (including the initial Credit Extensions on the Initial Borrowing Date) shall be subject to, and to the satisfaction of, each of the conditions precedent set forth below.

(a) Notice. The Administrative Agent shall have received a Borrowing Request as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03) if Loans are being requested.

(b) No Default. At the time of, and after giving effect to the making of, any Credit Extension and the use of proceeds thereof, no Default shall have occurred and be continuing.

(c) Representations and Warranties. Each of the representations and warranties made by any Loan Party set forth in Article III or in any other Loan Document shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of such earlier date).

(d) Collateral Maintenance Tests. On as of each Credit Extension and immediately after giving effect to the Loans incurred on such date, the Borrower shall be in compliance with Sections 6.10(d)**Error! Reference source not found.** and (e), based on the most based on the most recent applicable Vessel Appraisal Value.

Each of the delivery of a Borrowing Request and the acceptance by the Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by the Borrower and each other Loan Party that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the conditions contained in this Section 4.02 have been satisfied.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees with the Administrative Agent, the Collateral Agent and each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest and premium (if any) on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full (other than contingent indemnification obligations for which no claim or demand has been made), each Loan Party will, and each Loan Party will cause each of its Subsidiaries to:

Section 5.01 Financial Statements, Reports, etc.. Furnish to the Administrative Agent for distribution to the Lenders:

(a) Annual Reports. Within 90 days after the end of each fiscal year of Holdings, (i) the audited consolidated balance sheet of Holdings and its Subsidiaries as of the end of such fiscal year and related consolidated statements of operations, cash flows and stockholders' equity for such fiscal year, in comparative form with such financial statements as of the end of, and for, the preceding fiscal year, and notes thereto, accompanied by an opinion of Ernst & Young LLP or other independent public accountants of recognized national standing reasonably satisfactory to the Administrative Agent (which opinion shall not be qualified as to scope or contain any going concern or other qualification or exemption), stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Holdings and its Subsidiaries as of the dates and for the periods specified in accordance with GAAP, and (ii) management's discussion and analysis of the financial condition, results of operations and cash flows of Holdings and its Subsidiaries for such fiscal year, as compared to the previous fiscal year;

(b) Quarterly Reports. Within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Holdings and its Subsidiaries, (i) the unaudited consolidated balance sheet of Holdings and its Subsidiaries as of the end of such fiscal quarter and related consolidated statements of operations, cash flows and stockholders equity for such fiscal quarter and for the then elapsed portion of the fiscal year, in comparative form with (x) the consolidated balance sheet as of the end of the immediately preceding fiscal year and (y) the consolidated statements of operations, cash flows and stockholders equity for the comparable periods in the previous fiscal year, accompanied by a certificate of a Financial Officer of Holdings stating that such financial statements fairly present, in all material respects, the consolidated financial condition, results of operations and cash flows of Holdings and its Subsidiaries as of the date and for the periods specified in accordance with GAAP consistently applied, and on a basis consistent with audited financial statements referred to in clause (a)(i) of this Section 5.01, subject to normal year-end audit adjustments and the absence of footnotes, and (ii) management's analysis and discussion of the financial condition, results of operations and cash flows of Holdings and its Subsidiaries for such fiscal quarter and for the then elapsed portion of the fiscal year;

(c) Compliance Certificates. (i) Concurrently with any delivery of financial statements under Sections 5.01(a) and (b), a Compliance Certificate certifying that no Default exists or, if a Default does exist and is continuing, specifying in reasonable detail the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) concurrently with any delivery of financial statements under Section 5.01(a) or (b), a Compliance Certificate setting forth (w) a list of all Collateral Vessels as of the end of such fiscal year or fiscal quarter, as the case may be, (x) computations in reasonable detail and reasonably satisfactory to the Administrative Agent demonstrating compliance with the Financial Covenants as at the end of such fiscal year or fiscal quarter, as the case may be, (y) calculations related to, and determination of, the Applicable Core Margin and the Applicable Commitment Fee Rate for such period and (z) the Vessel Appraisals required to be delivered pursuant to Sections 6.10(d) and (e), and (iii) concurrently with any delivery of financial statements under Section 5.01(a) for each fiscal year, commencing with the fiscal year ended December 31, 2021, a Sustainability Certificate for the fiscal year ended immediately prior to such delivery setting forth the calculations required in the Sustainability Pricing Adjustment Schedule; *provided* that if the Borrower fails to deliver a Sustainability Certificate, the only consequence shall be an increase to the Applicable Core Margin as set forth in the Sustainability Pricing Adjustment Schedule and no Default or Event of Default will result from such failure to deliver the Sustainability Certificate;

(d) Beneficial Ownership Regulation. Promptly following any reasonable request by the Administrative Agent therefor, the Borrower shall provide necessary and customary information and

documentation reasonably requested by the Administrative Agent or any Lender (which shall make such request through the Administrative Agent) for purposes of compliance with the Beneficial Ownership Regulation;

(e) Management Letters. Promptly after the receipt thereof by any Company, a copy of any "management letter" received by any such person from its certified public accountants and the management's responses thereto;

(f) Budgets. No later than 45 days following the first day of each fiscal year of the Borrower, a budget (statements of operations), in form reasonably satisfactory to the Administrative Agent, prepared by the Borrower for each fiscal month of such fiscal year, and for the following (2) two fiscal years, prepared in detail of Holdings and its Subsidiaries, with appropriate presentation and discussion in reasonable detail of the principal assumptions upon which such budget is based, accompanied by a certificate of a Financial Officer of the Borrower certifying that the budget is a reasonable estimate for the periods covered thereby;

(g) Other Reports and Filings. Promptly after the filing or delivery thereof, copies of all financial information, proxy materials and reports, if any, which any Company shall publicly file with the SEC or deliver to the holders (or any trustee, agent or other representative therefor) of Holdings' or any of its Subsidiaries' material Indebtedness pursuant to the terms of the documentation governing such Indebtedness, in each case, to the extent that any such information, proxy materials or reports are not independently delivered pursuant to this Agreement. Holdings shall timely file all reports required to be filed by it with the NYSE and the SEC or, if applicable, the NASDAQ or such other nationally recognized stock exchange as may be approved in writing by the Required Lenders;

(h) Environmental Information. At any time that any Company has breached the representation and warranty in Section 3.19, is not in compliance with Section 5.09(a) or has delivered a notice pursuant to Section 5.02(e), provide, at the Borrower's sole expense and at the request of the Administrative Agent, either (a) an environmental site assessment report concerning the Real Property owned, leased or operated by such Company that is the subject of any such breach, noncompliance or notice, prepared by an environmental consulting firm reasonably approved by the Administrative Agent, provided that if the Borrower fails to provide the same within 45 days after such request was made, the Administrative Agent may order the same at any time thereafter if the Borrower is not diligently pursuing the completion of such report, the cost of which shall be borne by the Borrower, and in such case the respective Loan Party shall grant and hereby grants to the Administrative Agent and the Lenders and their respective agents reasonable access to such Real Property and specifically grant the Administrative Agent and the Lenders a license to undertake such an assessment at any reasonable time upon reasonable notice to the Borrower, all at the sole expense of the Borrower; or (b) copies of the reports of the United States Coast Guard, Environmental Protection Agency and National Transportation Safety Board, and of any applicable state or foreign agency, if and when issued, concerning such breach, noncompliance or notice if related to a Collateral Vessel owned or operated by a Loan Party; and

(i) Other Information. Promptly, from time to time, such other customary information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations including the Patriot Act and the Beneficial Ownership Regulation, regarding the operations, business affairs and financial condition of Holdings and its Subsidiaries, or compliance with the terms of any Loan Document, or the environmental condition of any Vessel or Real Property, as the Administrative Agent, the Collateral Agent or any Lender may reasonably request. Each Lender acknowledges that the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to in this Section 5.01, and in any event shall have no responsibility to monitor compliance by any

Loan Party with any such request for delivery, and each Lender shall be solely responsible for requesting delivery (from the Administrative Agent) of or maintaining its copies of such documents.

Documents required to be delivered pursuant to Section 5.01(a), 5.01(b), and/or 5.01(g) may be delivered electronically and, if so delivered shall be deemed furnished and delivered on the date such information (x) has been posted on the SEC website accessible through http://www.sec.gov/edgar/searchedgar/webusers.htm or such successor webpage of the SEC thereto and (y) other than with respect to documents to be delivered pursuant to Section 5.01(g), the Administrative Agent shall have been notified thereof, such notification which shall be deemed to be received by the Administrative Agent with respect to the documents required to be delivered pursuant to Section 5.01(a) and/or 5.01(b) upon delivery of the Compliance Certificate pursuant to Section 5.01(c); provided that upon request of the Administrative Agent (acting on the instructions of the Required Lenders), the Borrower shall deliver copies (by e-mail, telecopier or otherwise at Borrower's election under Section 11.01) of such documents to the Administrative Agent until a written request to cease delivering copies is given by the Administrative Agent (acting on the instructions of the Required Lenders). Notwithstanding anything to the contrary herein, in every instance, the Borrower shall be required to provide copies of the Compliance Certificate required by Section 5.01(c) to the Administrative Agent and each of the Lenders and no such public filings shall be deemed to be a substitute therefor.

The Borrower and each Lender acknowledge that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to this Section 5.01 or otherwise are being distributed through a Platform, any document or notice that the Borrower has indicated contains Material Non-Public Information shall not be posted on that portion of the Platform designated for such Public Lenders. Holdings and the Borrower agree to clearly designate all information provided to the Administrative Agent by or on behalf of the Borrower which is suitable to make available to Public Lenders. If Holdings or the Borrower has not indicated whether a document or notice delivered pursuant to this Section 5.01 contains Material Non-Public Information, the Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive Material Non-Public Information with respect to Holdings, the Borrower, their respective Subsidiaries and their respective securities.

Section 5.02 Litigation and Other Notices. Furnish to the Administrative Agent and each Lender written notice of the following promptly (and, in any event, within five Business Days of obtaining knowledge thereof):

(a) any Default or Event of Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity or otherwise by or before any Governmental Authority, (i) against any Company that has had, or would reasonably be expected to result in, a Material Adverse Effect, (ii) with respect to any Loan Document or (iii) with respect to any of the other Transactions;

(c) any event, change, effect, development, circumstance, or condition that has resulted, or would reasonably be expected to result, in a Material Adverse Effect;

(d) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(e) the receipt by any Company of any notice of any Environmental Claim, violation by any Company of Environmental Law, or knowledge by any Company that there exists a condition that has resulted, or would reasonably be expected to result, in an Environmental Claim or a violation of or liability under, any Environmental Law, except for Environmental Claims, violations, conditions and liabilities the consequence of which would not be reasonably expected to result in a Material Adverse Effect;

(f) (i) the incurrence of any Lien (other than Permitted Liens) on, or claim assessed against, all or any material portion of the Collateral or (ii) the occurrence of any other event which would reasonably be expected to materially and adversely affect all or a material portion of the Collateral;

(g) the occurrence of any Casualty Event in respect of any Collateral Vessel;

(h) any damage or injury caused by or to a Collateral Vessel in excess of $2,500,000; and

(i) any material default or notices under any Permitted Charter.

Section 5.03 Existence; Businesses and Properties. Do or cause to be done all things necessary to preserve, renew and maintain in full force and effect its legal existence and all rights, franchises, licenses, privileges, permits and Governmental Approvals, except (x) as otherwise permitted under the Loan Documents or (y) other than in the case of the legal existence of any Loan Party, to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

(b) Except as otherwise permitted under any Loan Document, do or cause to be done all things necessary to obtain, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material tangible properties used or useful in the business of the Loan Parties and from time to time will make, or cause to be made, all appropriate repairs, renewals and replacements thereof.

Section 5.04 Insurance. Keep its insurable property adequately insured at all times by financially sound and reputable insurers; maintain such other insurance with financially sound and reputable insurers, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to the Collateral Vessels and other properties material to the business of the Loan Parties against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, or as otherwise required by any Legal Requirements; provided, however, in addition to the requirements set forth above in this sentence, the Loan Parties will at all times cause at least the Required Insurance to be maintained with respect to the Collateral Vessels.

(a) All general property insurance policies and general liability insurance policies, (except with respect to insurance related to the Collateral Vessels (which are covered by clause (c) below)) maintained by a Loan Party shall (i) provide that no cancellation, material reduction in amount or material reduction in coverage thereof shall be effective until at least 14 days (or 10 days in the case of non-payment of premium) after receipt by the Collateral Agent of written notice thereof (or if such provision is not customary in the insurance market, notice as soon as reasonably practicable), and (ii) name the Collateral Agent as loss payee (in the case of general property insurance) (or comparable language customary in the overseas insurance market) or additional insured on behalf of the Secured Parties (in the case of general liability insurance) (or comparable language customary in the overseas insurance market), as applicable;

provided, however, that war risk insurance shall be subject to customary automatic termination of cover provisions in accordance with market practice.

(b) Cause the Insurance Deliverables Requirement to be satisfied at all times.

(c) Notify the Administrative Agent and the Collateral Agent as soon as reasonably practicable whenever any separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 5.04 is taken out by (or on behalf of) any Loan Party; and promptly as soon as reasonably practicable deliver to the Administrative Agent and the Collateral Agent a copy of such policy or policies.

(d) To the extent practical, at least fourteen (14) days before any of the Collateral Vessel's insurances are due to expire, the Administrative Agent and the Collateral 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.

(e) No Subsidiary Guarantor that is an owner of any Collateral Vessel will take any action that is reasonably likely to be the basis for termination, revocation or denial of any material insurance coverage required to be maintained under the Loan Documents in respect of any Collateral Vessel or that could reasonably be the basis for a defense to any material claim under any insurance policy maintained in respect of the Collateral Vessels, and the Subsidiary Guarantors shall otherwise comply in all material respects with all insurance policies in respect of the Collateral Vessels.

Section 5.05 Obligations and Taxes. Pay and discharge promptly when due all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful material claims for labor, services, materials and supplies or otherwise that, if unpaid, might give rise to a Lien (other than a Permitted Lien) upon such properties or any part thereof; provided, that such payment and discharge shall not be required with respect to any such Tax, assessment, charge, levy or claim so long as (i) the validity or amount thereof shall be contested in good faith by appropriate proceedings timely instituted and diligently conducted and the applicable Company shall have set aside on its books adequate reserves or other appropriate provisions with respect thereto in accordance with GAAP, and (ii) such contest operates to suspend collection of the contested Tax, assessment or charge and enforcement of a Lien other than a Permitted Lien.

(a) Timely and correctly file all federal, state, foreign and other material Tax Returns required to be filed by it.

(b) No Borrower intends to treat the Loans as being a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4. In the event the Borrower determines to take any action inconsistent with such intention, it will promptly notify the Administrative Agent thereof.

(c) Pay, perform and observe all of the terms and provisions of its Indebtedness and other contractual obligations promptly and in accordance with their respective terms except to the extent any failure to pay, perform or observe any such Indebtedness or other contractual obligations either would not constitute a Default or would not be reasonably expected to result in a Material Adverse Effect.

Section 5.06 Employee Benefits. Comply with all applicable Legal Requirements, including the applicable provisions of ERISA, those relating to any Non-U.S. Plan and the Code, with respect to all Employee Benefit Plans and, as applicable, all Non-U.S. Plans, except where such non-compliance would not be reasonably expected to result in a Material Adverse Effect and (b) furnish to the

Administrative Agent, upon request, copies of (i) the most recent actuarial valuation report for each Non-U.S. Plan, (ii) all notices received by any Company or any of its Subsidiaries from any governmental agency concerning an ERISA Event, (iii) such other information, documents or governmental reports or filings related to any Non-U.S. Plan as the Administrative Agent shall reasonably request, (iv) any Financial Support Direction or Contribution Notice received by Holdings or a Subsidiary of Holdings, and (v) any warning notice or other document or letter received by Holdings or a Subsidiary of Holdings from the U.K. Pensions Regulator, that may lead to the issue of a Financial Support Direction or a Contribution Notice.

(a) Promptly upon becoming aware of it, notify the Administrative Agent of (i) any investigation or proposed investigation by the U.K. Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to it or any of its Subsidiaries in respect of the UK Pension Plan, (ii) the issue of a Financial Support Direction or a Contribution Notice to it or any of its Subsidiaries in respect of the UK Pension Plan, (iii) any notification by the trustees of the UK Pension Plan to it or any of its Subsidiaries that a debt has become, or will become, payable in respect of the UK Pension Plan pursuant to section 75 of the Pensions Act 1995, and (iv) any notification by the trustees of the UK Pension Plan to it or any of its Subsidiaries of any increase in the contributions due to the UK Pension Plan that has resulted, or would be reasonably likely to result in, a Material Adverse Effect.

(b) Ensure that neither it nor any of its Subsidiaries will take any action in relation to the UK Pension Plan that would reasonably be expected to have a Material Adverse Effect, including (without limitation) winding-up or causing the winding-up of the UK Pension Plan.

Section 5.07 Maintaining Records; Access to Properties and Inspections. Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Legal Requirements are made of all dealings and transactions in relation to its business and activities (including accurate and complete records of its Pool Financing Receivables and all payments and collection thereon). Each Loan Party will permit any representatives designated by the Administrative Agent and the Collateral Agent upon two Business Days' advance notice, during normal business hours, and not more than twice during any fiscal year of Holdings or the Borrower (unless an Event of Default exists) to visit and inspect the financial records and the property of such Loan Party and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent and the Collateral Agent to discuss the affairs, finances, accounts and condition of any Loan Party with the officers and employees thereof and advisors thereof (including independent accountants thereof); provided, however, nothing in this Section 5.07 either shall limit the rights of the Administrative Agent and the Collateral Agent, or the obligations of the Loan Parties, under Section 5.13.

Section 5.08 Use of Proceeds. Use the proceeds of the Loans only for the purposes set forth in Section 3.12.

Section 5.09 Compliance with Environmental Laws and other Legal Requirements.

(a) Comply, and use commercially reasonable efforts to cause all third party lessees and other persons occupying its properties to comply, with all Environmental Laws applicable to its operations and properties; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct any remedial action required by Environmental Laws; provided, however, that no Company shall be required to take any of the foregoing actions in this Section 5.09 to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

(b) Comply with all other Legal Requirements of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of its business and the ownership of its

property, except for such non-compliance as would not reasonably be expected to have a Material Adverse Effect.

(c) Ensure, and cause each other Loan Party to, ensure that any scrapping of a Collateral Vessel carried out while such Collateral Vessel is owned and controlled by the Borrower or such other Loan Party shall be conducted in compliance with Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (Text with EEA relevance) and the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, in each case, as supplemented with future guidelines in connection with such regulation or convention, as applicable and to the extent required by laws of the Acceptable Flag Jurisdiction of registry of such Collateral Vessel. Each Subsidiary Guarantor that owns a Collateral Vessel shall use reasonable efforts to obtain and to maintain a Class-approved Inventory of Hazardous Materials from an Approved Classification Society.

Section 5.10 Additional Vessel Collateral: Additional Vessel Subsidiary Guarantors. Subject to this Section 5.10, with respect to (x) any Additional Vessel acquired after the Initial Borrowing Date by any Subsidiary Guarantor and (y) any property constituting Equity Interests of the Borrower or a Subsidiary Guarantor which acquires such Additional Vessel and not already subject to the Lien created by any of the Security Documents, shall (i) on the date of the acquisition of such Additional Vessel and (ii) promptly, but in any event within 30 days after the acquisition of such Equity Interests (as such date may be extended by the Administrative Agent in its sole discretion): (A) execute and deliver to the Administrative Agent and the Collateral Agent such amendments or supplements to this Agreement to provide a Guarantee and/or to such relevant Security Documents or such other documents as the Administrative Agent or the Collateral Agent shall reasonably deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a Lien on such property subject to no Liens other than Permitted Liens, (B) grant to the Security Trustee a security interest in and Collateral Vessel Mortgage on such Additional Vessel (which shall be registered in an Acceptable Flag Jurisdiction), (C) deliver all such documentation reasonably satisfactory in form and substance to the Administrative Agent and Security Trustee and satisfy the Vessel Collateral Requirements, (D) deliver opinions of counsel to the Loan Parties in form and substance, and from counsel, reasonably acceptable to the Administrative Agent, and (E) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Documents in accordance with all applicable Legal Requirements, including the filing of financing statements in such jurisdictions as may be necessary or otherwise reasonably requested by the Administrative Agent or the Collateral Agent.

Section 5.11 Security Interests; Further Assurances. Promptly upon the reasonable request of the Administrative Agent or the Collateral Agent, at the sole cost and expense of the Loan Parties, (i) execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents necessary or appropriate (or, upon the reasonable request of the Administrative Agent or the Collateral Agent or any Lender, desirable) for the continued validity, enforceability, perfection and priority of the Liens on the Collateral intended to be covered by the Security Documents, subject to no other Liens except Permitted Liens, or obtain any consents or waivers as may be necessary or appropriate in connection therewith and (ii) without limiting the generality of the foregoing, execute, if required, and file, or cause to be filed, such financing or continuation statements under the UCC, or amendments thereto, such amendments or supplements to the Collateral Vessel Mortgages (including any amendments required to maintain the Liens granted by such Collateral Vessel Mortgages), and such other instruments or notices, as may be reasonably necessary, or that the Administrative Agent or the Collateral Agent may reasonably require (subject to any limitations that may be set forth in the Security Documents), to protect and preserve the Liens granted or purported to be granted by the Security Documents.

(a) At the reasonable written request of any counterparty to a Bank Product Agreement entered into after the Initial Borrowing Date, the applicable Loan Party shall promptly execute an amendment to each Collateral Vessel Mortgage confirming that the obligations under such Bank Product Agreement are Secured Obligations under each Collateral Vessel Mortgage, and cause the same to be promptly and duly recorded, and such amendment shall be in form and substance reasonably satisfactory to the Administrative Agent.

Section 5.12 Certain Information Regarding the Loan Parties. Furnish 30 days prior (or such shorter period acceptable to the Administrative Agent in its sole discretion) written notice to the Administrative Agent of any change (a) in any Loan Party's legal name, (b) in the location of any Loan Party's chief executive office, (c) in any Loan Party's organizational structure, (d) in any Loan Party's Federal Taxpayer Identification number or organizational identification number, if any, (e) in any Loan Party's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), or (f) any change in the Acceptable Flag Jurisdiction of a Collateral Vessel to a different Acceptable Flag Jurisdiction. Each Loan Party agrees not to effect any change referred to in the immediately preceding sentence unless, within five Business Days after such change (or such longer period acceptable to the Administrative Agent in its sole discretion), all filings have been made under the UCC or otherwise that are required (i) for the Collateral Agent to maintain the validity, enforceability, perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable, and (ii) in the case of a Collateral Vessel, to ensure that the Vessel Collateral Requirements remain satisfied with respect to such Collateral Vessel. Each Loan Party shall promptly provide the Administrative Agent with certified Organizational Documents reflecting any of the changes described in the first sentence of this Section 5.12.

Section 5.13 Appraisals. The Borrower agrees that the Collateral Agent and the Administrative Agent (and their respective agents, representatives and consultants) shall be permitted to obtain from time to time Vessel Appraisals by Approved Brokers of the Collateral Vessels (and related assets); provided, that (i) the Collateral Agent and the Administrative Agent shall only be permitted to obtain four Vessel Appraisals in the aggregate for each Collateral Vessel at the Borrower's expense in any 12 month period and (ii) during the existence and continuation of an Event of Default, there shall be no limit on the number of additional Vessel Appraisals of each Collateral Vessel that the Collateral Agent and the Administrative Agent may obtain at the Borrower's expense in any 12 month period.

None of the Collateral Agent, the Administrative Agent and the Lenders shall have any duty to any Loan Party to make any appraisal, nor to share any results of any such appraisal or report with any Loan Party. Each of the Loan Parties acknowledges that all appraisals and reports described in this Section 5.13 are obtained by the Collateral Agent, the Administrative Agent and the Lenders for their purposes and the Borrower shall not be entitled to rely upon them.

Section 5.14 Earnings Accounts. Each Loan Party will cause the earnings derived from each of the respective Collateral Vessels, to the extent constituting Earnings and Insurance Collateral, to be deposited by the respective account debtor in respect of such earnings into an Earnings Account (it being understood that, absent an Event of Default, the Borrower shall have full control of the funds within the Earnings Accounts). Without limiting any Loan Party's obligations in respect of this Section 5.14, each Loan Party agrees that (A), the Borrower shall be entitled to designate existing accounts held with deposit banks other than the Collateral Agent as Earnings Accounts so long as the Borrower uses commercially reasonable efforts to transition payment of all hires, freights pool income and other sums payable in respect of the Collateral Vessels to an Earnings Account held with the Collateral Agent at the earliest opportunity after the Initial Borrowing Date, but not to exceed 180 days (or, with the consent of the Administrative Agent, 365 days) after the Initial Borrowing Date and (B) in the event such Loan Party receives any earnings constituting Earnings and Insurance Collateral, or any such earnings are deposited into an account other

than an Earnings Account, it shall immediately deposit all such proceeds into the Earnings Account. For the avoidance of doubt, no Account Control Agreement shall be required to be entered into over any Earnings Account other than an Earnings Account held at the Collateral Agent.

Section 5.15 Post Closing Matters. Execute and deliver the documents and complete the tasks set forth on Schedule 5.15, in each case within the time limits specified therein. Notwithstanding anything to the contrary contained in this Agreement or the other Loan Documents, the parties hereto acknowledge and agree that, at all times prior to the applicable time limits specified on such Schedule 5.15, all conditions precedent and representations contained in this Agreement and the other Loan Documents shall be deemed modified to the extent necessary to effect the foregoing (and to permit the taking of the actions described on Schedule 5.15 within the time periods required thereon, rather than as elsewhere provided in the Loan Documents).

Section 5.16 Flag of Collateral Vessel; Collateral Vessel Classifications; Operation of Collateral Vessels.

(a) Each Subsidiary Guarantor which owns or operates a Collateral Vessel will remain qualified in all material respects to own and operate such Collateral Vessel under the laws of the Acceptable Flag Jurisdiction in which such Collateral Vessel is registered.

(b) Each Subsidiary Guarantor which owns or operates a Collateral Vessel will (i) comply with and satisfy all applicable Legal Requirements of the applicable Acceptable Flag Jurisdiction in order that such Collateral Vessel shall continue to be registered pursuant to the laws of such Acceptable Flag Jurisdiction or flag and (ii) not do or allow to be done anything whereby such registration is or would reasonably be expected to be forfeited.

(c) Each Subsidiary Guarantor which owns or operates a Collateral Vessel will ensure that each Collateral Vessel is in all respects seaworthy and fit for its intended service and maintains its classification in effect as of the Closing Date with an Approved Classification Society free of any overdue conditions or recommendations affecting class, unless the failure to maintain such seaworthiness or to remain fit for its intended service or obtain such classification or the existence of any overdue conditions or recommendations affecting class would not result in any suspensions, discontinuances or withdrawal of class.

(d) Each Subsidiary Guarantor which owns or operates a Collateral Vessel will submit such Collateral Vessel to such surveys as may be required for classification purposes and, upon the reasonable written request of the Administrative Agent, supply to the Administrative Agent copies of all such survey reports and classification certificates issued in respect thereof.

(e) Each Subsidiary Guarantor which owns or operates a Collateral Vessel will promptly pay and discharge all tolls, dues, taxes, assessments, governmental charges, fines, penalties, debts, damages and liabilities whatsoever which have given or may give rise to maritime or possessory Liens (other than Permitted Liens) on, or claims (other than Permitted Liens) enforceable against, such Collateral Vessel other than any of the foregoing being contested in good faith and diligently by appropriate proceedings, and, in the event of arrest of any Collateral Vessel pursuant to legal process, or in the event of its detention in exercise or purported exercise of any such Lien or claim as aforesaid, procure, if possible, the release of such Collateral Vessel from such arrest or detention forthwith upon receiving notice thereof by providing bail or otherwise as the circumstances may require.

(f) Each Subsidiary Guarantor which owns or operates a Collateral Vessel will maintain a valid Certificate of Financial Responsibility (Oil Pollution) issued by the United States Coast

Guard pursuant to the Federal Water Pollution Control Act to the extent that such certificate may be required by applicable Legal Requirements for any Collateral Vessel and such other similar certificates as may be required in the course of the operations of any Collateral Vessel pursuant to the International Convention on Civil Liability for Oil Pollution Damage of 1969, or other applicable Legal Requirements (including the ISM Code and the ISPS Code).

(g) [Reserved].

(h) In connection with any Permitted Charter having an indicated duration exceeding twenty-four (24) months (including any optional extensions), the applicable Subsidiary Guarantor shall use commercially reasonable efforts to, at its own cost and expense, promptly and duly execute and deliver to the Collateral Agent an assignment of such charter contract, and the charterer under such contract a notice of assignment of charters in respect of such charter contract (if permitted thereunder) substantially in the form set forth in the General Assignment Agreement, and will use its commercially reasonable efforts to cause the charterer under such charter contract to execute and deliver to the Collateral Agent a consent to such assignment in form and substance reasonably satisfactory to the Administrative Agent.

(i) On and after the Initial Borrowing Date, the Borrower will use commercially reasonable efforts to cause each Acceptable Third Party Technical Manager to execute a manager's undertaking in a form consistent with market practice in ship finance transactions in favor of the Collateral Agent in a form and substance reasonably acceptable to the Collateral Agent (the "**Manager's Undertaking**").

(j) Upon the reasonable request of a Subsidiary Guarantor, the Security Trustee shall enter into with such charterer, a quiet enjoyment agreement substantially in the form of Exhibit K together with such additional terms reasonably requested by such charterer, subject to the Security Trustee's consent, such consent not to be unreasonably withheld or delayed; provided that no more than five quiet enjoyment agreements (or such higher number as may be approved by the Required Lenders) shall be outstanding at any time during the term of this Agreement.

Section 5.17 Material Agreements. Comply with all contracts (including any charter contracts) and other agreements to which any Company is a party, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

Section 5.18 Collateral Vessel Management. Cause all Collateral Vessels owned by the Subsidiary Guarantors to be managed by the Borrower or any Subsidiary or Affiliate of the Borrower (other than Holdings), V Ships UK Limited, any other Affiliate of V Ships UK Limited, or any other Acceptable Third Party Technical Manager.

Section 5.19 Agent for Service of Process.

The Borrower shall cause to be maintained at all times International Seaways Ship Management LLC or another agent reasonably acceptable to the Administrative Agent, as its and the other Loan Parties' agent for service of process in the State of New York and shall cause any other such agent to execute and deliver to the Borrower and the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent, accepting such agency, prior to or concurrently with such other agent's acceptance of its appointment as agent for service of process for the Loan Parties.

Section 5.20 Poseidon Principles. The Borrower shall, upon the request of any Lender which is a signatory to the Poseidon Principles at the time of such request, on or before 31 July in each calendar year, supply or procure the supply to the Administrative Agent (for transmission to all Lenders)

the Average Efficiency Ratio (AER) and Vessel Carbon Intensity Certificate prepared by a Recognized Organization (as defined in the Sustainability Pricing Adjustment Schedule) and relevant Statement(s) of Compliance in order for such Lender to comply with its obligations under the Poseidon Principles in respect of the preceding calendar year, in each case relating to each Collateral Vessel for the preceding calendar year, provided that no Lender shall publicly disclose such information with the identity of the relevant Collateral Vessel without the prior written consent of the Borrower and, for the avoidance of doubt, such information shall be confidential information for purposes of Section 11.12 but the Borrower acknowledges that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the applicable Lender's portfolio climate alignment.

Section 5.21 Sanctions Laws. The Borrower and Subsidiary Guarantors shall:

(i) ensure that any Collateral Vessel owned and controlled by it shall not be used by or for the benefit of any Embargoed Person in violation of Sanctions Laws;

(ii) ensure that such Collateral Vessel shall not be used in trading in violation of Sanctions Laws;

(iii) ensure that such Collateral Vessel shall not be used in trading in any manner which breaches the sanctions limitation or exclusion clause (or similar clause) in the Required Insurance relating to such Collateral Vessel,

(iv) use commercially reasonable efforts to ensure that each charter in respect of such Collateral Vessel entered into after the Closing Date shall contain, for the benefit of the relevant Company, language which gives effect to the provisions of this Section 5.21 and permits refusal of employment or voyage orders which would result in a violation of Sanctions Law.

ARTICLE VI

NEGATIVE COVENANTS

Holdings and each other Loan Party covenants and agrees with the Administrative Agent, the Collateral Agent and each Lender that, on and after the Closing Date (or, with respect to Sections 6.02, 6.10, 6.11 and 6.12, on and after the Initial Borrowing Date) and until the Commitments have been terminated and the principal of and interest and premium (if any) on each Loan, all Fees and all other expenses or amounts payable under any Loan Document have been paid in full (other than contingent indemnification obligations for which no claim or demand has been made), Holdings and each other Loan Party will not, nor will any Loan Party cause or permit any of its Subsidiaries to:

Section 6.01 Indebtedness. Incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, except:

(a) Indebtedness of Holdings and its Subsidiaries incurred under this Agreement and the other Loan Documents;

(b) Indebtedness of Holdings and its Subsidiaries outstanding on the Closing Date and listed on Schedule 6.01(b);

(c) Indebtedness of Holdings and its Subsidiaries under Hedging Obligations under Permitted Hedging Agreements, in each case entered into in the ordinary course of business and not for speculative purposes; provided, that if such Hedging Obligations relate to interest rates, (i) such Hedging Obligations relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such Hedging Obligations at the time incurred does not exceed the principal amount of the Indebtedness to which such Hedging Obligations relate;

(d) Indebtedness of Holdings and its Subsidiaries arising from Investments permitted by Section 6.04;

(e) Indebtedness of Holdings and its Subsidiaries in respect of Purchase Money Obligations, so long as (i) immediately before and after giving pro forma effect to the incurrence of such additional Indebtedness, no Event of Default then exists or would result therefrom, and (ii) if such Indebtedness is incurred by the Borrower or a Subsidiary Guarantor, the aggregate principal amount of such Indebtedness does not exceed $2,000,000 for such Collateral Vessel and $17,800,000 in the aggregate for all Collateral Vessels;

(f) Indebtedness of Holdings and its Subsidiaries in respect of bid, performance, customs or surety bonds issued for the account of any Person in the ordinary course of business, including guarantees or obligations of any Person with respect to letters of credit supporting such bid, performance, customs or surety obligations (in each case other than for an obligation for borrowed money), so long as if such bid, performance, customs or surety bonds are in respect of the Collateral Vessels or incurred by the Borrower or a Subsidiary Guarantor, such Indebtedness shall not exceed an aggregate amount not to exceed $20,000,000 at any time outstanding;

(g) Contingent Obligations (i) of Holdings in respect of Indebtedness of any Subsidiary of Holdings and (ii) of any Subsidiary of Holdings in respect of Indebtedness of Holdings or any other Subsidiary of Holdings, in each case, to the extent that such Indebtedness is otherwise permitted to be incurred pursuant to this Section 6.01 (other than clause (b) of this Section 6.01); provided that (A) Contingent Obligations of Holdings, the Borrower or any Subsidiary Guarantor of Indebtedness of any Subsidiary of Holdings which is not a Loan Party shall be subject to compliance with Section 6.04(e), (B) if a Subsidiary of Holdings which is not a Loan Party provides a guarantee of Indebtedness of a Loan Party in accordance with this clause (i), Holdings will cause such Subsidiary to guarantee the Obligations pursuant to the Guarantee, and (C) if the Indebtedness to be guaranteed is subordinated to the Obligations, then the guarantees permitted under this clause (i) shall be subordinated to the Obligations to the same extent and on the same terms as the Indebtedness so guaranteed is subordinated to the Obligations;

(h) Indebtedness of Holdings and its Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, however, that in the case of any such Indebtedness of a Loan Party, such Indebtedness is extinguished within five Business Days of incurrence;

(i) Indebtedness of Holdings and its Subsidiaries arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(j) Indebtedness of Holdings and its Subsidiaries consisting of the financing of insurance premiums in the ordinary course of business;

(k) other Indebtedness of Holdings and its Subsidiaries (other than the Subsidiary Guarantors); provided that immediately before and after giving effect on a Pro Forma Basis to the

incurrence of such additional Indebtedness, (i) no Event of Default then exists or would result therefrom and (ii) Holdings and its Subsidiaries shall be in compliance with the Financial Covenants; and

(l) Indebtedness consisting of Pool Financing Indebtedness in an aggregate principal amount not to exceed $75,000,000 at any time outstanding (which amount, for the avoidance of doubt, shall include the principal amount of all Indebtedness of the Borrower or any of its Subsidiaries in respect of such Pool Financing Indebtedness for which it is liable, whether on a several basis, or on a joint and several basis with any other Person).

Section 6.02 Liens. Create, incur, assume or permit to exist, directly or indirectly, any Lien on any Collateral, whether now owned or hereafter acquired by it, except the following (collectively, the "**Permitted Liens**"):

(a) inchoate Liens for taxes, assessments or governmental charges or levies not yet due and payable or delinquent and Liens for taxes, assessments or governmental charges or levies, which are immaterial or being contested in good faith by appropriate proceedings timely initiated and for which adequate reserves have been established in accordance with GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien;

(b) Liens in respect of property of any Loan Party imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business (including customary contractual landlords' liens under operating leases entered into in the ordinary course of business), and (i) which do not in the aggregate materially and adversely affect the value of the property subject to such Lien, and do not materially impair the use thereof in the operation of the business of the respective Loan Party, and (ii) which, if they secure obligations that are then due and unpaid, are being contested in good faith by appropriate proceedings timely initiated and for which adequate reserves have been established in accordance with GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien;

(c) Liens arising out of judgments, attachments or awards not resulting in an Event of Default and in respect of which such Loan Party shall in good faith be diligently prosecuting an appeal or proceedings for review in respect of which there shall be secured a subsisting stay of execution pending such appeal or proceedings;

(d) Liens (x) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, performance, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (in each case, exclusive of obligations for the payment of Indebtedness) or (y) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; provided, that (i) such tenders, obligations, bonds, contracts or premiums relate to the business of the Subsidiary Guarantors or the Collateral Vessels, (ii) such Liens do not relate to the incurrence of Indebtedness for borrowed money, and (iii) such Liens are for amounts not yet due and payable or delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien;

(e) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; provided, that, unless such Liens are non-consensual and arise by operation of applicable Legal Requirements, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(f) Liens granted pursuant to the Loan Documents to secure the Secured Obligations;

(g) Liens (i) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods, (ii) in the ordinary course of business for dry-docking, maintenance, repairs and improvements to Collateral Vessels, crews' wages, salvage (including contract salvage and general average) and (iii) maritime Liens (other than in respect of Indebtedness) for amounts not yet due and payable or more than 30 days delinquent or, to the extent such amounts are so due and payable, such amounts are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien, up to an aggregate amount at any time not to exceed $1,000,000 for such Collateral Vessel and $20,000,000 in the aggregate for all Collateral Vessels;

(h) with respect only to Collateral Vessels, Liens arising by operation of law and fully covered (in excess of permitted deductibles) by the Required Insurance, such coverage to be confirmed upon the request of the Collateral Agent by the marine insurance broker placing the applicable Required Insurance;

(i) Liens solely on any cash earnest money deposits made by any Loan Party in connection with any letter of intent or purchase agreement in respect of any Investment permitted hereunder;

(j) Liens arising pursuant to a Permitted Charter; and

(k) Liens on Pool Financing Receivables and the proceeds thereof securing Pool Financing Indebtedness.

Any reference in any of the Loan Documents to a Permitted Lien is not intended to and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

Section 6.03 Sale and Leaseback Transactions. Enter into any Sale and Leaseback Transaction unless, immediately before and after giving effect on a Pro Forma Basis to such Sale and Leaseback Transaction, (i) no Event of Default then exists or would result therefrom and (ii) the Borrower shall be in compliance with the Financial Covenants; provided that if such Sale and Leaseback Transaction is in respect of a Collateral Vessel, the Borrower shall have made a prepayment in accordance with Section 2.10(b).

Section 6.04 Investments, Loans and Advances. Directly or indirectly, lend money or credit (by way of guarantee, assumption of debt or otherwise) or make advances to any person, or purchase or acquire any stock, bonds, notes, debentures or other obligations or securities of, or any other interest in, or make any capital contribution to, any other person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a

futures contract (all of the foregoing, collectively, "**Investments**"), except that the following shall be permitted:

(a) Investments of Holdings and its Subsidiaries outstanding on the Closing Date and identified on Schedule 6.04(a);

(b) Holdings and its Subsidiaries may (i) acquire and hold accounts receivable owing to any of them if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms, (ii) invest in, acquire and hold cash and Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(c) Hedging Obligations of Holdings and its Subsidiaries permitted pursuant to Section 6.01(c);

(d) loans and advances to directors, employees and officers of the Borrower and its Subsidiaries for *bona fide* business purposes and to purchase Equity Interests of Holdings, in an aggregate amount not to exceed $1,000,000 at any time outstanding;

(e) Investments by (i) Holdings or any other Loan Party in Holdings or any such Loan Party, (ii) any Subsidiary of Holdings that is not a Loan Party in a Loan Party, (iii) any Subsidiary of Holdings that is not a Loan Party in any other Subsidiary of Holdings that is not a Loan Party and (iv) Holdings or any Loan Party in any Subsidiary of Holdings that is not a Loan Party; provided, that any Investment in the form of a loan or advance shall be evidenced by an Intercompany Note and shall be subject to the terms of the Intercompany Subordination Agreement and, in the case of a loan or advance by Holdings to any Loan Party or by the Borrower or Subsidiary Guarantor, each such Intercompany Note shall be pledged by such Loan Party as Collateral pursuant to the Security Documents;

(f) Investments of Holdings and its Subsidiaries in securities of trade creditors or customers in the ordinary course of business that are received in settlement of *bona fide* disputes or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;

(g) mergers and consolidations in compliance with Section 6.05;

(h) Investments made by any Loan Party as a result of consideration received in connection with a disposition of property made in compliance with Section 6.06;

(i) acquisitions of property in compliance with Section 6.07 (other than Section 6.07(a));

(j) Dividends in compliance with Section 6.08;

(k) Investments of any person that becomes a Subsidiary of the Borrower after the date hereof pursuant to a Permitted Acquisition or other Investment permitted hereunder; provided, that (i) such Investments exist at the time such person becomes a Subsidiary or is acquired, (ii) such Investments are not made in anticipation or contemplation of such person becoming a Subsidiary, and (iii) such Investments are not directly or indirectly recourse to any of the Loan Parties or any of their respective assets, other than to the person that becomes a Subsidiary;

(l) other Investments by Holdings and its Subsidiaries, so long as, immediately before and after giving effect on a Pro Forma Basis to such Investment (x) no Event of Default then exists or would result therefrom and (y) the Borrower shall be in compliance with the Financial Covenants;

(m) to the extent constituting an Investment, payments to the Borrower permitted pursuant to Section 6.09(d); and

(n) other Investments by the Borrower or any of its Subsidiaries to the extent that the consideration therefor, in whole or in part, is Qualified Capital Stock of Holdings; provided that all consideration in respect of such any such Investment other than in the form of Qualified Capital Stock of Holdings is expressly permitted pursuant to another clause of this Section 6.04.

Section 6.05 Mergers and Consolidations. Wind up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, except that the following shall be permitted:

(a) dispositions of assets in compliance with Section 6.06 (other than Sections 6.06(d), (e) and (f));

(b) Permitted Acquisitions;

(c) any solvent Subsidiary of Holdings (other than the Borrower) may merge or consolidate with or into the Borrower or a Subsidiary Guarantor (so long as (i) in the event the Borrower is a party to such merger or consolidation, the Borrower shall be the surviving person, and (ii) in any other case, a Subsidiary Guarantor shall be the surviving person and shall remain, directly or indirectly, a Wholly Owned Subsidiary of the Borrower); provided, that the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.10 or Section 5.11, as applicable;

(d) any Subsidiary of Holdings that is not a Loan Party may merge into any other Subsidiary of Holdings that is not a Loan Party; and

(e) any Subsidiary of Holdings that is not a Loan Party may dissolve, liquidate or wind up its affairs at any time if such dissolution, liquidation or winding up would not reasonably be expected to be disadvantageous to the Agents and the Lenders in any material respect.

To the extent the requisite Lenders under Section 11.02(b) waive the provisions of this Section 6.05 with respect to the sale of any Collateral not otherwise permitted under this Agreement, or any Collateral is sold as permitted by this Section 6.05, such Collateral (unless sold to another Loan Party), but not the proceeds thereof, shall be sold free and clear of the Liens created by the Security Documents, and, so long as the Borrower shall have previously provided to the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent and/or the Administrative Agent shall reasonably request in order to demonstrate compliance with this Section 6.05, the Collateral Agent shall take all actions it deems appropriate in order to effect the foregoing.

Section 6.06 Asset Sales. Effect any disposition of any property, except that the following shall be permitted:

(a) dispositions of surplus, worn out or obsolete property (other than Collateral Vessels) by Holdings or any of its Subsidiaries in the ordinary course of business that is, in the reasonable good faith judgment of the Borrower, no longer economically practicable to maintain or useful in the conduct of the business of Holdings and its Subsidiaries taken as a whole;

(b) dispositions by any Loan Party of any Collateral Vessel or of Equity Interests of a Subsidiary Guarantor which directly or indirectly owns such Collateral Vessel; provided, that (i) no Event of Default then exists or would result therefrom, (ii) Holdings and its Subsidiaries shall be in compliance, on a Pro Forma Basis after giving effect to such disposition, with the Financial Covenants set forth in Section 6.10 for the most recently ended fiscal quarter of Holdings as if such disposition occurred on the last day of such fiscal quarter, (iii) such dispositions are made for Fair Market Value and on an arms-length commercial basis, (iv) the Borrower shall have made a prepayment in accordance with Section 2.10(b)(iv) or 2.10(b)(v), as applicable, and (v) at least (x) in the case of dispositions involving Collateral Vessels, 75% and (y) in the case of all other dispositions, 75%, in each case, of the consideration payable in respect of such disposition of property is in the form of cash or Cash Equivalents and is received at the time of the consummation of any such disposition;

(c) leases of, or charter contracts in respect of, real or personal property (other than Sale and Leaseback Transactions of the Collateral Vessels) by Holdings and its Subsidiaries in the ordinary course of business and, in the case of any such lease or charter contracts in respect of the Collateral Vessels or other Collateral, in accordance with the applicable Security Documents;

(d) Investments by Holdings and its Subsidiaries in compliance with Section 6.04;

(e) Dispositions by Holdings and its Subsidiaries consisting of mergers and consolidations in compliance with Section 6.05;

(f) Dividends by Holdings and its Subsidiaries in compliance with Section 6.08;

(g) dispositions by Holdings and its Subsidiaries made in the ordinary course of business (excluding dispositions of Collateral Vessels or other Collateral) and dispositions of cash and Cash Equivalents in the ordinary course of business;

(h) any disposition by Holdings or its Subsidiaries of property that constitutes a Casualty Event; provided that if such Casualty Event is a Total Loss with respect to a Collateral Vessel, the Borrower shall have made a prepayment in accordance with Section 2.10(b)(iv) or 2.10(b)(v), as applicable;

(i) any disposition of property by (i) Holdings or any Subsidiary of Holdings to Holdings, the Borrower or any other Loan Party and (ii) any Subsidiary of Holdings that is not a Loan Party to another Subsidiary of Holdings that is not a Loan Party; provided, that if the transferor of such property is a Loan Party, the transferee thereof must be Loan Party;

(j) sales, forgiveness or other dispositions by Holdings and its Subsidiaries without recourse in the ordinary course of business of accounts receivable arising in the ordinary course of business in connection with the collection or compromise thereof but not as part of any financing transaction; and

(k) dispositions of other property of Holdings and its Subsidiaries (including Vessels (other than Collateral Vessels) and Equity Interests in any Subsidiary of Holdings (other than the Borrower or a Subsidiary Guarantor)); provided, that (i) no Event of Default then exists or would result therefrom and (ii) Holdings and its Subsidiaries shall be in compliance, on a Pro Forma Basis after giving effect to such disposition, with the Financial Covenants set forth in Section 6.10 for the most recently ended fiscal quarter of Holdings as if such disposition occurred on the last day of such fiscal quarter.

To the extent the requisite Lenders under Section 11.02(b) waive the provisions of this Section 6.06, with respect to the sale of any Collateral not otherwise permitted under this Agreement, or any Collateral is sold as permitted by this Section 6.06, such Collateral (unless sold to a Loan Party), but not

the proceeds thereof, shall be sold free and clear of the Liens created by the Security Documents, and, so long as the Borrower shall have previously provided to the Administrative Agent and the Collateral Agent such certifications or documents as the Administrative Agent and/or the Collateral Agent shall reasonably request in order to demonstrate compliance with this Section 6.06, the Collateral Agent shall take all actions it deems appropriate in order to effect the foregoing.

Section 6.07 Acquisitions. Purchase or otherwise acquire (in one or a series of related transactions) any part of the property (whether tangible or intangible) of any person except that the following shall be permitted:

(a) Investments in compliance with Section 6.04;

(b) Capital Expenditures by the Borrower and its Subsidiaries;

(c) purchases and other acquisitions of inventory, materials, equipment and intangible property by the Borrower and its Subsidiaries in the ordinary course of business;

(d) leases or licenses of real or personal property in the ordinary course of business and in accordance with this Agreement and, to the extent involving Collateral, the applicable Security Documents;

(e) advances for working capital to a Shipping Pool;

(f) Permitted Acquisitions;

(g) mergers and consolidations in compliance with Section 6.05; and

(h) Dividends in compliance with Section 6.08;

provided, that the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.10 or Section 5.11, as applicable.

Section 6.08 Dividends. Authorize, declare or pay, directly or indirectly, any Dividends with respect to Holdings and its Subsidiaries (including pursuant to any Synthetic Purchase Agreement) or incur any obligation (contingent or otherwise) to do so or make other distributions (including for the avoidance of doubt, stock buy-backs), except that the following Dividends shall be permitted:

(a) Dividends by Holdings, subject the following conditions at the time of declaration and of payment of such Dividend and immediately after giving effect thereto:

(i) no Event of Default has occurred and is continuing at the time of such declaration or payment or would occur as a consequence of the declaration or payment of a Dividend; and

(ii) Holdings and its Wholly Owned Subsidiaries shall have Unrestricted Cash and Cash Equivalents of not less than $25,000,000 in excess of the Minimum Liquidity Threshold.

(b) any Subsidiary of Holdings may authorize, declare and pay Dividends to Holdings or any other Subsidiary of Holdings which owns such Subsidiary.

Section 6.09 Transactions with Affiliates. Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of any Loan Party (other than between or among the Borrower and the Subsidiary Guarantors to the extent otherwise permitted under this Agreement), other than on terms and conditions at least as favorable to such Loan Party as would reasonably be obtained by such Loan Party at that time in a comparable arm's-length transaction with a person other than an Affiliate, except that the following shall be permitted:

(a) Dividends permitted by Section 6.08;

(b) Investments permitted by Section 6.04;

(c) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements; and

(d) Affiliate transactions to the extent set forth on Schedule 6.09(d).

Section 6.10 Financial Covenants.

(a) Holdings and its Wholly Owned Subsidiaries will not permit, at any time, commencing on the Initial Borrowing Date, Unrestricted Cash and Cash Equivalents to be an amount less than the greater of (x) $50,000,000 or (y) an amount equal to 5% of the Consolidated Indebtedness of Holdings and its Wholly Owned Subsidiaries, taken as a whole (such level, the "**Minimum Liquidity Threshold**").

(b) Holdings and its Consolidated Subsidiaries will not permit the Maximum Leverage Ratio to be greater than 0.60 to 1.00 at any time. The Maximum Leverage Ratio shall be tested on the last day of any Test Period, commencing with the Test Period ending March 31, 2020.

(c) Holdings and its Consolidated Subsidiaries will not permit (a) Current Assets minus (b) Current Liabilities, to be less than $0 at any time. For purposes of this calculation, (i) "Current Assets" means the amount of the current assets of Holdings and its Consolidated Subsidiaries as shown in the latest financial statements delivered pursuant to Section 5.01(a) and (b), and (ii) "Current Liabilities" means the amount of the current liabilities of Holdings and its Consolidated Subsidiaries (which, for purposes of this Section 6.10(c) shall not include Indebtedness of Holdings and its Consolidated Subsidiaries maturing within twelve (12) months of the relevant testing date) as shown in the latest financial statements delivered pursuant to Section 5.01(a) and (b).

(d) Holdings and its Consolidated Subsidiaries will not permit, at all times, the aggregate Fair Market Value of the Core Collateral Vessels that are subject to a Collateral Vessel Mortgage to be less than 135% of the aggregate outstanding principal amount of the Core Term Loans and Revolving Loans (but not to include, for the avoidance of doubt, any unutilized Revolving Commitment) (the "**Core Collateral Maintenance Test**"); provided that any non-compliance with this Section 6.10(d) shall not constitute an Event of Default (but shall constitute a Default), so long as within thirty (30) days of the occurrence of such non-compliance, the Borrower shall either (x) post Additional Collateral (and shall during such period, and prior to satisfactory completion thereof, be diligently carrying out such actions) or (y) prepay Loans under the Core Facilities (and permanently reduce the Revolving Commitments for any Revolving Loans repaid) in an amount sufficient to cure such non-compliance. For purposes of this clause (d), the Fair Market Value of a Core Collateral Vessel at any time shall be the Vessel Appraisal Value most recently delivered to the Administrative Agent pursuant to Section 5.13 and dated no earlier than 30 days

prior to the date on which they are delivered, such valuations to be delivered by the Borrower to the Administrative Agent on a semi-annual basis with the Compliance Certificates for the second and fourth quarter of each fiscal year of Holdings.

(e) Holdings and its Consolidated Subsidiaries will not permit, at all times, the aggregate Fair Market Value of the Transition Collateral Vessels that are subject to a Collateral Vessel Mortgage to be less than 175% of the aggregate outstanding principal amount of the Transition Term Loans (the "**Transition Collateral Maintenance Test**"); provided that any non-compliance with this Section 6.10(e) shall not constitute an Event of Default (but shall constitute a Default), so long as within thirty (30) days of the occurrence of such non-compliance, the Borrower shall either (x) post Additional Collateral (and shall during such period, and prior to satisfactory completion thereof, be diligently carrying out such actions) or (y) prepay Transition Term Loans in an amount sufficient to cure such non-compliance. For purposes of this clause (e), the Fair Market Value of a Transition Collateral Vessel at any time shall be the Vessel Appraisal Value most recently delivered to the Administrative Agent pursuant to Section 5.13 and dated no earlier than 30 days prior to the date on which they are delivered, such valuations to be delivered by the Borrower to the Administrative Agent on a semi-annual basis with the Compliance Certificates for the second and fourth quarter of each fiscal year of Holdings.

(f) Holdings and its Subsidiaries will not permit, at all times, the ratio of (x) Consolidated EBITDA to (y) Consolidated Cash Interest Expense to be lower than (i) 2.25:1.00, for the period commencing on the Initial Borrowing Date and ending on June 30, 2020 and (ii) 2.50:1.00, at all times thereafter (the "**Interest Coverage Ratio**"), in each case, such Interest Coverage Ratio shall be calculated and tested for each Test Period in such period on a trailing 12 month basis; provided that compliance with this clause (e) shall be required only for as long as Holdings and its Subsidiaries are required to comply with the Sinosure Interest Expense Coverage Ratio.

Section 6.11 Prepayments of Other Indebtedness; Modifications of Organizational Documents and Certain Other Documents, etc. Directly or indirectly:

(a) make or offer to make (or give any notice in respect thereof) any voluntary or optional payment or prepayment on or redemption, retirement, defeasance, or acquisition for value of, or any prepayment, repurchase or redemption, retirement, defeasance as a result of any asset sale, change in control or similar event of, any Subordinated Indebtedness;

(b) amend or modify, or permit the amendment or modification of, any provision of any documents related to Subordinated Indebtedness in any manner that is, or would reasonably be expected to be, adverse in any material respect to the interests of any Agent or any Lender; or

(c) (x) terminate, amend, modify (including electing to treat any Securities Collateral as a "security" under Section 8-103 of the UCC) or change any of its Organizational Documents (including by the filing or modification of any certificate of designation) or any agreement to which it is a party with respect to its Equity Interests (including any stockholders' agreement), or enter into any new agreement with respect to its Equity Interests, other than any such amendments, modifications or changes or such new agreements which are not, and would not reasonably be expected to be, adverse in any material respect to the interests of any Agent or any Lender, or (y) amend or modify any tax sharing or similar agreement without the consent of the Administrative Agent (such consent not to unreasonably withheld or delayed).

Section 6.12 Limitation on Certain Restrictions on Subsidiaries. Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance, restriction or condition on the ability of any Subsidiary of the Borrower to (i) pay Dividends or make any other distributions on its Equity Interests or any other interest or participation in its profits owned by any Loan Party, or pay any

Indebtedness owed to any Loan Party, (ii) make loans or advances to any Loan Party or (iii) transfer any of its properties to any Loan Party, except for such encumbrances, restrictions or conditions existing under or by reason of:

(a) applicable mandatory Legal Requirements;

(b) this Agreement and the other Loan Documents;

(c) the Sinosure Facility Agreement;

(d) Indebtedness of Subsidiaries of Holdings (other than the Loan Parties);

(e) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any of its Subsidiaries;

(f) customary provisions restricting assignment of any agreement entered into by the Borrower or any of its Subsidiaries in the ordinary course of business;

(g) customary restrictions and conditions contained in any agreement relating to the sale or other disposition of any property pending the consummation of such sale; provided, that (i) such restrictions and conditions apply only to the property to be sold, and (ii) such sale or other disposition is permitted hereunder;

(h) any encumbrances, restrictions or conditions imposed by any amendments that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clause (d) above; provided, that such amendments are not materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment; or

(i) any agreement in effect at the time a person becomes a Subsidiary of the Borrower, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Subsidiary of the Borrower and such restriction does not apply to any Loan Party other than such Subsidiary;

Section 6.13 Limitation on Issuance of Capital Stock.

(a) With respect to the Borrower, issue any Equity Interest that is Disqualified Capital Stock.

(b) With respect to any Subsidiary of the Borrower, issue any Equity Interest (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, any Equity Interest, except (i) for stock splits, stock dividends and additional issuances of Equity Interests which do not decrease the percentage ownership of the Borrower or any of its Subsidiaries in any class of the Equity Interests of such Subsidiary and (ii) Subsidiaries of the Borrower formed or acquired after the Initial Borrowing Date in accordance with this Agreement may issue Equity Interests to the Borrower, a Wholly Owned Subsidiary of the Borrower which is to own such Equity Interests and, in the case of a Subsidiary of the Borrower that is not a Loan Party, to other persons which are to own such Equity Interests to the extent otherwise permitted hereunder. All Equity Interests issued to a Loan Party in accordance with this Section 6.13(b) shall, to the extent required by Section 5.10 and Section 5.11 or any Security Document, be delivered to the Collateral Agent for pledge pursuant to the applicable Security Document.

Section 6.14 Business. (a) With respect to Holdings, engage in any business activities or have any properties, other than (i) its ownership of the Equity Interests of (A) the Borrower or any other Subsidiary listed on Schedule 1.01(i), Affiliates, or other Persons and other immaterial and non-operational assets to the extent owned as of the Initial Borrowing Date or permitted to be received by it from the Borrower after the Initial Borrowing Date in accordance with the applicable provisions of Section 6.08, and (B) Affiliates and other Persons, (ii) the holding of any cash and Cash Equivalents or permitted to be received by it from the Borrower after the Initial Borrowing Date in accordance with the applicable provisions of Section 6.08 or reasonably incidental to the issuance by Holdings of its Equity Interests or incurrence by Holdings of Indebtedness, (iii) incurring Indebtedness under the Loan Documents, (iv) incurring Indebtedness and other liabilities otherwise not restricted by this Agreement, (v) maintaining its existence in compliance with applicable law and (vi) special purpose holding company activities reasonably incidental to the foregoing clauses (i) through (v), inclusive. At no time on or after the Initial Borrowing Date shall Holdings directly own or charter any Vessel.

(a) With respect to the Borrower and its Subsidiaries, engage (directly or indirectly) in any businesses other than those businesses in which the Borrower and its Subsidiaries are engaged on the Closing Date (or which are substantially related thereto or are reasonable extensions thereof).

Section 6.15 Operation of Collateral Vessels. The Borrower will not, and will not permit any Subsidiary Guarantor to:

(a) without giving prior written notice thereof to the Collateral Agent, change the registered owner, name, official or patent number, as the case may be, the home port or class of any Collateral Vessel; and

(b) without the prior consent of the Administrative Agent (acting on instructions of the Required Lenders) (or, in the case of the registry, each Lender) (such consent not to be unreasonably withheld), change the registered flag, registry or classification society of any Collateral Vessel unless the change is to an Acceptable Flag Jurisdiction (and the Vessel Collateral Requirements have been satisfied) or to an Acceptable Classification Society

Section 6.16 Fiscal Periods. Change its fiscal year-end to a date other than December 31, or its fiscal quarters to a date other than March 31, June 30, September 30 and December 31.

Section 6.17 No Further Negative Pledge. Enter into any agreement, instrument, deed or lease which prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of its properties or revenues, whether now owned or hereafter acquired, or which requires the grant of any security for an obligation if security is granted for another obligation, except the following: (a) this Agreement and the other Loan Documents; (b) covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens (other than Liens permitted under Section 6.02(f)) on the properties encumbered thereby; (c) [reserved]; (d) any prohibition or limitation that (i) exists pursuant to applicable Legal Requirements, (ii) consists of customary restrictions and conditions contained in any agreement relating to the sale of any property pending the consummation of such sale; provided, that (x) such restrictions apply only to such property to be sold or disposed of, and (y) such sale is permitted hereunder, (iii) consists of customary restrictions on the assignment of leases, licenses and other contracts entered into in the ordinary course of business, (iv) [reserved], (v) consists of customary prohibitions or limitations in joint venture agreements, pooling agreements and other similar agreements restricting the pledge or assignment thereof or (vi) consists of other contractual restrictions on pledges or assignments in agreements entered into in the ordinary course of business solely to the extent such restrictions would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable Legal Requirement (including the Bankruptcy Code) or principles of equity; and (e)

covenants in documents creating Liens that secure Pool Financing Indebtedness prohibiting Liens on Pool Financing Receivables.

Section 6.18 Anti-Terrorism Law; Anti-Money Laundering. Directly or indirectly (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 3.22 that would result in a violation of Sanctions Laws, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law in violation of Sanctions Laws, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Loan Parties shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming the Companies' compliance with this Section 6.18).

(a) Cause or permit any of the funds of such Loan Party that are used to repay the Credit Extensions to be derived from any unlawful activity with the result that the making of the Credit Extensions would be in violation of Legal Requirements.

Section 6.19 Embargoed Person. Cause or permit (a) any of the funds or properties of any Company that are used to repay the Loans or other Credit Extensions to constitute property of any person (individual or entity) (i) with whom dealings are restricted or prohibited under United States or any other applicable Sanctions Laws ("**Embargoed Person**" or "**Embargoed Persons**"), or (ii) that is identified on the "List of Specially Designated Nationals and Blocked Persons" maintained by OFAC and/or any other similar list maintained by any Sanctions Authority, or 50% or greater owned by any such designated individual or entity, where use of such funds relating to parties in (i) or (ii) above would result in a violation of Sanctions Laws, or (b) any Embargoed Person to have any direct or indirect interest, of any nature whatsoever in any Company, with the result that the investment in any Company (whether directly or indirectly) is prohibited by applicable Legal Requirements or the Credit Extensions are in violation of applicable Legal Requirements.

Section 6.20 Restrictions on Chartering. (i) Let a Collateral Vessel on demise charter for any period or (ii) enter into any charter in respect of a Collateral Vessel other than (x) a Permitted Charter or (y) with the prior written consent of the Administrative Agent (with such consent not to be unreasonably withheld).

Section 6.21 Additional Covenants. Holdings will not (i) directly or indirectly, take any action that would result in a Change in Control, (ii) create, incur, assume or suffer to exist any Lien on the Equity Interests of the Borrower other than Permitted Liens of the type described in clauses (a) and (f) of Section 6.02, (iii) directly or indirectly, wind up, liquidate or dissolve its affairs or (iv) dispose of any Equity Interest of the Borrower or any Subsidiary Guarantor except as otherwise provided in this Agreement.

Section 6.22 Employee Benefits. (a) None of the Companies nor any ERISA Affiliate will maintain or contribute to (or have an obligation to contribute to) a Pension Plan that is subject to the provisions of Title IV of ERISA or a Multiemployer Plan.

(b) Except in relation to (i) any arrangement which provides benefits on death which are wholly insured and (ii) the UK Pension Plan, none of the Companies nor any of their Affiliates will be an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) in relation to any UK registered occupational pension scheme (as defined in the Pension Schemes Act 1993) which is a defined benefit pension plan.

ARTICLE VII

GUARANTEE

Section 7.01 The Guarantee. The Guarantors hereby, jointly and severally, guarantee, as primary obligors and not as sureties, to each Secured Party and their respective successors and assigns, the prompt payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of, premium (if any) and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Bankruptcy Code after any bankruptcy or insolvency petition under Title 11 of the Bankruptcy Code) on the Loans made by the Lenders to, and the Notes, if any, held by each Lender of, the Borrower, and all other Secured Obligations from time to time owing to the Secured Parties by any Loan Party in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "**Guaranteed Obligations**"). The Guarantors hereby jointly and severally agree that if the Borrower or other Guarantors shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

Section 7.02 Obligations Unconditional. The obligations of the Guarantors under Section 7.01 shall constitute a guaranty of payment and performance and not of collection and, to the fullest extent permitted by applicable Legal Requirements, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full in cash of the Guaranteed Obligations). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(a) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of this Agreement, the other Loan Documents or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(d) any Lien or security interest granted to, or in favor of, any Secured Party as security for any of the Guaranteed Obligations shall fail to be valid, perfected or to have the priority required under the Loan Documents; or

(e) the release of any other Guarantor pursuant to Section 7.09.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against the Borrower or any Guarantor under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between the Borrower and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment and performance without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by the Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against the Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and their respective successors and assigns, and shall inure to the benefit of the Secured Parties, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

Section 7.03 Reinstatement. The obligations of the Guarantors under this Article VII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

Section 7.04 Subrogation; Subordination. Each Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all Guaranteed Obligations and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 7.01, whether by subrogation or otherwise, against the Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness or other Obligation of any Loan Party to a Guarantor shall be subordinated to such Loan Party's Secured Obligations in the manner set forth in the Intercompany Subordination Agreement.

Section 7.05 Remedies. The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrower under this Agreement and other Loan Documents may be declared to be forthwith due and payable as provided in Article VIII (and shall be deemed to have become automatically due and payable in the circumstances provided in Article VIII) for purposes of Section 7.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 7.01.

Section 7.06 Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the guarantee in this Article VII constitutes an instrument for the payment of money,

and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

Section 7.07 Continuing Guarantee. The guarantee in this Article VII is a continuing guarantee of payment and performance, and shall apply to all Guaranteed Obligations whenever arising.

Section 7.08 General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Legal Requirement affecting the rights of creditors generally, if the obligations of any Guarantor under Section 7.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 7.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the rights of subrogation and contribution established in Sections 7.04 and 7.10, respectively) that is valid and enforceable, not void or voidable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 7.09 Release of Guarantors. (a) If, in compliance with the terms and provisions of the Loan Documents, a Collateral Vessel, or all of the Equity Interests of any Subsidiary Guarantor are sold or otherwise transferred (a "**Transferred Guarantor**") to a person or persons (other than any Loan Party), such Transferred Guarantor shall, upon the consummation of such sale or transfer or designation, be released from its obligations under this Agreement (including under Section 11.03) and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document and, in the case of the sale of all of the Equity Interests of the Transferred Guarantor, the pledge of such Equity Interests to the Collateral Agent pursuant to the Security Documents shall be released, and so long as the Borrower shall have previously provided the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent and/or the Administrative Agent shall reasonably request, the Collateral Agent shall take, and the Lenders hereby irrevocably authorize the Collateral Agent to take, such actions as are necessary to effect each release described in this Section 7.09 in accordance with the relevant provisions of the Security Documents.

(b) The Lenders hereby irrevocably authorize the Collateral Agent to release a Subsidiary Guarantor and any Lien on any property granted to or held by the Collateral Agent under any Loan Document (i) that is sold or otherwise disposed of (to Persons other than any other Loan Party) upon the sale or other disposition thereof in compliance with Section 6.06, (ii) with respect to a Transition Collateral Vessel (and the Subsidiary Guarantor that owns such Transition Collateral Vessel), following any prepayment under Section 2.10(b)(vi), (iii) with respect to the Core Collateral Vessels (and the Subsidiary Guarantors that own such Core Collateral Vessels), upon the payment in full in cash of the Core Facilities and the expiration and termination of all Commitments thereunder (whether at the applicable Maturity Date or pursuant to a prepayment according with Section 2.10) and (iv) with respect to the Transition Collateral Vessels (and the Subsidiary Guarantors that own such Transition Collateral Vessels), upon the payment in full in cash of the Transition Facility and the expiration and termination of all Commitments thereunder (whether at the applicable Maturity Date or pursuant to a prepayment in accordance with Section 2.10).

(c) The Borrower may, in its discretion, following the release of any Liens pursuant to clauses (a) and (b) of this Section 7.09, wind up, liquidate or dissolve the affairs of any Transferred Guarantor and/or Subsidiary Guarantor.

Section 7.10 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 7.04. The provisions of this Section 7.10 shall in no respect limit the obligations and liabilities of any Guarantor to any Secured Party, and each Guarantor shall remain liable to the Secured Parties for the full amount guaranteed by such Guarantor hereunder.

Section 7.11 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under Section 7.01 in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 7.11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 7.11, or otherwise under Section 7.01, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 7.11 shall remain in full force and effect until a discharge of Guaranteed Obligations. Each Qualified ECP Guarantor intends that this Section 7.11 constitute, and this Section 7.11 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.01 Events of Default. Upon the occurrence and during the continuance of any of the following events (each, an "**Event of Default**"):

(a) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment (whether optional or mandatory) thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest on any Credit Extension or any Fee or any other amount (other than an amount referred to in clause (a) above) due under any Loan Document, when and as the same shall become due and payable, whether at the due date thereof (including an Interest Payment Date) or at a date fixed for prepayment (whether optional or mandatory) or by acceleration or demand thereof or otherwise and such default shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made by any Loan Party in (or in connection with) any Loan Document or the borrowing of Term Loans hereunder, or in any certificate, financial statement or other instrument furnished in connection with or required to be given or delivered by any Loan Party pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or so furnished;

(d) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02(a), Section 5.03(a) (as it relates to a Loan Party), Section 5.04, Section 5.08, Section 5.10, Section 5.13, Section 5.14, Section 5.16, Section 5.18 or in Article VI;

(e) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a), (b) or (d) above) and such default shall continue unremedied or shall not have been waived (i) in the case of the Agency Fee Letter, for a period of five Business Days, and (ii) in the case of any other covenant, condition or agreement for a period of 30 days after the earlier of (x) any Loan Party obtaining knowledge thereof and (y) written notice thereof from the Administrative Agent or the Required Lenders to the Borrower;

(f) any Company shall (i) fail to pay any principal, premium or interest, regardless of amount, due in respect of any Indebtedness (other than the Obligations), when and as the same shall become due and payable beyond any applicable grace period, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness or a trustee or other representative on its or their behalf (with or without the giving of notice, the lapse of time or both) to cause, such Indebtedness to become due prior to its stated maturity or become subject to a mandatory offer to purchase by the obligor; provided, that it shall not constitute an Event of Default pursuant to this clause (f) unless the aggregate amount of all such Indebtedness referred to in clauses (i) and (ii) equals or exceeds $25,000,000 at any one time;

(g) an Insolvency Proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Company or of a substantial part of the property of any Company, under the Bankruptcy Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar Legal Requirement, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, liquidator, rehabilitator or similar official for any Company for a substantial part of the property of any Company; or (iii) the winding-up or liquidation of any Company; and such proceeding or petition shall continue undismissed for 60 days or an Order approving or ordering any of the foregoing shall be entered;

(h) any Company shall (i) voluntarily commence any proceeding or file any petition seeking relief under the Bankruptcy Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar Legal Requirement; (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any Insolvency Proceeding or the filing of any petition described in clause (g) above; (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, liquidator, rehabilitator or similar official for any Company or for a substantial part of the property of any Company; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding; (v) make a general assignment for the benefit of creditors; (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due; (vii) except to the extent permitted by Section 6.05, wind up or liquidate; or (viii) take any action for the purpose of effecting any of the foregoing;

(i) one or more Orders for the payment of money in an aggregate amount of $25,000,000 or more that are not covered by insurance from an unaffiliated insurance company with an A.M. Best financial strength rating of at least A- (it being understood that even if such amounts are covered by insurance from such an insurance company, such amounts shall count against such basket if responsibility for such amounts has been denied by such insurance company or such insurance company has not been promptly notified of such amounts) shall be rendered against any Company or any combination thereof and the same shall remain undischarged, unvacated or unbonded for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon properties of any Company to enforce any such Order;

(j) one or more ERISA Events shall have occurred that, when taken together with all other such ERISA Events that have occurred, or any event similar to the foregoing shall have occurred or exists with respect to a Non-U.S. Plan, including, but not limited to, the issue of a Financial Support Direction and/or a Contribution Notice or the winding-up of the Non-U.S. Plan, in any such case that would reasonably be expected to result in a Material Adverse Effect;

(k) any security interest and Lien purported to be created by any Security Document shall cease to be in full force and effect, or shall cease to give the Collateral Agent, for the benefit of the Secured Parties, the Liens, rights, powers and privileges purported to be created and granted under such Security Documents (including a valid, enforceable, perfected First Priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien on and security interest in, all of the Collateral (other than an immaterial portion) thereunder) in favor of the Collateral Agent, or shall be asserted by or on behalf of any Company not to be, a valid, enforceable, perfected, First Priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien on and security interest in the Collateral (other than an immaterial portion) covered thereby;

(l) (x) any Loan Document or any material provisions thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, (y) a proceeding shall be commenced by or on behalf of any Loan Party or any Affiliate thereof, or by any Governmental Authority, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or (z) any Loan Party (directly or indirectly) shall repudiate, revoke, terminate or rescind (or purport to do any of the foregoing) or deny any portion of its liability or obligation for the Obligations;

(m) there shall have occurred a Change in Control;

(n) Holdings at any time fails to cause its common Equity Interests to remain listed on the NYSE or, if applicable, the NASDAQ or another nationally recognized stock exchange approved in writing by the Required Lenders;

(o) it becomes unlawful or impossible (i) for any Loan Party to discharge any liability under the Loan Documents or to comply with any other obligation which the Required Lenders consider material under the Loan Documents or (ii) for the Administrative Agent, the Collateral Agent and the Lenders to exercise or enforce any material right under, or to enforce any security interest created by the Loan Documents; or

(p) An event or series of events occurs which, in the reasonable opinion of the Required Lenders constitutes a Material Adverse Effect;

then, and in every such event (other than an event with respect to the Borrower described in clause (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate forthwith the Commitments; (ii) declare the Obligations then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Obligations so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document or otherwise to the contrary notwithstanding; and (iii) exercise (and/or direct the Collateral Agent to exercise) any and all of its (or the Collateral Agent's) other rights and remedies under applicable Legal Requirements, hereunder and under the other Loan Documents; and in any event

with respect to the Borrower described in clause (g) or (h) above, the Commitments shall automatically terminate and the principal of the Obligations then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document or otherwise to the contrary notwithstanding.

In addition, without limiting the foregoing, in the event of a foreclosure (or other similar exercise of remedies) by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent, the Administrative Agent or any Secured Party may be the purchaser of any or all of such Collateral at any such sale or other disposition and, in addition, the Collateral Agent or the Administrative Agent, as agent for and representative of all of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or other disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by Collateral Agent at such sale.

Section 8.02 Rescission. If at any time after termination of the Commitments or acceleration of the maturity of the Loans, the Loan Parties shall pay all arrears of interest and Fees and all payments on account of principal of the Loans owing by them that shall have become due otherwise than by acceleration (with interest on principal and Fees and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Defaults (other than non-payment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to Section 11.02, then upon the written consent of the Required Lenders (which may be given or withheld in their sole discretion) and written notice to the Borrower, the termination of the Commitments or the acceleration of the Loans and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders and the other Secured Parties to a decision that may be made at the election of the Required Lenders, and such provisions are not intended to benefit any Loan Party and do not give any Loan Party the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

ARTICLE IX

APPLICATION OF COLLATERAL PROCEEDS

Section 9.01 Application of Proceeds. The proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral, pursuant to the exercise by the Collateral Agent of its remedies, or from any mortgagee's interest insurance required pursuant to Section 5.04, shall be applied, in full or in part, together with any other sums then held by or distributed or paid to the Collateral Agent or the Administrative Agent pursuant to this Agreement or any other Loan Document (including as a result of any exercise of any right or remedy hereunder or thereunder), promptly by the Collateral Agent as follows:

(a) *First*, to the indefeasible payment in full in cash of all reasonable and documented out-of-pocket costs and expenses, and all fees, commissions and taxes of such sale, collection or other realization (including compensation to the Administrative Agent, the Collateral Agent and their respective agents and counsel, and all expenses, liabilities and advances made or incurred by the Administrative Agent and/or the Collateral Agent in connection therewith and all amounts for which the Administrative Agent or Collateral Agent are entitled to indemnification pursuant to the provisions of any Loan Document), together

with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(b) *Second*, to the indefeasible payment in full in cash of all other reasonable costs and expenses of such sale, collection or other realization (including compensation to the other Secured Parties and their agents and counsel and all costs, liabilities and advances made or incurred by the other Secured Parties in connection therewith), together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(c) *Third*, without duplication of amounts applied pursuant to clauses (a) and (b) above, to the indefeasible payment in full in cash, pro rata, of interest constituting Obligations, in each case, equally and ratably in accordance with the respective amounts thereof then due and owing (it being agreed that, for purposes of applying this clause (c), all interest will be deemed payable in accordance with this Agreement regardless of whether such claims are allowed in any proceeding described in Section 8.01(g) or (h)); *provided* that:

(i) if the proceeds received by the Collateral Agent relate solely to a Core Collateral Vessel or the Subsidiary Guarantor which owns such Core Collateral Vessel, the amounts applied pursuant to this clause (c) shall be applied (i) *first*, to the indefeasible payment in full in cash, pro rata, of interest constituting Obligations under the Core Facilities, and (ii) *second*, to the indefeasible payment in full in cash, pro rata, of interest constituting Obligations under the Transition Facility; and

(ii) if the proceeds received by the Collateral Agent relate solely to a Transition Collateral Vessel or the Subsidiary Guarantor which owns such Transition Collateral Vessel, the amounts applied pursuant to this clause (c) shall be applied (i) *first*, to the indefeasible payment in full in cash, pro rata, of interest constituting Obligations under the Transition Facility, and (ii) *second*, to the indefeasible payment in full in cash, pro rata, of interest constituting Obligations under the Core Facilities;

(d) *Fourth*, without duplication of amounts applied pursuant to clauses (a) through (c) above, to the indefeasible payment in full in cash, pro rata, of principal and other amounts constituting Obligations, in each case, equally and ratably in accordance with the respective amounts thereof then due and owing (it being agreed that, for purposes of applying this clause (d), all amounts described herein will be deemed payable in accordance with this Agreement regardless of whether such claims are allowed in any proceeding described in Section 8.01(g) or (h)); *provided* that:

(i) if the proceeds received by the Collateral Agent relate solely to a Core Collateral Vessel or the Subsidiary Guarantor which owns such Core Collateral Vessel, the amounts applied pursuant to this clause (d) shall be applied (i) *first*, to the indefeasible payment in full in cash, pro rata, of principal and other amounts constituting Obligations under the Core Facilities, and (ii) *second*, to the indefeasible payment in full in cash, pro rata, of principal and other amounts constituting Obligations under the Transition Facility; and

(ii) if the proceeds received by the Collateral Agent relate solely to a Transition Collateral Vessel or the Subsidiary Guarantor which owns such Transition Collateral Vessel, the amounts applied pursuant to this clause (d) shall be applied (i) *first*, to the indefeasible payment in full in cash, pro rata, of principal and other amounts constituting Obligations under the Transition Facility, and (ii) *second*, to the indefeasible

payment in full in cash, pro rata, of principal and other amounts constituting Obligations under the Core Facilities;

(e) *Fifth*, to the extent proceeds remain after the application pursuant to preceding clauses (a) through (d), to the indefeasible payment in full in cash, pro rata, of interest and other amounts constituting Secured Obligations (other than principal), and any fees, premiums, interest and scheduled periodic payments due under Bank Product Obligations, in each case equally and ratably in accordance with the respective amounts thereof then due and owing;

(f) *Sixth*, to the extent proceeds remain after the application pursuant to preceding clauses (a) through (e), to the indefeasible payment in full in cash, pro rata, of the principal amount of the Secured Obligations (including principal on any Bank Product Obligations then due and owing);

(g) *Seventh*, to the indefeasible payment in full in cash, pro rata, to any other Secured Obligations then due and owing with any balance to be paid to the Administrative Agent, for the ratable benefit of the Bank Product Providers, as cash collateral;

(h) *Eighth*, the balance, if any, to the person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns) or as a court of competent jurisdiction may direct;

provided, that in each case, for the avoidance of doubt, in no event shall the proceeds of any Collateral pledged by a Guarantor or any payment made by a Guarantor be applied to payment of any Excluded Swap Obligations of such Guarantor.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (h) of this Section 9.01, the Loan Parties shall remain liable, jointly and severally, for any deficiency.

ARTICLE X

THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT

Section 10.01 Appointment. Each Lender hereby irrevocably designates and appoints (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to irrevocably designate and appoint) each of the Administrative Agent and the Collateral Agent as an agent of such Lender under this Agreement and the other Loan Documents and each of the Administrative Agent and the Collateral Agent hereby accepts such appointment. Each Lender irrevocably authorizes (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to irrevocably authorize) each Agent, in such capacity, through its agents or employees, to take such actions on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are delegated to such Agent by the terms of this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article X are solely for the benefit of the Agents, the Lenders, and the Bank Product Providers, and no Loan Party shall have rights as a third party beneficiary of any such provisions. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and any rights of the Secured Parties with respect thereto as contemplated by and in accordance with the provisions of this Agreement and the other Loan Documents. In performing its functions and duties hereunder, each Agent shall act solely as an agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for any Loan Party or any of their respective Subsidiaries. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent

or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

(a) Each Lender irrevocably appoints each other Lender, and the Collateral Agent irrevocably appoints the Administrative Agent, as its agent and bailee for the purpose of perfecting Liens (whether pursuant to Section 8-301(a)(2) of the UCC or otherwise), for the benefit of the Secured Parties, in assets in which, in accordance with the UCC or any other applicable Legal Requirement, a security interest can be perfected by possession or control. Should any Lender (other than, to the extent a Lender, the Collateral Agent or the Security Trustee) obtain possession or control of any such Collateral, such Lender shall notify the Collateral Agent thereof, and, promptly following the Collateral Agent's request therefor, shall deliver such Collateral to the Collateral Agent or otherwise deal with such Collateral in accordance with the Collateral Agent's instructions. The Lenders hereby acknowledge and agree (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge and authorize) that the Collateral Agent may act as the Collateral Agent for the Secured Parties.

Section 10.02 Agent in Its Individual Capacity. Each person serving as an Agent hereunder, to the extent (and for so long as) such Agent is also a Lender hereunder, shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the person serving as an Agent hereunder in its individual capacity. Such person and its Affiliates may accept deposits from, lend money to, act as financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, any Company or any Affiliate thereof as if it were not an Agent hereunder and without duty to account therefor to the Lenders.

Section 10.03 Exculpatory Provisions. (a) No Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, regardless of whether a Default has occurred and is continuing (a) no Agent shall be subject to any fiduciary or other implied duties, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except as directed in writing by, or with the written consent of, the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02), each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02) and, upon receipt of such instructions from the Required Lenders (or such other Lenders, as the case may be), such Agent shall be fully protected and entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions; provided, that no Agent shall be required to risk its own funds or take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability, if the Agent is not indemnified to its satisfaction, or that is contrary to any Loan Document or applicable Legal Requirements including, for the avoidance of doubt, any action that may be in violation of the automatic stay under any Insolvency Law or that may effect a foreclosure, modification or termination of property of a Defaulting Lender under any Insolvency Law, and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose or shall be liable for the failure to disclose, any information relating to any Company or any of its Affiliates that is communicated to or obtained by the person serving as such Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as any Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 9.01 or 11.02

or otherwise as expressly required herein) or in the absence of its own gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction. No Agent shall be deemed to have knowledge of any Default unless and until written notice (in accordance with Section 11.01(a)) thereof describing such Default is given to such Agent by the Borrower or a Lender, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or the sufficiency of any Collateral or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document. Each party to this Agreement acknowledges and agrees that the Administrative Agent and/or the Collateral Agent may from time to time use one or more outside service providers for the tracking of all UCC financing statements (and/or other collateral related filings and registrations from time to time) required to be filed or recorded pursuant to the Loan Documents and the notification to the Administrative Agent and/or the Collateral Agent, of, among other things, the upcoming lapse or expiration thereof, and that each of such service providers will be deemed to be acting at the request and on behalf of the Borrower and the other Loan Parties. No Agent shall be liable for any action taken or not taken by any such service provider. Neither any Agent nor any of its officers, partners, directors, employees or agents shall be liable to the Lenders or the Loan Parties for any action taken or omitted by any Agent under or in connection with any of the Loan Documents.

(a) No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders or the Borrower for any action taken or omitted by any Agent under or in connection with any of the Loan Documents except to the extent caused by such Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(b) No Agent shall be liable for interest on any money received by it except as agreed in writing with the Borrower or Lender.

(c) Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, no Agent shall have any duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. An Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equivalent to that which the applicable Agent, in its individual capacity, accords its own property consisting of similar instruments or interests; provided that neither the Collateral Agent nor any of the other Secured Parties nor any of their respective directors, officers, employees or agents shall have responsibility for (x) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters (y) failing to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or (z) failing to take any necessary steps to preserve rights against any person with respect to any Collateral.

(d) For the avoidance of doubt, nothing in this Agreement or any other Loan Document shall require the Collateral Agent to file financing statements or continuation statements or be responsible for maintaining the security interests, or perfection thereof, purported to be created as described herein, and such responsibility shall be solely that the Borrower and the other Loan Parties, and the Collateral Agent shall only be responsible for the safe custody of any Collateral in its possession consistent with customary practices of other financial institutions acting in such capacity and in accordance with the preceding clause (d).

(e) The Agents reserve the right to reasonably conduct an environmental audit prior to foreclosing on any Collateral Vessel Mortgage. Each Agent reserves the right to forebear from foreclosing in its own name if to do so may expose it to undue risk due to environmental factors.

Section 10.04 Reliance by Agent. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent, or otherwise authenticated by a proper person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, each Agent may presume that such condition is satisfactory to such Lender unless each Agent shall have received written notice to the contrary from such Lender prior to the making of such Loan. Each Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other advisors selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or advisors.

Section 10.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Loan Document by or through, or delegate any and all such rights and powers to, any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of the preceding paragraphs shall apply to any such sub-agent and to the Affiliates of each Agent and any such sub-agent, and shall apply, without limiting the foregoing to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent. The Agents shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

Section 10.06 Successor Agent. Each Agent may resign as such at any time upon at least 10 days' prior notice to the Lenders and the Borrower and without notice to the Bank Product Providers. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, so long as no Event of Default shall have then occurred and be continuing, to appoint a successor Agent from among the Lenders. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 10 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent satisfactory to the Required Lenders, which successor shall be a commercial banking institution or other finance or trust company organized under the laws of the United States (or any State thereof) or a United States branch or agency of a commercial banking institution, in each case, having combined capital and surplus at least $ 200,000,000 and otherwise reasonably satisfactory to the Required Lenders (it being understood that such combined capital and surplus shall not be required to be in excess of $500,000,000); provided, that if such retiring Agent is unable to find a commercial banking institution or other finance or trust company that is willing to accept such appointment and which meets the qualifications set forth above, and the Required Lenders so agree (which agreement shall not be unreasonably withheld) the retiring Agent's resignation shall nevertheless thereupon become effective and the retiring (or retired) Agent shall be discharged from its duties and obligations under the Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders under any of the Loan Documents, the retired Agent shall continue to hold such collateral security until such time as a successor Agent is appointed), and the Lenders shall assume and perform all of the duties of the Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Agent.

Upon the acceptance of its appointment as an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring (or retired) Agent shall be discharged from its duties and obligations under the Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Agent shall continue to hold such collateral security until such time as a successor agent is appointed). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article X, Section 11.03 and Sections 11.08 to 11.10 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Section 10.07 Non-Reliance on Agent and Other Lenders. Each Lender and Bank Product Provider acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their respective Affiliates and based on such documents and information as it has deemed appropriate, conducted its own independent investigation of the financial condition and affairs of the Loan Parties and their Subsidiaries and made its own credit analysis and decision to enter into this Agreement. Each Lender further represents and warrants that it has reviewed each document made available to it on the Platform in connection with this Agreement and has acknowledged and accepted the terms and conditions applicable to the recipients thereof (including any such terms and conditions set forth, or otherwise maintained, on the Platform with respect thereto). Each Lender (and each Bank Product Provider) also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their respective Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Section 10.08 Name Agents. The parties hereto acknowledge that the Arrangers and the Bookrunners hold their titles in name only, and that such titles confer no additional rights or obligations relative to those conferred on any Lender hereunder.

Section 10.09 Indemnification. The Lenders severally agree to indemnify each Agent in its capacity as such and each of its Related Persons (to the extent not reimbursed by the Borrower or the Guarantors and without limiting the obligation of the Borrower or the Guarantors to do so), ratably according to their respective outstanding Loans and Commitments in effect on the date on which indemnification is sought under this Section 10.09 (or, if indemnification is sought after the date upon which all Commitments shall have been terminated and the Loans shall have been paid in full, ratably in accordance with such outstanding Loans and Commitments as in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, fines, penalties, actions, claims, suits, judgments, litigations, investigations, inquiries or proceedings, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent or Related Person in any way relating to or arising out of, the Commitments, the Loans, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein, the Transactions or any of the other transactions contemplated hereby or thereby or any action taken or omitted by such Agent or Related Person under or in connection with any of the foregoing (IN ALL CASES, WHETHER OR NOT CAUSED OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF ANY AGENT OR RELATED PERSON); provided, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, fines, penalties, actions, claims, suits, judgments, litigations, investigations, inquiries or proceedings, costs, expenses or disbursements that are found by a final and non-appealable judgment of a court of competent jurisdiction to have directly

resulted solely and directly from such Agent's or Related Person's, as the case may be, gross negligence or willful misconduct. The agreements in this Section 10.09 shall survive the payment of the Loans and all other amounts payable hereunder and the termination of the Commitments.

Section 10.10 Withholding Taxes. To the extent required by any applicable Legal Requirements, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If any payment has been made to any Lender by the Administrative Agent without the applicable withholding Tax being withheld from such payment and the Administrative Agent has paid over the applicable withholding Tax to the Internal Revenue Service or any other Governmental Authority, or the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective or for any other reason, or if the Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding tax from such payment, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

Section 10.11 Lender's Representations, Warranties and Acknowledgements. Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of the Companies in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of the Companies. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to the Lenders. Each Lender acknowledges that no Agent or Related Person of any Agent has made any representation or warranty to it. Except for documents expressly required by any Loan Document to be transmitted by an Agent to the Lenders, no Agent shall have any duty or responsibility (either express or implied) to provide any Lender with any credit or other information concerning any Loan Party or any Affiliate of a Loan Party, including the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of a Loan Party, that may come in to the possession of an Agent or any of its Related Persons.

(a) Each Lender, by delivering its signature page to this Agreement or an Assignment and Acceptance Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by any Agent, the Required Lenders or the Lenders, as applicable, on the Initial Borrowing Date.

Section 10.12 Security Documents and Guarantees.

(a) Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Guarantees, the Collateral and the Loan Documents; provided that neither the Administrative Agent nor the Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Bank Product Obligations with respect to any Bank Product Agreement. Subject to Section 11.02, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (i) in connection with a sale

or disposition of assets permitted by this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which the Required Lenders (or such other Lenders as may be required to give such consent under Section 11.02) have otherwise consented or (ii) release any Guarantor from the Guarantees pursuant to Section 7.09 or with respect to which the Required Lenders (or such other Lenders as may be required to give such consent under Section 11.02) have otherwise consented.

(b) Anything contained in any of the Loan Documents to the contrary notwithstanding, each Loan Party, the Administrative Agent, the Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantees, it being understood and agreed that all powers, rights and remedies hereunder and under any of the Loan Documents may be exercised solely by the Administrative Agent or the Collateral Agent, as applicable, for the benefit of the Secured Parties in accordance with the terms hereof and thereof and all powers, rights and remedies under the Security Documents may be exercised solely by the Collateral Agent for the benefit of the Secured Parties in accordance with the terms thereof, and (ii) in the event of a foreclosure or similar enforcement action by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition (including pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code), the Collateral Agent (or any Lender, except with respect to a "credit bid" pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code) may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities) shall be entitled, upon written instructions from the Required Lenders, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition.

(c) (i) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent and the Collateral Agent, as applicable, shall (without notice to, or vote or consent of, any Lender, or any Affiliate of any Lender that is a party to any Bank Product Agreement) take such actions as shall be required to release its security interest in any Collateral subject to any disposition expressly permitted by the Loan Documents (other than a disposition to any Loan Party of any Subsidiary, Affiliate or family member thereof) to the extent necessary to permit the consummation of such disposition in accordance with the Loan Documents.

(ii) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Secured Obligations (other than Secured Obligations in respect of any Bank Product Agreement and contingent indemnification obligations for which no claim or demand has been made) have been paid in full, in cash, and all Commitments have terminated or expired, upon written request of the Borrower, the Administrative Agent and the Collateral Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Bank Product Agreement) take such actions as shall be required to release its security interest in all Collateral, and to release all guarantee obligations provided for in any Loan Document, whether or not on the date of such release there may be outstanding Secured Obligations in respect of Bank Product Agreements. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any other Loan Party or any substantial part of its property, or otherwise, all as though such payment had not been made.

(i) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Secured Obligations (other than Secured Obligations in respect of any Bank Product Agreement and contingent indemnification obligations for which no claim or demand has been made) under the Core Facilities have been paid in full, in cash (whether at the applicable Maturity Date or pursuant to a prepayment according with Section 2.10), and all Revolving Commitments and Core Term Commitments have terminated or expired, upon written request of the Borrower, the Administrative Agent and the Collateral Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Bank Product Agreement) take such actions as shall be required to release its security interest in all Core Collateral Vessels, all other Collateral granted by the Subsidiary Guarantors that directly own such Core Collateral Vessels, and all Securities Collateral granted in the Equity Interests of the Subsidiary Guarantors that directly own such Core Collateral Vessels and to release all guarantee obligations of such Subsidiary Guarantors provided for in any Loan Document, whether or not on the date of such release there may be outstanding Secured Obligations under the Transition Facility or in respect of Bank Product Agreements. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any other Loan Party or any substantial part of its property, or otherwise, all as though such payment had not been made.

(ii) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Secured Obligations (other than Secured Obligations in respect of any Bank Product Agreement and contingent indemnification obligations for which no claim or demand has been made) under the Transition Facility have been paid in full, in cash (whether at the applicable Maturity Date or pursuant to a prepayment according with Section 2.10), and all Transition Term Commitments have terminated or expired, upon written request of the Borrower, the Administrative Agent and the Collateral Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Bank Product Agreement) take such actions as shall be required to release its security interest in all Transition Collateral Vessels, all other Collateral granted by the Subsidiary Guarantors that directly own such Transition Collateral Vessels, and all Securities Collateral granted in the Equity Interests of the Subsidiary Guarantors that directly own such Transition Collateral Vessels and to release all guarantee obligations of such Subsidiary Guarantors provided for in any Loan Document, whether or not on the date of such release there may be outstanding Secured Obligations under the Core Facilities or in respect of any Bank Product Agreements. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any other Loan Party or any substantial part of its property, or otherwise, all as though such payment had not been made.

(d) The Agents shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Agents be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral. No Agent shall be liable for any defect or failure

in a Guarantor's title to Collateral, regardless of whether such defect or failure was known to the Agent or might have been discovered upon examination or inquiry and whether capable of remedy or not.

Section 10.13 Administrative Agent May File Bankruptcy Disclosure and Proofs of Claim. In case of the pendency of any Insolvency Proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Loan Party) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file a verified statement pursuant to rule 2019 of the Federal Rules of Bankruptcy Procedure that, in its sole opinion, complies with such rule's disclosure requirements for entities representing more than one creditor;

(b) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its respective agents and counsel and all other amounts due the Administrative Agent under Sections 2.05 and 10.03) allowed in such judicial proceeding; and

(c) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under this Agreement. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Administrative Agent, its agents and counsel, and any other amounts due the Administrative Agent under this Agreement out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Lenders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 10.14 Ship Mortgage Trust. Each Lender hereby irrevocably designates and appoints the Security Trustee as security trustee of such Lender under this Agreement and the other Loan Documents solely for the purpose of holding the Collateral Vessel Mortgages of the Collateral Vessels and certain other Collateral, and the Security Trustee hereby accepts such appointment. The Security Trustee agrees and declares, and each of the other Secured Parties acknowledges, that, subject to the terms and conditions of this Section 10.14, the Security Trustee holds the Trust Property in trust for the Secured Parties absolutely. Each of the other Secured Parties agrees that the obligations, rights and benefits vested in the Security Trustee shall be performed and exercised in accordance with this Section 10.14. For the avoidance of doubt, the Security Trustee shall have the benefit of all of the provisions of this Agreement (including

exculpatory and indemnification provisions) benefiting it in its capacity as Collateral Agent for the Secured Parties. In addition, the Security Trustee and any attorney, agent or delegate of the Security Trustee may indemnify itself or himself out of the Trust Property against all liabilities, costs, fees, damages, charges, losses and expenses sustained or incurred by it or him in relation to the taking or holding of any of the Trust Property or in connection with the exercise or purported exercise of the rights, trusts, powers and discretions vested in the Security Trustee or any other such person by or pursuant to the Collateral Vessel Mortgages or in respect of anything else done or omitted to be done in any way relating to the Collateral Vessel Mortgages. The Security Trustee shall, at all times, be the same institution as the Person acting as the Administrative Agent and the Collateral Agent under this Agreement.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Notices.

(a) Notices and other communications provided for herein shall, except as provided in Section 11.01(b), be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile transmission, as follows:

(i) if to any Loan Party, to the Borrower at:

International Seaways Operating Corporation
c/o International Seaways Ship Management LLC
600 Third Avenue, 39th Floor
New York, New York 10016
Attention: Jeffrey D. Pribor, Senior Vice President, Chief Financial Officer
Telephone: +1-212-578-1947
Email: jpribor@intlseas.com
Legaldepartment@intlseas.com
Treasury@intlseas.com

(ii) if to the Administrative Agent, to it at:

Nordea Bank Abp, New York Branch
1211 Avenue of the Americas
New York, NY 10036
Attention: Shipping, Offshore and Oil Services
Telephone: (212) 318-9630
Email: agency.soosid@nordea.com / martin.lunder@nordea.com

(iii) if to a Lender, to it at its address (or facsimile number) set forth on Annex I or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto;

Notice and other communications to the Lenders hereunder may (subject to Section 11.01(b)) be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent. Any party hereto may change its address, facsimile number or e-mail address for notice and other communications hereunder by notice to the other parties hereto. The Administrative Agent or the Borrower may, in its discretion, agree to accept

notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided, that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (including by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); provided, that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(b) Each Loan Party hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to this Agreement and any other Loan Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, including any such communication that (i) relates to a request for a Borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder or (v) is required to be delivered to satisfy any covenant hereunder or under any other Loan Document (all such communications, collectively, the "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent (it being understood that .pdf format is acceptable) at the e-mail address(es) provided to the Borrower by the Administrative Agent from time to time, other electronic communication in such other form, or in any other manner, including hard copy delivery thereof, as the Administrative Agent shall require. In addition, each Loan Party agrees to continue to provide the Communications to the Administrative Agent in the manner specified in this Agreement or any other Loan Document or in such other form, including hard copy delivery thereof, as the Administrative Agent shall require. Nothing in this Section 11.01 shall prejudice the right of the Agents, any Lender or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document or as any such Agent shall require.

(c) To the extent consented to by the Administrative Agent in writing from time to time, the Administrative Agent agrees that receipt of the Communications by the Administrative Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents.

(d) Each Loan Party and the Administrative Agent and the Collateral Agent further agree that the Administrative Agent and the Collateral Agent shall make the Communications available to the other Agents or the Lenders by posting the Communications on a Platform. The Platform and any Approved Electronic Communications are provided "as is" and "as available." The Agents do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Platform and the Approved Electronic Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent in connection with the Communications or the Platform. In no event shall any Agent have any liability to any Loan Party, any Lender or any other person for damages of any kind, whether or not based on strict liability and including direct or indirect, punitive, special, incidental or consequential damages, losses or expenses (whether in contract, tort or otherwise) arising out of or related to any Loan

Party's or any Agent's transmissions of Communications through the Internet (including the Platform). Notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (a) of notification that such notice or communication is available and identifying the website address therefor. Each Loan Party understands that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution and agrees and assumes the risks associated with such electronic distribution, except to the extent caused by the willful misconduct or gross negligence of the Administrative Agent, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(e) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that receipt of notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e-mail address. Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

(f) Each Loan Party, each Lender and each Agent agrees that the Administrative Agent may, but shall not be obligated to, store any Approved Electronic Communications on the Platform in accordance with the Administrative Agent's customary document retention procedures and policies.

(g) Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States federal and state securities laws, to make reference to information that is not made available through the "Public Side Information" portion of the Platform and that may contain Material Non-Public Information with respect to Holdings, its Subsidiaries or their securities for purposes of United States federal or state securities laws. In the event that any Public Lender has determined for itself to not access any information disclosed through the Platform or otherwise, such Public Lender acknowledges that (i) other Lenders may have availed themselves of such information and (ii) neither the Borrower nor the Administrative Agent has any responsibility for such Public Lender's decision to limit the scope of the information it has obtained in connection with this Agreement and the other Loan Documents.

Section 11.02 Waivers; Amendment. No failure or delay by any Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by Section 11.02(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether any Agent or any Lender may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Subject to Sections 2.16(c), 2.18(d), 11.02(d) and 11.02(e), neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended, supplemented or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Loan Parties and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent, the Collateral Agent (in the case of any Security Document) and the Loan Party or Loan Parties that are parties thereto, in each case with the written consent of the Required Lenders; provided, that no such agreement shall:

(i) increase or extend the expiry date of any Commitment of any Lender without the written consent of such Lender (it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant or Default (or any definition used, respectively, therein) shall constitute an increase in or an extension of the expiry date of any Commitment of any Lender for purposes of this clause (i));

(ii) reduce the principal amount or premium, if any, of any Loan or reduce the rate of interest thereon (including, for the avoidance of doubt, the Applicable Core Margin and the Applicable Transition Margin) (other than waiver of any increase in the rate of interest pursuant to Section 2.06(b)), or reduce any Fees payable hereunder, or change the form or currency of payment of any Obligation, without the written consent of each Lender directly affected thereby;

(iii) postpone or extend the maturity of any Loan or any scheduled date of payment of or the installment otherwise due on the principal amount of any Term Loan under Section 2.09, or any date for the payment of any interest, premium or fees payable hereunder, or reduce the amount of, waive or excuse any such payment (other than a waiver of any increase in the rate of interest pursuant to Section 2.06(b)), or postpone the scheduled date of expiration of any Commitment without the written consent of each Lender directly affected thereby;

(iv) change Section 11.04(b) in a manner which further restricts assignments thereunder without the written consent of each Lender directly affected thereby (provided that any amendment that clarifies any ambiguity or defect in the definition or use of Disqualified Institutions shall require only the consent of the Required Lenders and the Loan Parties);

(v) change Section 2.10(d), Section 2.10(e), Section 2.14(b), Section 2.14(c) or Section 9.01 or other corresponding sections of any other Loan Document in a manner that would alter the order of or the pro rata sharing of payments or setoffs required thereby, without the written consent of each Lender directly affected thereby;

(vi) change the percentage set forth in the definition of "Required Lenders", "Required Core Lenders" or "Required Transition Lenders" or any other provision of any Loan Document (including this Section 11.02) specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as the case may be);

(vii) release any Guarantor from its Guarantees, or limit its liability in respect of such Guarantee or release the Borrower from its obligations under the Loan Documents, without the written consent of each Lender;

(viii) except as expressly permitted in this Agreement or any Security Document, release any Collateral from the Liens of the Security Documents or alter the relative priorities of the

Secured Obligations entitled to the Liens of the Security Documents (except in connection with securing additional Secured Obligations equally and ratably with the other Secured Obligations), in each case without the written consent of each Lender;

(ix) [reserved];

(x) subordinate the Obligations under the Loan Documents to any other Indebtedness without the written consent of each Lender;

(xi) (x) amend or otherwise modify Section 6.10 (or for the purposes of determining compliance with Section 6.10, any defined terms used therein), or (y) waive or consent to any Default resulting from a breach of Section 6.10 without the written consent of each Lender; provided that notwithstanding the foregoing, any waiver or consent with respect to any Default resulting from a breach of (i) Section 6.10(d) shall be subject to written consent of all Core Lenders, and (ii) Section 6.10(e) shall be subject to written consent of all Transition Term Lenders'

(xii) amend or otherwise modify the definitions of Sanctions Law, Sanctions Authority or Anti-Terrorism Law or Section 3.22, Section 5.21, Section 6.18, or Section 6.19 without the written consent of each Lender.;

provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent without the prior written consent of the Administrative Agent or the Collateral Agent, as the case may be. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent (and, if their rights or obligations are affected thereby, the Collateral Agent) if (1) by the terms of such agreement the Commitments of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment, (2) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of, premium, if any, and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement, and (3) Section 2.16(b) is complied with.

(c) Without the consent of any other person, the applicable Loan Party or Loan Parties and the Administrative Agent and/or Collateral Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by applicable Legal Requirements to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or assets so that the security interests therein comply with applicable Legal Requirements.

(d) Notwithstanding the foregoing, if, following the Closing Date, the Administrative Agent and the Borrower shall have agreed in their sole and absolute discretion that there is an ambiguity, inconsistency, manifest error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof (it being understood that the Administrative Agent has no obligation to agree to any such amendment).

(e) Further, notwithstanding the foregoing, any provision of this Agreement and the other Loan Documents may be amended to effect any Incremental Core Term Loan Amendment as, and to the extent, provided in Section 2.18.

Section 11.03 Expenses; Indemnity. (a) The Loan Parties agree, jointly and severally, to pay, promptly upon demand:

(i) all reasonable and documented out-of-pocket costs and expenses incurred by the Arrangers, the Bookrunners, the Administrative Agent and the Collateral Agent, (including (i) the reasonable and documented fees, disbursements and other charges of Advisors for the Arrangers, the Bookrunners, the Administrative Agent and the Collateral Agent, in connection with the syndication of the Loans and Commitments, the preparation, negotiation, execution and delivery of the Loan Documents, the administration of the Credit Extensions and Commitments (including with respect to the establishment and maintenance of a Platform and including the reasonable fees and disbursements of counsel as may be necessary or appropriate in the judgment of the Agents, and the charges of IntraLinks, SyndTrak or a similar service), the perfection and maintenance of the Liens securing the Collateral and any actual or proposed amendment, supplement or waiver of any of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated);

(ii) all reasonable and documented out-of-pocket costs and expenses incurred by the Arrangers, the Bookrunners, the Administrative Agent, the Collateral Agent, any other Agent or any Lender (including the fees, charges and disbursements of Advisors for any of the foregoing) incurred in connection with the enforcement or protection of its rights under the Loan Documents, including its rights under this Section 11.03(a), or in connection with the Loans made hereunder and the collection of the Obligations, including all such costs and expenses incurred during any workout, restructuring or negotiations in respect of the Obligations; provided that, in the case of charges of outside counsel, such payment shall be limited to the reasonable and documented fees, disbursements and charges of (x) one primary counsel for the Agents and the Lenders (collectively with the Agents, taken as a group), (y) one local counsel and foreign counsel in each relevant jurisdiction for each of the Agents and the Lenders (collectively with the Agents, taken as a group) and (z) one maritime counsel in each relevant jurisdiction for each of the Agents and the Lenders (collectively with the Agents, taken as a group) (and, in each case, in the case of an actual or a potential conflict of interest, (A) one additional counsel for each affected person (or group of similarly affected persons), (B) one local counsel and/or foreign counsel for each affected person (or group of similarly affected persons) in any relevant jurisdiction and (C) one maritime counsel for each affected person (or group of similar affected persons) in each relevant jurisdiction; and

(iii) all Other Taxes in respect of the Loan Documents.

(h) The Loan Parties agree, jointly and severally, to indemnify the Agents, each Lender and each Related Person of each of the foregoing (each such person being called an "**Indemnitee**") against, and to hold each Indemnitee harmless from, all reasonable and documented expenses (including reasonable and documented fees, disbursements and other charges of one counsel for all Indemnitees and, if necessary, one maritime counsel, local and foreign counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions for all Indemnitees (and, in the case of an actual or potential conflict of interest of another firm of counsel (and maritime counsel and one firm of local and foreign counsel in each appropriate jurisdiction) for such affected Indemnitee))) and any and all claims, damages, losses and liabilities, fees, fines, penalties, actions, judgments, suits and related expenses, including reasonable Advisors fees, charges and disbursements (collectively, "**Claims**"), incurred by or asserted against any Indemnitee, directly or indirectly, arising out of, relating to or in connection with (i)

the execution, delivery, performance, administration or enforcement of the Loan Documents, the Commitment Letter or any agreement or instrument contemplated thereby or the performance by the parties thereto of their respective obligations thereunder, (ii) any actual or proposed use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, (iv) any actual or alleged presence or Release or threatened Release of Hazardous Materials, on, at, under or from any property (A) owned, leased or operated by any Company or (B) formerly owned, leased or operated by any Company at the time of its ownership, lease or operations, (v) any Environmental Claim or threatened Environmental Claim against any of the Companies relating to any Real Property, Collateral Vessel or other property currently or formerly owned, leased or operated by any of the Companies or relating to the operations of any of the Companies, (vi) any non-compliance with, or violation of, applicable Environmental Laws or Environmental Permits by any of the Companies or any of their businesses, operations, Real Property, Collateral Vessels and other properties, (vii) the imposition of any environmental Lien encumbering Real Property or Collateral Vessels owned, leased or operated by any Company, (viii) the consummation of the Transactions (including the syndication of the Loans and the Commitments) and the other transactions contemplated hereby or (ix) any actual or prospective claim, action, suit, litigation, inquiry, investigation, or other proceeding or preparation of a defense in connection with any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party or any of their respective subsidiaries, affiliates or shareholders or otherwise, and regardless of whether any Indemnitee is a party thereto; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses or other Claims are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted primarily from (i) the gross negligence or willful misconduct of such Indemnitee or any of its Related Persons, (ii) a material breach by such Indemnitee or any of its Related Persons of any of its or their respective obligations under the Loan Documents or (iii) any claims brought by an Indemnitee against another Indemnitee (other than against the Administrative Agent or any other Agent in its capacity as such) not arising out of any act or omission by any Loan Party or any Affiliate thereof.

(i) The Loan Parties agree, jointly and severally, that, without the prior written consent of the Agents and any affected Lender (such consent not to be unreasonably withheld), the Loan Parties will not enter into any settlement of a Claim in respect of the subject matter of Section 11.03(b) and asserted against an Indemnitee unless such settlement includes an explicit and unconditional release from the party bringing such Claim of all Indemnitees and does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnitee.

(j) The provisions of this Section 11.03 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the Transactions and the other transactions contemplated hereby, the repayment of the Loans and any other Secured Obligations, the release of any Guarantor or of all or any portion of the Collateral, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, the removal or resignation of any Agent, or any investigation made by or on behalf of the Agents or any Lender. All amounts due under this Section 11.03 shall be accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested.

(k) To the extent that the Loan Parties fail to indefeasibly pay any amount required to be paid by them to the Agents under clause (a) or (b) of this Section 11.03 in accordance with Section 10.03, each Lender severally agrees to pay to the Agents, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (such indemnity shall be effective whether or not the related losses, claims, damages, liabilities and related expenses are incurred or asserted by any party hereto or any third party); provided, that the unreimbursed Claim was incurred by or asserted against any of the Agents in its capacity as such. For purposes of this clause (e), a Lender's "**pro rata share**" shall be determined based upon its share of the sum of the Total

Revolving Exposure, the principal amount of outstanding Term Loans and unused Term Commitments at the time.

(l) To the fullest extent permitted by applicable Legal Requirements, no party hereto shall assert, and each party hereto hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, exemplary, consequential or punitive damages (including any loss of profits, business or anticipated savings as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof; provided, that such waiver of special, punitive, indirect or consequential damages shall not limit the indemnification obligations of the Loan Parties to the extent such special, punitive, indirect or consequential damages are included in any third party claim with respect to which the applicable Indemnitee is entitled to indemnification under this Section 11.03. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with the Loan Documents or the transactions contemplated hereby or thereby.

(m) All amounts due under this Section 11.03 shall be payable no later than 10 Business Days after written demand (accompanied by an invoice or other reasonable documentation) therefor; provided, however, that any Indemnitee shall promptly refund an indemnification payment received hereunder to the extent that there is a final and non-appealable judicial determination of a court of competent jurisdiction that such Indemnitee was not entitled to indemnification with respect to such payment pursuant to this Section 11.03.

Section 11.04 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Loan Parties may not assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of the Administrative Agent, the Collateral Agent and each Lender, which consent may be withheld in their respective sole discretion (and any attempted assignment or transfer by any Loan Party without such consent shall be null and void ab initio). Nothing in this Agreement or any other Loan Document, express or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent expressly provided in clause (e) of this Section 11.04 and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement or any other Loan Document.

(a) Any Lender shall have the right at any time to assign to one or more assignees (other than any Company or any Affiliate thereof or a natural person) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided, that:

(i) if the assigning Lender is a Lender under both the Core Facilities and the Transition Facility, any such assignment shall be made on a pro rata basis in accordance with the proportion of such Lender's rights and obligations under each such Core Facilities and Transition Facility;

(ii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $5,000 (unless such fee is waived by the Administrative Agent in its sole discretion); provided, however, in the case of contemporaneous assignments by any Lender to one or more Approved Funds, only a single processing and recording fee shall be payable for such assignments;

(iii) the assignee, if it shall not then be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(iv) the assignee shall represent and warrant to the Borrower and the Administrative Agent that it is an Eligible Assignee; and

(v) the Administrative Agent must give its prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned); provided, that the consent of the Administrative Agent shall only be subject to the completion of the conditions in clauses (b)(ii) and (b)(iii) and the delivery to the Administrative Agent of customary information and documentation reasonably requested by the Administrative Agent for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations;

Subject to acceptance and recording thereof pursuant to Section 11.04(d), from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement (provided, that any liability of the Borrower to such assignee under Section 2.12, 2.13 or 2.15 shall be limited to the amount, if any, that would have been payable thereunder by the Borrower in the absence of such assignment, except to the extent any such amounts are attributable to a Change in Law occurring after the date of such assignment), and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.15 and 11.03.

(b) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive in the absence of manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement and the other Loan Documents, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice.

(c) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 11.04(b) and any written consent to such assignment required by Section 11.04(b), the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 11.04(d). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with the requirements of this Section 11.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.04(e).

(d) Any Lender shall have the right at any time, without the consent of, or notice to the Borrower, the Administrative Agent or any other person to sell participations to any person (other than any Company or any Affiliate thereof or a natural person) (a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the

Loans owing to it); provided, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Collateral Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided, that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) is described in clauses (i), (ii) or (iii) of the proviso to Section 11.02(b) and (2) directly affects such Participant. Each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.04(b). To the extent permitted by Legal Requirements, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided, that such Participant agrees in writing to be subject to Section 2.14(c) as though it were a Lender. Each Lender shall, acting for this purpose as a "non-fiduciary" agent of the Borrower, maintain at one of its offices a register for the recordation of the names and addresses of its Participants, and the amount and terms of its participations (the "**Participant Register**"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender (and the Borrower, to the extent that the Participant requests payment from the Borrower) shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Proposed Treasury Regulations Section 1.163-5(b) (or any amended or successor version).

(e) A Participant shall not be entitled to receive any greater payment under Section 2.12, 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the prior written consent of the Borrower (which consent shall not be unreasonably withheld, delayed or conditioned) or the greater payment results from a Change in Law after the date the participation was sold to the Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless such Participant agrees to comply with Section 2.15(f) as though it were a Lender (it being understood that the documentation required in Section 2.15(f) shall be delivered to the participating Lender).

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank, and this Section 11.04 shall not apply to any such pledge or assignment of a security interest; provided, that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. Without limiting the foregoing, in the case of any Lender that is a fund that invests in bank loans or similar extensions of credit, such Lender may, without the consent of the Borrower, the Administrative Agent or any other person, collaterally assign or pledge all or any portion of its rights under this Agreement, including the Loans and the Notes or any other instrument evidencing its rights as a Lender under this Agreement, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities.

(g) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Legal Requirement, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar laws domestic or foreign, federal, state, provincial or otherwise, based on or analogous or similar to the Uniform Electronic Transactions Act.

(h) Any assignor Lender of all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) or seller of a participation hereunder shall be entitled to rely conclusively on a representation of the assignee Lender or Participant in the relevant Assignment and Acceptance or participation agreement, as applicable, that such assignee or purchaser is not a Disqualified Institution. None of the Agents shall have any responsibility or liability for monitoring the list or identities of, or enforcing provisions relating to, Disqualified Institutions. Upon request by any Lender or prospective Lender, the Administrative Agent shall be permitted to disclose to such Lender or prospective Lender the identity of the Disqualified Institutions.

Section 11.05 Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the reports, certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect so long as any Obligation is outstanding and so long as the Commitments have not expired or terminated. The provisions of Article X and Sections 2.12, 2.13, 2.15, 11.03, 11.05, 11.09, 11.10 and 11.12 shall survive and remain in full force and effect regardless of the consummation of the Transactions and the other transactions contemplated hereby, the repayment of the Loans, the expiration or termination the Revolving Commitments or the termination of this Agreement or any provision hereof.

Section 11.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the Agency Fee Letter and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent and/or other Agents, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 11.08 Right of Setoff; Marshalling; Payments Set Aside. If an Event of Default shall have occurred and be continuing, each Lender and each of its respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Legal Requirements, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of any Loan Party now or hereafter existing under this Agreement or any other Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender under this Section 11.08 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. None of any Agent or any Lender shall be under any obligation to marshal any assets in favor of any Loan Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Loan Party makes a payment or payments to the Administrative Agent, the Collateral Agent or any Lender (or to the Administrative Agent or the Collateral Agent, on behalf of the Lenders), or any Agent or any Lender enforces any security interests or exercises any right of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Insolvency Law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 11.09 Governing Law; Jurisdiction; Consent to Service of Process. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether sounding in contract, tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, and governed by, the law of the State of New York.

(a) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York , located in the Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the extent permitted by applicable Legal Requirements, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Legal Requirements. Nothing in this Agreement or any other Loan Document or otherwise, however, shall affect any right that the Administrative Agent, the Collateral Agent, any other Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(b) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Legal Requirements, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 11.09(b). Each of the parties hereto hereby

irrevocably waives, to the fullest extent permitted by applicable Legal Requirements, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than facsimile or email) in Section 11.01. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, each Loan Party hereby irrevocably and unconditionally appoints International Seaways Ship Management LLC, with an office for service of process delivery on the date hereof at 600 Third Avenue, 39th Floor, New York, New York 10016, and its successors (the "Process Agent"), as its agent to receive on behalf of such Loan Party and its property all writs, claims, process, and summonses in any action or proceeding brought against such Loan Party in the State of New York. Such service may be made by mailing or delivering a copy of such process to any Loan Party in care of the Process Agent at the address specified above for the Process Agent, and such Loan Party irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Failure by the Process Agent to give notice to the applicable Loan Party, or failure of the applicable Loan Party, to receive notice of such service of process shall not impair or affect the validity of such service on the Process Agent or any such Loan Party, or of any judgment based thereon. Each Loan Party covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents that may be necessary to continue the designation of the Process Agent above in full force and effect, and to cause the Process Agent to act as such. Each Loan Party hereto further covenants and agrees to maintain at all times an agent with offices in New York City to act as its Process Agent. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by applicable Legal Requirements.

Section 11.10 Waiver of Jury Trial. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT, THE TRANSACTIONS OR THE OTHER TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.10**.

Section 11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 11.12 Confidentiality. Each of the Administrative Agent, the Collateral Agent, the Arrangers, the Bookrunners and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' and Approved Funds' directors, officers, employees, financing sources, partners, trustees, agents, advisors and other representatives, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential pursuant to the terms hereof, and any failure of such persons acting on behalf of the Administrative Agent, the Collateral Agent, an Arranger or a Lender to comply with this Section 11.12 shall constitute a breach of this Section 11.12 by the Administrative Agent,

the Collateral Agent, such Arranger or such Lender, as applicable), (b) to the extent (i) requested by any regulatory authority or any self-regulatory authority (such as (but not limited to) the National Association of Insurance Commissioners and the SEC) or (ii) to the extent required by applicable Legal Requirements or by any subpoena or similar legal process or in connection with any pledge or assignment made pursuant to Section 11.04(g), provided that, solely to the extent permitted by law and other than in connection with routine audits and reviews by regulatory and self-regulatory authorities, such disclosing entity shall notify the Borrower as promptly as practicable of any such requested or required disclosure in connection with any legal or regulatory proceeding, (c) to any other party to this Agreement, (d) in connection with the exercise of any remedies under the Loan Documents or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section 11.12, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its respective obligations, or (iii) any rating agency for the purpose of obtaining a credit rating applicable to any Loan or Loan Party, (f) with the consent of the Borrower, (g) to an investor or prospective investor in securities issued by an Approved Fund of any Lender that also agrees that Information shall be used solely for the purpose of evaluating an investment in such securities issued by an Approved Fund of any Lender or to a trustee, collateral manager, servicer, backup servicer, noteholder or secured party in securities issued by an Approved Fund of any Lender in connection with the administration, servicing and reporting on the assets serving as collateral for securities issued by such Approved Fund (it being agreed that the persons to whom such disclosure is made will be informed of the confidential nature of such Information) or (h) to the extent such Information (a) is publicly available at the time of disclosure or becomes publicly available other than as a result of a breach of this Section 11.12 or (b) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than Holdings, the Borrower or any Subsidiary of Holdings. In addition, the Agents and the Lenders may disclose the existence of this Agreement and the information about this Agreement to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans, market data collectors, similar service providers to the lending industry, and service providers to the Administrative Agents and the Lenders in connection with the administrative and management of this Agreement and the other Loan Documents. For the purposes of this Section 11.12, "**Information**" shall mean all non-public information received from Holdings and the Borrower relating to Holdings and the Borrower or any of their respective Subsidiaries or their business, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by Holdings and the Borrower. Any person required to maintain the confidentiality of Information as provided in this Section 11.12 shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person accords to its own confidential information.

Section 11.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively, the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable Legal Requirements, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 11.13 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 11.14 Assignment and Acceptance. Each Lender to become a party to this Agreement (other than the Administrative Agent and any other Lender that is a signatory hereto) shall do so by delivering to the Administrative Agent an Assignment and Acceptance duly executed by such Lender, the Borrower (if the Borrower's consent to such assignment is required hereunder) and the Administrative Agent.

Section 11.15 Obligations Absolute. To the fullest extent permitted by applicable law, all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of:

(a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Loan Party;

(b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;

(d) any exchange, release or non-perfection or loss of priority of any Liens on any or all of the Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

(e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or

(f) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Loan Parties.

Section 11.16 Waiver of Defenses; Absence of Fiduciary Duties. Each of the Loan Parties hereby waives any and all suretyship defenses available to it as a Guarantor arising out of the joint and several nature of its respective duties and obligations hereunder (including any defense contained in Article VII).

(a) Each of the Loan Parties agrees that in connection with all aspects of the transactions contemplated hereby or by the other Loan Documents and any communications in connection therewith, the Loan Parties and their respective Affiliates, on the one hand, and each Lender and each Agent, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of any Lender or any Agent or any of their respective Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

(b) Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Loan Parties, their stockholders and/or their affiliates. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Loan Party, its stockholders or its affiliates, on the other. The Loan Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Loan Party, its stockholders or its affiliates with respect to the

transactions contemplated hereby the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Loan Party, its stockholders or its Affiliates on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Loan Party, its management, stockholders, creditors or any other person. Each Loan Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Loan Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Loan Party, in connection with such transaction or the process leading thereto.

Section 11.17 Patriot Act; Beneficial Ownership Regulation Notice. Each Lender hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act and the Beneficial Ownership Regulation, it may be required to obtain, verify and record information that identifies the Loan Parties and Responsible Officers thereof, which information includes the name, address and taxpayer identification number of each Loan Party and other information that will allow such Lender to identify such Loan Party and Responsible Officers in accordance with the Patriot Act and the Beneficial Ownership Regulation, and each Loan Party agrees to provide such information from time to time to any Lender.

Section 11.18 Bank Product Providers. Each Bank Product Provider shall be deemed a third party beneficiary hereof and of the provisions of the other Loan Documents for purposes of any reference in a Loan Document to the parties for whom the Administrative Agent is acting. The Administrative Agent hereby agrees to act as agent for such Bank Product Providers and, by virtue of entering into a Bank Product Agreement, the applicable Bank Product Provider shall be automatically deemed to have appointed the Administrative Agent as its agent and to have accepted the benefits of the Loan Documents; it being understood and agreed that the rights and benefits of each Bank Product Provider under the Loan Documents consist exclusively of such Bank Product Provider's being a beneficiary of the Liens and security interests (and, if applicable, guarantees) granted to the Collateral Agent and the right to share in payments and collections out of the Collateral as more fully set forth herein. In addition, each Bank Product Provider, by virtue of entering into a Bank Product Agreement, shall be automatically deemed to have agreed that the Administrative Agent shall have the right, but shall have no obligation, to establish, maintain, relax, or release reserves in respect of the Bank Product Obligations and that if reserves are established there is no obligation on the part of the Administrative Agent to determine or insure whether the amount of any such reserve is appropriate or not. In connection with any such distribution of payments or proceeds of Collateral, the Administrative Agent shall be entitled to assume no amounts are due or owing to any Bank Product Provider unless such Bank Product Provider has provided a written certification (setting forth a reasonably detailed calculation) to the Administrative Agent as to the amounts that are due and owing to it and such written certification is received by the Administrative Agent a reasonable period of time prior to the making of such distribution. The Administrative Agent shall have no obligation to calculate the amount due and payable with respect to any Bank Products, but may rely upon the written certification of the amount due and payable from the relevant Bank Product Provider. In the absence of an updated certification, the Administrative Agent shall be entitled to assume that the amount due and payable to the relevant Bank Product Provider is the amount last certified to the Administrative Agent by such Bank Product Provider as being due and payable (less any distributions made to such Bank Product Provider on account thereof). The Borrower may obtain Bank Products from any Bank Product Provider, although the Borrower is not required to do so. The Borrower acknowledges and agrees that no Bank Product Provider has committed to provide any Bank Products and that the providing of Bank Products by any Bank Product Provider is in the sole and absolute discretion of such Bank Product Provider. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no provider or holder of any Bank Product shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Obligations owing thereunder, nor shall the

consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or Guarantors.

Section 11.19 EXCLUDED SWAP OBLIGATIONS. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN ANY OTHER LOAN DOCUMENT, (I) ANY EXCLUDED SWAP OBLIGATIONS SHALL BE EXCLUDED FROM (X) THE DEFINITION OF "SECURED OBLIGATIONS" (OR ANY EQUIVALENT DEFINITION) CONTAINED HEREIN OR IN ANY SECURITY DOCUMENT AND (Y) THE DEFINITION OF "GUARANTEED OBLIGATIONS" (OR ANY EQUIVALENT DEFINITION) IN THE GUARANTEE OR IN ANY OTHER GUARANTEE OF THE GUARANTEED OBLIGATIONS; (II) NO LIEN GRANTED PURSUANT TO ANY SECURITY DOCUMENT SHALL SECURE ANY EXCLUDED SWAP OBLIGATIONS; AND (III) NO EXCLUDED SWAP OBLIGATIONS SHALL BE GUARANTEED PURSUANT TO THE GUARANTEE OR ANY OTHER GUARANTEE OF THE GUARANTEED OBLIGATIONS.

Section 11.20 [Reserved].

Section 11.21 Judgment Currency. (a) The Loan Parties' obligations hereunder and under the other Loan Documents to make payments in Dollars (the "**Obligation Currency**"), shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent, the Collateral Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent, the Collateral Agent or such Lender under this Agreement or the other Loan Documents. If for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "**Judgment Currency**") an amount due in the Obligation Currency, the conversion shall be made, at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the day on which the judgment is given (such day being hereinafter referred to as the "**Judgment Currency Conversion Date**").

(a) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, each Loan Party jointly and severally covenants and agrees to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate or exchange prevailing on the Judgment Currency Conversion Date.

(b) For purposes of determining any rate of exchange for this Section 11.21, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

Section 11.22 Waiver of Sovereign Immunity. Each of Holdings, the Borrower, the Subsidiary Guarantors, in respect of itself, its Subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that such Loan Party, its Subsidiaries or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States, the Marshall Islands or elsewhere, to enforce or collect upon the Loans or any Loan Document or any other liability or obligation of such Loan

Party or any of its Subsidiaries related to or arising from the transactions contemplated by any of the Loan Documents, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, such Loan Party, for itself and on behalf of its Subsidiaries, hereby expressly waives, to the fullest extent permissible under applicable law, any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States, the Marshall Islands or elsewhere. Without limiting the generality of the foregoing, each Loan Party further agrees that the waivers set forth in this Section 11.22 shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

Section 11.23 Acknowledgment and Consent to Bail-In. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Agent or Lender arising under any Loan Document, to the extent such liability is unsecured, may be subject to Write-Down and Conversion Powers and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers to any such liabilities arising hereunder which may be payable to it by any Agent or Lender; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Agent or Lender, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers.

Section 11.24 Certain ERISA Matters. Notwithstanding anything to the contrary in any Loan Document:

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Pension Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, any Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain

transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, any Commitment and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84- 14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, any Commitment and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(a) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, any Commitment and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or other authorized signatories as of the day and year first above written.

INTERNATIONAL SEAWAYS, INC.,
as Holdings and a Guarantor

By: /s/Lois K. Zabrocky
Name: Lois K. Zabrocky
Title: President and Chief Executive Officer

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as the Borrower and a Guarantor

By: /s/Jeffrey D. Pribor
Name: Jeffrey D. Pribor
Title: Senior Vice President, Chief Financial Officer, Treasurer and Comptroller

1372 TANKER CORPORATION
AMALIA PRODUCT CORPORATION
ATHENS PRODUCT TANKER CORPORATION
BATANGAS TANKER CORPORATION
CABO HELLAS LIMITED
CARL PRODUCT CORPORATION
FRONT PRESIDENT INC.
GOLDMAR LIMITED
HATTERAS TANKER CORPORATION,
as Guarantors

By: /s/Jeffrey D. Pribor
Name: Jeffrey D. Pribor
Title: Treasurer

JADEMAR LIMITED
KYTHNOS CHARTERING CORPORATION
LEYTE PRODUCT TANKER CORPORATION
MAPLE TANKER CORPORATION
MILOS PRODUCT TANKER CORPORATION
MINDANAO TANKER CORPORATION
MONTAUK TANKER CORPORATION
OAK TANKER CORPORATION
OVERSEAS SHIPPING (GR) LTD.
REYMAR LIMITED
ROSALYN TANKER CORPORATION
ROSEMAR LIMITED
RUBYMAR LIMITED
SAMAR PRODUCT TANKER CORPORATION
SEAWAYS SHIPPING CORPORATION
SECOND KATSURA TANKER CORPORATION
SILVERMAR LIMITED
SKOPELOS PRODUCT TANKER CORPORATION
TOKYO TRANSPORT CORP.,
as Guarantors

By: /s/Jeffrey D. Pribor
Name: Jeffrey D. Pribor
Title: Treasurer

NORDEA BANK ABP, NEW YORK BRANCH,
as Administrative Agent, Collateral Agent, Security Trustee and a Lender

By: /s/Martin Lunder
Name: Martin Lunder
Title: Managing Director

By: /s/Henning Lyche Christiansen
Name: Henning Lyche Christiansen
Title: Senior Vice President

ABN AMRO CAPITAL USA LLC,
as Sustainability Coordinator

By: /s/Amit Wynalda
Name: Amit Wynalda
Title: Executive Director

By: /s/Maria Fahey
Name: Maria Fahey
Title: Director

ABN AMRO CAPITAL USA LLC,
as a Lender

By: /s/Amit Wynalda
Name: Amit Wynalda
Title: Executive Director

By: /s/Maria Fahey
Name: Maria Fahey
Title: Director

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK,
as a Lender

By: /s/Georgios Gkanasoulis
Name: Georgios Gkanasoulis
Title: Director

By: /s/Manon Didier
Name: Manon Didier
Title: Vice President

DNB CAPITAL LLC,
as a Lender

By: /s/Cathleen Buckley
Name: Cathleen Buckley
Title: Senior Vice President

By: /s/Sybille Andaur
Name: Sybille Andaur
Title: First Vice President

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as a Lender

By: /s/Arne Juell-Skielse
Name: Arne Juell-Skielse
Title:

By: /s/Olof Kajerdt
Name: Olof Kajerdt
Title:

BNP PARIBAS,
as a Lender

By: /s/Eric Dulcire
Name: Eric Dulcire
Title: Managing Director

By: /s/Jean Philippe POIRIER
Name: Jean Philippe POIRIER
Title:

DANISH SHIP FINANCE A/S,
as a Lender

By: /s/Michael Frisch
Name: Michael Frisch
Title: CCO

By: /s/Brian D. Kristiansen
Name: Brian D. Kristiansen
Title: SLM

Initial Lenders and Commitments

Omitted

US$390 Million Credit Agreement: Disclosure Schedules

Table of Contents

Schedule 1.01(a)

Collateral Vessels

Part 1: Core Collateral Vessels

	Vessel	Documented Owner	Official Number	Flag	IMO Number	Built Date (yyyy/mm)
1.	Seaways Athens	Athens Product Tanker Corporation	4377	Marshall Islands	9470260	2012/01
2.	Seaways Everest	Front President Inc.	3712	Marshall Islands	9400679	2010/02
3.	Seaways Hatteras	Hatteras Tanker Corporation	7597	Marshall Islands	9730414	2017/07
4.	Seaways Kilimanjaro	Oak Tanker Corporation	4169	Marshall Islands	9563237	2012/01
5.	Seaways Kythnos	Kythnos Chartering Corporation	4017	Marshall Islands	9569841	2010/08
6.	Seaways Leyte	Leyte Product Tanker Corporation	4255	Marshall Islands	9470272	2011/05
7.	Seaways McKinley	Maple Tanker Corporation	4111	Marshall Islands	9530228	2011/07
8.	Seaways Milos	Milos Product Tanker Corporation	4376	Marshall Islands	9470258	2011/08
9.	Seaways Montauk	Montauk Tanker Corporation	7598	Marshall Islands	9779537	2017/07
10.	Seaways Raffles	Second Katsura Tanker Corporation	2295	Marshall Islands	9411032	2010/02
11.	Seaways Redwood	Batangas Tanker Corporation	4934	Marshall Islands	9607954	2013/07
12.	Seaways Samar	Samar Product Tanker Corporation	4375	Marshall Islands	9470284	2011/07
13.	Seaways Shenandoah	Mindanao Tanker Corporation	5473	Marshall Islands	9607966	2014/07
14.	Seaways Skopelos	Skopelos Product Tanker Corporation	3726	Marshall Islands	9478638	2009/11

Part 2: Transition Collateral Vessels

	Vessel	Documented Owner	Official Number	Flag	IMO Number	Built Date (yyyy/mm)
15.	Seaways Luzon	Amalia Product Corporation	2946	Marshall Islands	9301940	2006/07
16.	Seaways Visayas	Carl Product Corporation	2947	Marshall Islands	9301952	2006/09
17.	Seaways Reymar	Reymar Limited	2271	Marshall Islands	9275749	2004/03
18.	Seaways Hellas	Cabo Hellas Limited	2269	Marshall Islands	9275725	2003/11
19.	Seaways Rosalyn	Rosalyn Tanker Corporation	1632	Marshall Islands	9234666	2003/02
20.	Seaways Goldmar	Goldmar Limited	2278	Marshall Islands	9239628	2002/05
21.	Seaways Jademar	Jademar Limited	2275	Marshall Islands	9232606	2002/03
22.	Seaways Mulan	1372 Tanker Corporation	1656	Marshall Islands	9230880	2002/04
23.	Seaways Rosemar	Rosemar Limited	2277	Marshall Islands	9232620	2002/05
24.	Seaways Rubymar	Rubymar Limited	2276	Marshall Islands	9232618	2002/04
25.	Seaways Silvermar	Silvermar Limited	2279	Marshall Islands	9239630	2002/06
26.	Seaways Tanabe	Tokyo Transport Corp.	2487	Marshall Islands	9196632	2002/02

Schedule 1.01(b)

Approved Classification Societies

1. DNV GL
2. Lloyd's Register (LR)
3. American Bureau of Shipping (ABS)
4. Bureau Veritas
5. Korean Register of Shipping (KR)
6. Nippon Kaiji Kyokai (ClassNK)
7. Chinese Classification Society (solely to the extent a dual Class is applied, and the Chinese Classification Society is the Second Class)

Schedule 1.01(c)

Acceptable Flag Jurisdictions

1. Republic of the Marshall Islands
2. Commonwealth of The Bahamas
3. Republic of Liberia
4. Republic of Panama
5. Hong Kong

Schedule 1.01(d)

Acceptable Third Party Technical Managers

1. V. Ships UK Limited and its affiliates
2. Thome Ship Management
3. Wilhelmsen Ship Management
4. Wallem Group
5. Univan Ship Management
6. Anglo Eastern Ship Management
7. Bernard Schulte Ship Management (BSM)
8. Euronav NV
9. Northern Marine Limited
10. Columbia ShipManagement, Ltd.

Schedule 1.01(e)

Approved Brokers

1. Affinity LLP
2. Fearnleys AS
3. Clarkson Platou
4. Braemar ACM
5. Maersk Broker K/S
6. Arrow Sale and Purchase (UK) Ltd.
7. Simpson Spence & Young Shipbrokers Ltd

Schedule 1.01(f)

Commercial Managers

1. The Tankers International Pool
2. Blue Fin Tankers Inc.
3. Sigma Tankers Inc.
4. Alpha8 Pool
5. Panamax International
6. CPT Alliance
7. Penfield Tankers (Suezmax) LLC
8. Dakota Tankers, LLC

Schedule 1.01(g)

Demise Charters

None.

Schedule 1.01(h)

Subsidiary Guarantors

1. Athens Product Tanker Corporation
2. Batangas Tanker Corporation
3. Front President Inc.
4. Hatteras Tanker Corporation
5. Kythnos Chartering Corporation
6. Leyte Product Tanker Corporation
7. Maple Tanker Corporation
8. Milos Product Tanker Corporation
9. Mindanao Tanker Corporation
10. Montauk Tanker Corporation
11. Oak Tanker Corporation
12. Samar Product Tanker Corporation
13. Seaways Shipping Corporation
14. Second Katsura Tanker Corporation
15. Skopelos Product Tanker Corporation
16. Amalia Product Corporation
17. Carl Product Corporation
18. Reymar Limited
19. Cabo Hellas Limited
20. Rosalyn Tanker Corporation
21. Goldmar Limited
22. Jademar Limited
23. 1372 Tanker Corporation
24. Rosemar Limited
25. Rubymar Limited
26. Silvermar Limited
27. Tokyo Transport Corp.
28. Overseas Shipping (GR) Ltd.

Schedule 1.01(i)

Sustainability Pricing Adjustment Schedule

Upon the delivery of a Sustainability Certificate in accordance with Section 5.01(c)(iii), the Applicable Core Margin shall be adjusted as follows (each, a "**Sustainability Pricing Adjustment**"):

(a) If the Fleet Sustainability Score set forth in such Sustainability Certificate delivered in any applicable year is greater than the Fleet Sustainability Score set forth in the Sustainability Certificate for the prior fiscal year, the Applicable Core Margin (as it may have been adjusted by any previous Sustainability Pricing Adjustment) shall be increased by 0.025% per annum effective as of the first Business Day immediately following the date the applicable financial statements are delivered pursuant to Section 5.01(a) and the related Sustainability Certificate pursuant to Section 5.01(c)(iii);

(b) If the Fleet Sustainability Score set forth in such Sustainability Certificate delivered in any applicable year is equal to or less than the Fleet Sustainability Score set forth in the Sustainability Certificate for the prior fiscal year, the Applicable Core Margin (as it may have been adjusted by any previous Sustainability Pricing Adjustment) shall be decreased by 0.025% per annum effective as of the first Business Day immediately following the date the applicable financial statements are delivered pursuant to Section 5.01(a) and the related Sustainability Certificate pursuant to Section 5.01(c)(iii);

provided that (x) no Sustainability Pricing Adjustment shall result in the Applicable Core Margin being increased or decreased from the Applicable Core Margin which would otherwise apply without giving effect to any Sustainability Pricing Adjustment by more than 0.025% per annum and (y) if the Borrower fails to provide a Sustainability Certificate, the Sustainability Pricing Adjustment set forth in clause (a) above shall apply.

As used herein:

"**AER Trajectory Value**" shall mean the median AER trajectory value of a vessel type and size in a given year as set out in the following chart:

Segment	**Size (DWT)**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
MR	20000-59999	6.76992000	6.59007900	6.41023800	6.23039700	6.05055600	5.87071500
Panamax	60000-79999	4.77192075	4.64515604	4.51839132	4.39162660	4.26486188	4.13809716
Aframax	80000-119999	3.73638909	3.63713298	3.53787686	3.43862075	3.33936463	3.24010852
Suezmax	120000-199999	3.18718706	3.10252034	3.01785362	2.93318690	2.84852018	2.76385347
VLCC	200000-+	2.32400667	2.26227009	2.20053352	2.13879694	2.07706036	2.01532379

"**Average Efficiency Ratio**" shall mean, with respect to any Vessel, the average efficiency ratio of such Vessel, as calculated per Section 2.1 of the Poseidon Principles as follows:

, where (a) C_i is the carbon emissions for voyage i computed using the fuel consumption and carbon factor of each type of fuel, (b) DWT is the design deadweight of the vessel, and (c) D_i is the distance travelled on voyage *i*. The Average Efficiency Ratio with respect to any Vessel is computed for all voyages performed by the Vessel over a calendar year.

"**DWT**" shall mean, with respect to any Vessel, the difference in tons between the displacement of the Vessel in water of relative density of 1025 kg/m3 at the summer load draught and the lightweight of the Vessel; the summer load draught should be taken as the maximum summer draught as certified in the stability booklet approved by the relevant maritime administration or an organization recognized by it.

"**Fleet Sustainability Score**" shall mean, with respect to any calendar year, the weighted average of the Vessel Sustainability Score of all Vessels owned by Holdings and its Subsidiaries for such calendar year, determined based on Vessel Weighting.

"**Recognized Organization**" shall mean, with respect to any Vessel, an organization approved by the maritime administration of the Vessel's flag state to verify that the ship energy efficiency management plans of vessels registered in that state are in compliance with Regulation 22A of Annex VI and to issue "statements of compliance for fuel oil consumption reporting" confirming that vessels registered in that state are in compliance with that regulation.

"**Vessel Carbon Intensity Certificate**" shall mean a certificate issued by a Recognized Organization with respect to each Vessel and a particular calendar year setting out the AER of each such Vessel for all voyages performed by it during that calendar year using the ship fuel oil consumption data submitted to the International Maritime Organization, required to be collected and reported in accordance with Regulation 22A of Annex VI in respect of that calendar year and for which the Recognized Organization issued a statement of compliance for fuel oil consumption reporting.

"**Vessel Sustainability Score**" shall mean, for any Vessel, and a particular calendar year, the percentage difference between the Vessel's Average Efficiency Ratio and the AER Trajectory Value at the same point in time, calculated as set out in Section 2.3 of the Poseidon Principles. A Vessel's Vessel Sustainability Score shall be evidenced by a Vessel Carbon Intensity Certificate.

"**Vessel Weighting**" shall mean, for any Vessel for any calendar year, the product of (i) the number of days in that calendar year that such Vessel is owned by Holdings or any of its Subsidiaries and (ii) the Vessel's DWT.

Schedule 2.09(a)

Core Scheduled Amortization Payment Amount

CORE TERM LOAN REPAYMENT DATE	PAYMENT AMOUNT
June 30, 2020	$9,476,175.93
September 30, 2020	$9,476,175.93
December 31, 2020	$9,476,175.93
March 31, 2021	$9,476,175.93
June 30, 2021	$9,476,175.93
September 30, 2021	$9,476,175.93
December 31, 2021	$9,476,175.93
March 31, 2022	$9,476,175.93
June 30, 2022	$9,476,175.93
September 30, 2022	$9,476,175.93
December 31, 2022	$9,476,175.93
March 31, 2023	$9,476,175.93
June 30, 2023	$9,476,175.93
September 30, 2023	$9,476,175.93
December 31, 2023	$9,476,175.93
March 31, 2024	$9,476,175.93
June 30, 2024	$9,476,175.93
September 30, 2024	$9,476,175.93
December 31, 2024	$9,476,175.93
Core Term Loan Maturity Date	$119,952,657.30

Schedule 2.09(b)

Transition Scheduled Amortization Payment Amount

TRANSITION TERM LOAN REPAYMENT DATE	PAYMENT AMOUNT
March 31, 2020	$5,000,000.00
June 30, 2020	$5,000,000.00
September 30, 2020	$5,000,000.00
December 31, 2021	$5,000,000.00
March 31, 2021	$5,000,000.00
June 30, 2021	$5,000,000.00
September 30, 2021	$5,000,000.00
December 31, 2022	$5,000,000.00
March 31, 2022	$5,000,000.00
Transition Term Loan Maturity Date	$5,000,000.00

Schedule 3.07(a)

Equity Interests

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
1.	1372 Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
2.	Africa Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
3.	Alcesmar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
4.	Alcmar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
5.	Amalia Product Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
6.	Ambermar Product Carrier Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
7.	Andromar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
8.	Antigmar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
9.	Ariadmar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
10.	Atalmar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
11.	Athens Product Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
12.	Aurora Shipping Corporation	Marshall Islands	Third United Shipping Corporation	500 common shares	100 common shares	N/A
13.	Batangas Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
14.	Cabo Hellas Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
15.	Cabo Sounion Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
16.	Caribbean Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
17.	Carl Product Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
18.	Concept Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
19.	Delta Aframax Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
20.	Diamond Chartering, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
21.	Eighth Aframax Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
22.	Epsilon Aframax Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
23.	First Pacific Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
24.	First Union Tanker Corporation	Marshall Islands	Third United Shipping Corporation	6,000 common shares	100 common shares	N/A
25.	Front Tobago Shipping Corporation	Marshall Islands	First Pacific Corporation	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
26.	Front President Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	500 common shares	N/A
27.	Guayaquil Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
28.	Hatteras Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
29.	Seaways Subsidiary VII Inc. (fka Gener8 Maritime Subsidiary VII Inc.)	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
30.	Hendricks Tanker Company LLC (fka Gener8 Androitis LLC)	Marshall Islands	Seaways Subsidiary VII Inc.	N/A	100% LLC interest	N/A
31.	Gener8 Chiotis LLC	Marshall Islands	Seaways Subsidiary VII Inc.	N/A	100% LLC interest	N/A
32.	Diamond Tanker Company LLC (fka Gener8 Militiadis LLC)	Marshall Islands	Seaways Subsidiary VII Inc.	N/A	100% LLC interest	N/A
33.	Gener8 Strength LLC	Marshall Islands	Seaways Subsidiary VII Inc.	N/A	100% LLC interest	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
34.	Gener8 Success LLC	Marshall Islands	Seaways Subsidiary VII Inc.	N/A	100% LLC interest	N/A
35.	Gener8 Supreme LLC	Marshall Islands	Seaways Subsidiary VII Inc.	N/A	100% LLC interest	N/A
36.	Goldmar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
37.	Hendricks Chartering, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
38.	Henry Chartering, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
39.	INSW Ship Management UK Ltd	United Kingdom	International Seaways Operating Corporation	1,000,000 common shares	199,999 common shares	N/A
40.	International Seaways Ship Management LLC	Delaware	International Seaways Operating Corporation	N/A	100% LLC interest	N/A
41.	International Seaways Operating Corporation	Marshall Islands	International Seaways, Inc.	500 common shares	100 common shares	N/A
42.	Jademar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
43.	Katsura Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
44.	Kimolos Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
45.	Kythnos Chartering Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
46.	Leyte Product Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
47.	Liberty Chartering, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
48.	Lightering LLC	Liberia	International Seaways Operating Corporation	N/A	100% LLC interest	N/A
49.	Luxmar Product Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
50.	Majestic Tankers Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
51.	Maple Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
52.	Maremar Product Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
53.	Milos Product Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
54.	Mindanao Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
55.	Montauk Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
56.	Oak Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
57.	Oceania Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
58.	OIN Chartering, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
59.	OIN Delaware LLC	Delaware	International Seaways, Inc.	N/A	100% LLC interest	N/A
60.	OSG Clean Products International, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
61.	OSG Ship Management (GR) Ltd.	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
62.	Overseas Shipping (GR) Ltd.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
63.	Pearlmar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
64.	Petromar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
65.	Reymar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
66.	Rich Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
67.	Rosalyn Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
68.	Rosemar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
69.	Rubymar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
70.	Sakura Transport Corp.	Marshall Islands	International Seaways Operating Corporation	900 common shares	900 common shares	N/A
71.	Samar Product Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
72.	Seaways Holding Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
73.	Seaways Shipping Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
74.	Second Katsura Tanker Corporation	Marshall Islands	Seaways Shipping Corporation	500 common shares	100 common shares	N/A
75.	Serifos Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
76.	Seventh Aframax Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
77.	Shirley Aframax Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
78.	Sifnos Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
79.	Silvermar Limited	Marshall Islands	Overseas Shipping (GR) Ltd.	500 common shares	100 common shares	N/A
80.	Sixth Aframax Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
81.	Skopelos Product Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
82.	Star Chartering Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
83.	Third United Shipping Corporation	Marshall Islands	International Seaways Operating Corporation	300,000 common shares	200,000 common shares	N/A
84.	Tokyo Transport Corp.	Marshall Islands	International Seaways Operating Corporation	900 common shares	900 common shares	N/A
85.	Triton Chartering, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
86.	Tybee Chartering, Inc.	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A
87.	Urban Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A

No.	Company	Jurisdiction	Principal Immediate Owner	Number of Each Class of Equity Interests Authorized	Number of Each Class of Equity Interests Outstanding	Number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights
88.	View Tanker Corporation	Marshall Islands	International Seaways Operating Corporation	500 common shares	100 common shares	N/A

Schedule 3.07(c)

Corporate Organizational Chart

[Omitted]

Schedule 3.20

Required Insurance

This Schedule 3.20 shall be read together with the provisions of each General Assignment Agreement and its Exhibit B (Notice of Assignment of Insurances) and Annex I thereto (Loss Payable Clauses). In the event of a conflict, the provisions of the General Assignment Agreement shall control.

References to Loan Party in this Schedule 3.20 mean a Loan Party that is the owner of a Collateral Vessel.

Policies Required

1. Each Loan Party shall, at its own expense, keep each Collateral Vessel insured with insurers and protection and indemnity clubs or associations of internationally recognized responsibility, and placed in such markets, on such terms and conditions, and through brokers, in each case reasonably satisfactory to the Collateral Agent (it being understood that Marsh and Willis are satisfactory) and under forms of policies approved by the Collateral Agent against the risks indicated below:

1.1 Marine and war risk hull and machinery insurance in an amount in U.S. dollars on an agreed value basis equal to, except as otherwise approved in writing by the Collateral Agent, in the case of each Collateral Vessel, the greater of (x) the value of such Collateral Vessel based on its most recent Vessel Appraisal and (y) an amount which, when aggregated with such insured value of the other Collateral Vessels (if the other Collateral Vessels are then subject to a Collateral Vessel Mortgage, and net of any loss suffered in a Casualty Event), is equal to one hundred twenty per cent (120%) of the then aggregate amount of the then outstanding Term Loans and Total Revolving Commitments. The insured value for hull and machinery required under this paragraph 1.1 for each Collateral Vessel shall at all times be in an amount equal to the greater of (x) eighty per cent (80%) of the value of such Collateral Vessel based on its most recent Vessel Appraisal and (y) of the then aggregate amount of the then outstanding Term Loans and Total Revolving Commitments, and the remaining machine and war risk insurance required by this paragraph 1.1 may be taken out as hull and freight interest insurance

1.2 Marine and war risk protection and indemnity insurance or equivalent insurance (including coverage against liability arising out of the operation of each Collateral Vessel, and insurance against liability arising out of pollution, spillage or leakage), in an amount not less than the greater of:

1.2.1 the maximum amount available, as that amount may from time to time change, from members of the International Group of Protection and Indemnity Associations (the "International Group") or alternatively such sources of pollution, spillage or leakage coverage as are commercially available in any absence of such coverage by the

International Group as shall be carried by prudent ship owners for similar vessels engaged in similar trades; and

1.2.2 the amounts required by the applicable laws or regulations of the United States of America or any jurisdiction in which each Collateral Vessel may be trading from time to time.

2. The Collateral Agent shall be entitled to arrange for the placement of mortgagee's interest insurance (including extended mortgagee interest additional perils pollution) on market standard terms and conditions in an amount not less than 120% of the aggregate amount of the then outstanding Term Loans and Total Revolving Commitments.

2.1 The Loan Parties shall have no interest or entitlement in respect of such mortgagee's interest policies.

2.2 The Loan Parties shall on demand pay to the Collateral Agent all reasonable costs of such insurance.

3. The Borrower shall, and shall cause each Loan Party to, assign to the Collateral Agent its full rights under any policies of insurance in respect of each Collateral Vessel in accordance with the terms contained herein (and, for the avoidance of doubt, such assignments shall include any additional value of any insurance that exceeds the values expressly required herein in respect of each Collateral Vessel).

Policy Terms and Conditions

4. The marine and war risk insurance required by this Schedule 3.20 shall have deductibles and franchises not in excess of US$1,000,000 per occurrence and be subject to annual aggregate deductibles no higher than those in effect on the Closing Date, unless otherwise approved by the Collateral Agent.

5. All insurance maintained hereunder shall be primary insurance without right of contribution against any other insurance maintained by the Collateral Agent.

6. Each policy of marine and war risk hull and machinery insurance with respect to the Collateral Vessels shall note the interest of the Collateral Agent in its capacity as mortgagee and security trustee as assignee and a loss payee.

7. Each entry in a marine and war risk protection and indemnity club with respect to each Collateral Vessel shall note the interest of the Collateral Agent.

8. The Collateral Agent and each of its successors and assigns shall not be responsible for the payment of any premiums, club calls, assessments or any other obligations arising under, or for the representations and warranties made by a Loan Party in, any policy or certificate of entry described in Sections 1.1 and 1.2 above.

9. All policies of insurance required hereby shall provide that no cancellation, material reduction in amount or material reduction in coverage thereof shall be effective until at least fourteen (14) days' notice is given to the Collateral Agent; provided that such notice period shall be at least seven (7) days in respect of cancellation or termination of war risk insurance (or such time as may otherwise be in effect from time to time), and ten (10) days in the case of cancellation for non-payment of premium.

10. The marine and war risk hull and machinery insurance required hereby shall contain provisions waiving underwriters' rights of subrogation thereunder against any assured named in such policy and any assignee of said assured, only to the extent such underwriters agree to so waive rights of subrogation (provided that it is understood and agreed that the Borrower shall use commercially reasonable efforts to obtain such waivers).

Information and Reports

11. Each Loan Party shall deliver to the Collateral Agent certified copies of all certificates of entry, cover notes, binders, evidences of insurance and policies and all endorsements and riders amendatory thereof in respect of insurance maintained on the Collateral Vessel owned by such Loan Party pursuant to the Credit Agreement and this Schedule 3.20 for the purpose of inspection or safekeeping, or, alternatively, satisfactory letters of undertaking from the broker holding the same. The Collateral Agent shall be under no duty or obligation to verify the adequacy or existence of any such insurance or any such policies, endorsement or riders.

12. The Borrower agrees that it shall, and shall cause each Loan Party to, deliver unless the insurances by their terms provide that they cannot cease (by reason of nonrenewal or otherwise) without the Collateral Agent being informed and having the right to continue the insurance by paying any premiums not paid by the Borrower, receipts showing payment of premiums for Required Insurance and also of demands from the Collateral Vessel's P & I underwriters to the Collateral Agent at least two (2) days before the risk in question commences.

13. In the event that any claim or lien is asserted against any Collateral Vessel for loss, damage or expense which is covered by insurance required hereunder and it is necessary for a Loan Party to obtain a bond or supply other security to prevent arrest of such Collateral Vessel or to release the Collateral Vessel from arrest on account of such claim or lien, the Collateral Agent, on request of the Borrower, may, in the sole discretion of the Collateral Agent, assign to any Person, firm or corporation executing a surety or guarantee bond or other agreement to save or release the Collateral Vessel from such arrest, all right, title and interest of the Collateral Agent in and to said insurance covering said loss, damage or expense, as collateral security to indemnify against liability under said bond or other agreement.

14. Each Loan Party will furnish the Collateral Agent from time to time on request, and in any event at least annually, a detailed report signed by a firm of marine insurance brokers

acceptable to the Collateral Agent (it being understood that Marsh and Willis are satisfactory) with respect to the hull and machinery and war risk insurance carried, and the protection & indemnity entry maintained, on the Collateral Vessel owned by such Loan Party, together with such broker's opinion as to the adequacy thereof and compliance in all material respects with the provisions of this Schedule 3.20.

15. Each Loan Party shall promptly provide the Collateral Agent with any information which the Collateral Agent reasonably requests for the purpose of obtaining or preparing any report from an independent marine insurance consultant as to the adequacy of the insurances effected or proposed to be effected in accordance with this Schedule 3.20 as of the date hereof or in connection with any renewal thereof, and such Loan Party shall upon demand indemnify the Collateral Agent in respect of all reasonable fees and other expenses incurred by or for the account of the Collateral Agent in connection with any such report; provided the Collateral Agent shall be entitled to such indemnity only for one such report during any period of twelve months.

Letters of Undertaking

16. The marine insurance broker placing the marine and war risk hull and machinery insurance shall furnish the Collateral Agent with a letter of undertaking containing terms and subject to such conditions as are customary in the New York market and agreeing, either in its own name or by causing the policies to be appropriately endorsed, as appropriate:

16.1 to cause to be endorsed on each and every policy as and when the same is issued a notice of assignment and loss payable clause in substantially the forms appended to the General Assignment Agreement or otherwise satisfactory to the Collateral Agent;

16.2 to promptly advise the Collateral Agent of any expiration, termination, alteration or cancellation of any policy, or upon the request of the Collateral Agent, of any default in the payment of any premium or call, and to provide or cause to be provided an opportunity of paying any unpaid premium or call, such right being exercisable by the Collateral Agent on an individual not on a fleet basis; and

16.3 not to set off against any sum recoverable in respect of a claim against a Collateral Vessel, any sum claimed by the marine insurance broker or the underwriters in respect of any other vessel.

17. The protection and indemnity association or club, with respect to protection and indemnity cover, shall furnish the Collateral Agent with its standard form letter of undertaking consenting to the mortgage on each Collateral Vessel (if such consent is required by its rules) and containing its standard form of loss payable clause and standard form notice of cancellation for nonpayment clause.

Payment of Claims

18. Unless the Collateral Agent shall otherwise agree, all amounts of whatsoever nature payable under any insurance must be payable to the Collateral Agent for distribution first to itself and thereafter to the relevant Loan Party or others as their interests may appear. Nevertheless, until otherwise required by the Collateral Agent by notice to the underwriters upon the occurrence and continuance of a Default or an Event of Default:

18.1. amounts payable under any insurance on the Collateral Vessel owned by such Loan Party with respect to protection and indemnity risks may be paid directly to such Loan Party to reimburse it for any loss, damage or expense incurred by it and covered by such insurance or to the person to whom any liability covered by such insurance has been incurred provided that the underwriter shall have first received evidence that the liability insured against has been discharged;

18.2. amounts payable under any insurance with respect to such Collateral Vessel involving any damage to such Collateral Vessel in an amount (net of deductibles) less than US$1,000,000 in the aggregate may be paid by underwriters directly for the repair, salvage or other charges involved or, if such Loan Party shall have first fully repaired the damage or paid all of the salvage or other charges, may be paid to such Loan Party as reimbursement therefor; and

18.3 notwithstanding the terms of any loss payable clause or notice of assignment, the marine insurance broker shall be empowered to:

18.3.1 pay all returns of premium to the Loan Parties or to their order;

18.3.2 arrange for collision or salvage guarantees, or both, to be given in the event of bail or other security being required in order to prevent to arrest of a Collateral Vessel, or to secure the release of a Collateral Vessel from arrest following a casualty; and

18.3.3 where a guarantee has been given as aforesaid and the guarantor has paid any sum under the guarantee in respect of such claim, to pay directly to the guarantor out of the proceeds of insurance a sum equal to the sum so paid.

19. In case any underwriter proposes to pay less on any claim than the amount thereof, each Loan Party shall forthwith inform the Collateral Agent, and if a Default, an Event of Default or a Total Loss (as defined in the Credit Agreement) of any Collateral Vessel has occurred and is continuing, the Collateral Agent shall have the exclusive right to negotiate and agree to any compromise.

Application of Proceeds

20. All amounts paid to the Collateral Agent in respect of any insurance on a Collateral Vessel shall be disposed of as follows (after deduction of the expenses of the Collateral Agent in collecting such amounts):

20.1 any amount which might have been paid at the time, in accordance with the provisions of paragraph 18 above, directly to the Loan Party that owns such Collateral Vessel or others shall be paid by the Collateral Agent to, or as directed by, such Loan Party;

20.2 all amounts paid to the Collateral Agent in respect of a Casualty Event of the Collateral Vessel shall be applied by the Collateral Agent in accordance with Section 2.10(b)(iv) of the Credit Agreement; and

20.3 all other amounts paid to the Collateral Agent in respect of any insurance on such Collateral Vessel may, in the Collateral Agent's sole discretion, be held and applied to the prepayment of the Secured Obligations or to the making of needed repairs or other work on such Collateral Vessel, or to the payment of other claims incurred by the Loan Party that owns such Collateral Vessel relating to the Collateral Vessel, or may be paid to such Loan Party or whosoever may be entitled thereto.

Insurance Covenants

21. Each Loan Party agrees that it will not execute or permit or willingly allow to be done any act by which any insurance may be suspended, impaired or cancelled, and that it will not permit or allow the Collateral Vessel owned by such Loan Party to undertake any voyage or run any risk or transport any cargo which may not be permitted by the policies in force, without having previously notified the Collateral Agent in writing and insured such Collateral Vessel by additional coverage to extend to such voyages, risks, passengers or cargoes.

22. Each Loan Party will comply with and satisfy all of the provisions of any applicable law, convention, regulation, proclamation or order concerning financial responsibility for liabilities imposed on such Loan Party or the Collateral Vessel owned by such Loan Party with respect to pollution by the United States of America or any other competent state or nation or political subdivision of any thereof and will maintain all certificates or other evidence of financial responsibility as may be required by any such law, convention, regulation, proclamation or order with respect to the trade in which such Collateral Vessel is from time to time engaged and the cargo carried by it.

Schedule 5.14

Omitted

Schedule 5.15

Post-Closing Matters

1. Not later than 45 days after the Initial Borrowing Date, each Subsidiary Guarantor that owns a Core Collateral Vessel shall have duly authorized, executed and delivered, and caused to be recorded or registered in accordance with the laws of the applicable Acceptable Flag Jurisdiction in which such Core Collateral Vessel is registered, an amendment to the Collateral Vessel Mortgage with respect to such Core Collateral Vessel and which shall attach each Bank Product Agreement required to create in favor of the Security Trustee for the benefit of the Secured Parties a legal, valid and enforceable first preferred ship mortgage lien upon such Core Collateral Vessel, subject only to Permitted Liens related thereto.

Schedule 6.01(b)

Existing Indebtedness

Type of Indebtedness	Description of Indebtedness	Outstanding on Closing Date unless otherwise noted
Term Loan	The Sinosure Facility	$269,705,313
Bond	The 8.5% Senior Notes – Senior unsecured notes due 2023 issued by Holdings under an indenture dated as of May 31, 2018 (the "Base Indenture"), between Holdings and The Bank of New York Mellon, as trustee (the "Trustee"), as supplemented by a supplemental indenture dated as of May 31, 2018 (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between Holdings and the Trustee. The Notes will mature on June 30, 2023 and bear interest at a rate of 8.50% per annum. Interest on the Notes will be payable in arrears on March 30, June 30, September 30 and December 30 of each year.	$25,000,000
Interest rate swap	A floating-to-fixed interest rate swap agreement dated as of May 24, 2019 ("Sinosure Interest Rate Swap") between Gener8 Maritime Subsidiary VII, Inc. and Citibank, N.A. (London Branch) covering the balance outstanding under the Sinosure Facility that effectively converts the Borrower's interest rate exposure under the Sinosure Facility from a floating rate based on three-month LIBOR to a fixed rate of 2.76%, through the termination date of March 21, 2025.	$10,110,310*
Rate Collar Transaction	Confirmation dated as of July 26, 2019, with respect to the certain Amended and Restated Rate Cap Transactions between International Seaways Operating Corporation and Jefferies Financial Services, Inc, dated as of July 25, 2018, with reference No. 121225.	$2,730,062*
Financial Guarantee	The maximum aggregate potential amount of future payments (undiscounted) that the Borrower could be required to make under a guarantee dated as of March 29, 2018 between Holdings as ING Bank N.V., as security trusteed in relation to its FSO Joint Ventures' secured bank debt and interest rate swap obligations. Such obligations being a (i) $220,000,000 secured term loan facility dated as of March 29,2018, by and among TI Africa Limited and TI Asia Limited, as joint and several borrowers, ABN AMRO Bank N.V. and ING Belgium SA/NV, as Lenders, Mandated Lead Arrangers and Swap Banks, and ING Bank N.V., as Agent and as Security Trustee maturing between July 2022 and September 2022 and (ii) four (4) floating-to-fixed interest rate swap agreements by and among TI Africa Limited and TI Asia Limited with ABN AMRO Bank N.V. and ING Belgium SA/NV, which cover the notional amounts outstanding under the FSO Loan Facility and pay fixed rates of approximately 4.858% and receive a floating rate based on LIBOR, respectively.	$77,064,884*
	Carrying value of the guarantee on the Borrower's balance sheet dated as of March 29, 2018 between Holdings as ING Bank N.V., as security trusteed in relation to its FSO Joint Ventures' secured bank debt and interest rate swap obligations described above.	$348,615*

* Value as of September 30, 2019

Type of Indebtedness	Description of Indebtedness	Outstanding on Closing Date unless otherwise noted
Capitalized Lease Obligation	All rental obligations which, under GAAP, are required to be capitalized on the books of the borrower (See detail table below).	$29,628,154**

** Capitalized Lease Obligation

	Lease Termination Date	Remaining Lease Term (Years)	Total lease liability at Closing Date
VESSEL ASSETS			
Bareboat Charters-in			
Seaways Yellowstone	12/16/2023	3.87	$9,727,547
Seaways Yosemite	3/21/2024	4.14	$10,316,313
Time Charters-in			
PTI Sextans	6/20/2020	0.39	$704,355
PTI Cygnus	6/29/2020	0.41	$703,019
PTI Hercules	7/2/2020	0.42$	780,097
Mary Cheramie	6/29/2021	1.41	$1,290,036
Ice Victory	8/16/2021	1.54	$3,864,154
OFFICE and OTHER SPACE LEASES			
600 Third Avenue	8/31/2021	1.58	$1,495,323
Freeport Facility	12/14/2024	4.87	$747,310

Added and included only to the extent constituting Indebtedness

Type of Indebtedness	Description of Indebtedness	Outstanding on Closing Date unless otherwise noted
Guarantee	Holdings and Euronav N.V., as several guarantors under a credit facility made available by ING Belgium NV/SA to TI Africa Limited and TI Asia Limited, as Borrowers, to issue performance guarantees in favor of North Oil Company up to a maximum amount of $10,000,000 in relation to the FSO Africa Contact and the FSO Asia Contract, dated July 14, 2017.	
Guarantee	Guarantee issued by Holdings to the Trustees of the Retirement Benefits Plan of INSW Ship Management UK Ltd., a wholly-owned subsidiary of the Borrower.	
Pool Revolving Credit Facilities	Currently because of the structure of the pools in which we operate (where we time-charter our vessels to a separate pool legal entity, which then undertakes receivables financing without a separate guarantee from the pool participant), the amount of indebtedness relating to the group is de minimis. This changes from time to time depending on the structure of the pools in which we choose to operate. Collectively, four of the six pools in which we operate had approximately $92 million of outstanding credit facility drawdowns as of September 30, 2019, in respect of all vessels (approximately 130 vessels in total, of which approximately 19 were INSW vessels)	
Insurance Bond	International Carrier Bond, Policy # 140528010; continuous until canceled; Insured: International Seaways, Inc.; Insurer: Atlantic Specialty Insurance Company; limit: $1 million	
Insurance Bond	International Carrier Bond, Policy # 150113004; continuous until canceled; Insured: Lightering LLC; Insurer: Westchester Insurance Company; limit: $50,000.	
Insurance Bond	Importer/Broker Bond, Policy # 140528010; current expiry date 05/06/20; Insured: Lightering LLC; Insurer: Atlantic Specialty Insurance Company; limit: $50,000.	

Schedule 6.04(a)

Existing Investments

Name of Investee	Borrower or Subsidiary	Carrying Amount of Investment as of September 30, 2019	Percentage of Ownership Interest of Borrower or Subsidiary	Place of Incorporation of Investee
TI Asia Limited	Africa Tanker Corporation	$ 65,281,201	50.0%	Hong Kong
TI Africa Limited	Africa Tanker Corporation	$ 69,767,660	50.0%	Hong Kong
Tankers International L.L.C.	International Seaways Operating Corporation	$ 96,977	32%	Marshall Islands
Tankers (UK) Agencies Limited	International Seaways Operating Corporation	$ 910,957	22%	United Kingdom
Panamax International Ltd.	Overseas Shipping (GR) Ltd.	$ -	50.0%	Marshall Islands
Clean Products International Ltd. (a pool)	OSG Clean Products International, Inc.	$ -	50.0%	Marshall Islands

Schedule 6.09(d)

Certain Affiliate Transactions

The Borrower's wholly owned subsidiaries, Second Katsura Tanker Corporation, a Subsidiary Guarantor, and Katsura Tanker Corporation entered into a time charter agreement for Katsura Tanker Corporation's hire of the Seaways Raffles, a Core Collateral Vessel, for a period of 36 months beginning September 1, 2018 at a fixed rate of $26,000 per day at arm's-length price. If Second Katsura Tanker Corporation elects to install an exhaust gas cleaning system ("Scrubber") which permits the vessel to burn high sulfur fuel and remain in compliance with international regulation relating to sulfur gas emissions, then the rate shall increase to $32,000 per day effective after completion of the Scrubber installation. This time charter, which is part of the security package for the $29,150,000 senior secured credit agreement, dated as of June 7, 2018, among Holdings, as guarantor, Seaways Shipping Corporation, as borrower, the other guarantors from time to time party thereto, the banks, financial institutions and other institutional lenders from time to time party thereto as lenders and ABN, as facility agent and security trustee, as amended, will terminate on the Initial Borrowing Date

EXHIBIT A

[Form of]
ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the "**Assignment and Acceptance**") is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] "**Assignor**") and [the][each] Assignee identified in item 2 below ([the][each, an] "**Assignee**"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below, receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective Classes identified below (including without limitation any guarantees included in such Classes), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "**Assigned Interest**"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

2. Assignee[s]: _____
[and is [a Lender] [an Affiliate of a Lender] [an Approved Fund] of [*identify Lender*]]

3. Borrower: International Seaways Operating Corporation, a Marshall Islands corporation

4. Administrative Agent: Nordea Bank Abp, New York Branch, as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto.

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Class Assigned	Aggregate Amount of Commitment/Loans under relevant Class for all Lenders	Amount of Commitment/ Principal Amount of Loans under relevant Class Assigned	Percentage Assigned of Commitment/ Loans
			$	$	%
			$	$	%

[7. Trade Date: _____]

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By:_____
Title:

[NAME OF ASSIGNOR]

By:_____
Title:

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By:_____
Title:

[NAME OF ASSIGNEE]

By:_____
Title:

Consented to and Accepted:

NORDEA BANK ABP, NEW YORK BRANCH,
as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document (other than this Assignment and Acceptance), (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents (other than this Assignment and Acceptance) or any collateral thereunder, (iii) the financial condition of Holdings, the Borrower, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it is not a Disqualified Institution and it meets all the requirements of an Eligible Assignee under the Credit Agreement (subject to such consents, if any, as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vii) it is not a Defaulting Lender, (viii) if it is not already a Lender under the Credit Agreement, attached to the Assignment and Acceptance an Administrative Questionnaire in the form provided by the Administrative Agent and (ix) attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to Section 2.15 of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the

Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

[Form of]
BORROWING REQUEST

Nordea Bank Abp, New York Branch,
as Administrative Agent for the Lenders referred to below
1211 Avenue of the Americas
New York, New York, 10036
Attention: Shipping, Offshore and Oil Services
Telephone: (212) 318-9630
Email: agency.soosid@nordea.com / martin.lunder@nordea.com

Re: International Seaways Operating Corporation

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and that in connection therewith sets forth below the terms on which such Borrowing is requested to be made:

(A)Class of Borrowing: [Revolving Borrowing]

[Term Borrowing of Core Term Loans][Term Borrowing of Transition Term Loans]

(B) Principal amount of Borrowing:

(C)Date of Borrowing (which is a Business Day):

(D)Interest Period and the last day thereof:

(E)Funds are requested to be disbursed to the Borrower's account with:
Account No.

[Attached hereto as Exhibit A are the calculations establishing and evidencing the Borrower's compliance with the requirements of Sections 2.01(b) and 4.02(d) of the Credit Agreement for the proposed Borrowing.] [Attached hereto as Exhibit A are the calculations establishing and evidencing the Borrower's compliance with the requirements of Section 4.02(d) of the Credit Agreement for the proposed Borrowing.]

The Borrower hereby represents and warrants that the conditions to lending specified in Sections 4.02(b), and (c) of the Credit Agreement are satisfied as of the date hereof.

[Signature Page Follows]

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as Borrower

By:
Name:
Title:

Exhibit A

[Insert calculations evidencing compliance with [Section 2.01(b) and] Section 4.02(d) of the Credit Agreement]

EXHIBIT C

[Form of]
COMPLIANCE CERTIFICATE

This compliance certificate (this "**Certificate**") is delivered to you pursuant to Section 5.01(c) of the Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

1.I am the duly elected, qualified and acting [*specify type of Financial Officer*] of the Borrower.

2.I have reviewed and am familiar with the contents of this Certificate.

3.I have reviewed the terms of the Credit Agreement and the other Loan Documents and have made, or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Holdings, the Borrower and their respective Subsidiaries during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "**Financial Statements**"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Certificate, of any condition or event which constitutes a Default[, except as set forth below].

4. Attached hereto as Attachment 2 are the computations showing compliance with the Financial Covenants set forth in Section 6.10 of the Credit Agreement and a calculation of the Applicable Core Margin and Applicable Commitment Fee Rate.

5. Attached hereto as Attachment 3 is a list of all Collateral Vessels as of the end the most recent fiscal quarter.

[6.Attached hereto as Attachment 4 are the Vessel Appraisals for all Collateral Vessels] .

[Signature Page Follows]

IN WITNESS WHEREOF, I execute this Certificate this ____ day of _____, 20__.

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as Borrower

By:
Name:
Title: [Financial Officer]

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ATTACHMENT 1

TO

COMPLIANCE CERTIFICATE

Financial Statements

The information described herein is as of [_____], and pertains to the fiscal [quarter] [year] ended [_____].

ATTACHMENT 2

TO

COMPLIANCE CERTIFICATE

[*Set forth in reasonable detail calculation showing compliance with the Financial Covenants*]

The calculations described herein are as of _____ __, ____ (the "Computation Date") and pertains to the period from _____ __, ____ to _____ __, ____ (the "Test Period").

A. Minimum Liquidity

1. Unrestricted Cash and Cash Equivalents $_____

2. Is Item 1 equal to or greater than the greater of (x) $50,000,000 or (y) an amount equal to 5% of the Consolidated Indebtedness of Holdings and its Wholly Owned Subsidiaries? YES/NO

B. Maximum Leverage Ratio and Total Leverage Ratio

1. As to Holdings and its Consolidated Subsidiaries, Consolidated Indebtedness $_____

2. As to Holdings and its Consolidated Subsidiaries, Consolidated Net Income for the Test Period $_____

3. To the extent deducted in calculating such Consolidated Net Income:

a. $_____

consolidated interest expense and amortization of debt discount and commissions and other fees and charges, including, without limitation, noncash interest payments, the interest component of capitalized lease obligations, net payments, if any, made (less net payments, if any, received), pursuant to any interest rate hedging agreements (including without limitation, any Hedging Agreements), amortization or write off of deferred financing fees, debt issuance costs, commissions, fees and expenses and to the extent not reflected in consolidated interest, any losses on any interest rate hedging agreements (including without limitation, any Hedging Agreements), associated with Indebtedness for such period (whether amortized or immediately expensed)

b. $_____

consolidated income tax expense for such period, including, without limitation, penalties and interest related to such taxes or arising from any tax examinations and tax expense in respect of repatriated funds

c. $_____

any gross transportation tax expense for such period

d. $_____

all amounts attributable to depreciation, amortization and impairment charges, including, without limitation, amortization of intangible assets (including goodwill) and amortization of deferred financing fees or costs for such period

e. $_____

any extraordinary losses, expenses or charges for such period, including, without limitation, accruals and payments for amounts payable under executive compensation agreements, severance costs, relocation costs, retention and completion bonuses and losses realized on disposition of property outside of the ordinary course of business and operating expenses directly attributable to the implementation of cost savings initiatives, and losses relating to activities constituting a business that is being terminated or discontinued

f. $_____

any non-cash management retention or incentive program charges for such period, including any accelerated charges relating to option plans

g. $_____

non-cash restricted stock compensation, including, without limitation, any restricted stock units

h. $_____

any non-cash charges or losses, including, without limitation, non-cash compensation expenses for such period, adjustments to bad-debt reserves, losses recognized in respect of postretirement benefits as a result of the application of FASB ASC 715, losses on minority interests owned by any person, all losses from investments recorded using the equity method and the noncash impact of accounting changes or restatements less any extraordinary gains for such period

i. $_____

any losses from the sales of any Vessel for such period

j. $_____

all costs and expenses incurred in connection with any equity issuances permitted hereunder so long as, notwithstanding anything set forth herein to the contrary, the Net Cash Proceeds of such equity issuances are applied to the prepayment of the Loan and such prepayments are applied to reduce the relevant payments due under the Loan Documents

k. $_____

non-recurring costs, charges, accruals, reserves and business optimization expense, including, without limitation, any severance and restructuring costs, integration costs related to acquisitions after the date of this Agreement, project start-up costs, transition costs, cost related to the opening, closure and/or consolidation of offices and facilities, contract termination costs, systems establishment costs, and excess pension charges

l. $_____

all non-recurring fees, costs and expenses related to any litigation or settlements

m. $_____

any proceeds from business interruption insurance

n. $_____

any charges, losses, lost profits, expenses or write-offs to the extent indemnified or insured by a third party to the extent that coverage has not been denied and so long as such amounts are actually reimbursed to Holdings or any of its Subsidiaries within one year after the related amount is first added to Consolidated EBITDA pursuant to this paragraph

o. $_____

cash expenses relating to earn outs and similar obligations

p. $_____

all costs and expenses incurred in connection with the Loan Documents

TOTAL (3(a) through 3(p)): $_____

4. To the extent added in calculating such Consolidated Net Income:

a.	$_____
any extraordinary gains for such period b.	$_____
any gains from the sales of any Vessel for such period c.	$_____
any gains realized on disposition of property not in the ordinary course TOTAL (4(a) through 4(c)):	$_____
5. Consolidated EBITDA of Holdings and its Subsidiaries (Item 2 plus Item 3 minus Item 4)	$_____
6. Unrestricted Cash and Cash Equivalents	$_____
7. Consolidated Net Indebtedness (Item 1 minus Item 6)	$_____
8. Net Worth (i.e., Equity) of Holdings and its Subsidiaries on a consolidated basis determined in accordance with GAAP	$_____
9. Consolidated Total Capitalization (Item 7 plus Item 8)	$_____
10. Maximum Leverage Ratio (ratio of Item 7 to Item 9)	[___]:1.00
11. Is the ratio in Item 10 equal to or less than 0.60 to 1.00?	YES/NO
12. Total Leverage Ratio (ratio of Item 1 to Item 5)	[___]:1.00
13. Applicable Commitment Fee Rate	[__]%
14. Applicable Core Margin	[__]%

C. Minimum Working Capital

1. Current Assets	$_____
2. Current Liabilities	$_____
3. Item 1 minus Item 2	$_____
4. Is the amount in Item 3 equal to or greater than $0?	YES/NO

D. Core Collateral Maintenance

1.	Aggregate outstanding principal amount of Core Term Loans and Revolving Loans on the Computation Date.	$_____
2.	Vessel Appraised Value of the Core Collateral Vessels	$_____
3.	Additional Collateral	$_____
4.	Item 2 plus Item 3	$_____
5.	Is Item 4 equal to or greater than 135% of Item 1?	YES/NO

E. Transition Collateral Maintenance

1.	Aggregate outstanding principal amount of Transition Term Loans on the Computation Date.	$_____
2.	Vessel Appraised Value of the Transition Collateral Vessels	$_____
3.	Additional Collateral	$_____
4.	Item 2 plus Item 3	$_____
5.	Is Item 4 equal to or greater than 175% of Item 1?	YES/NO

F. Interest Coverage Ratio

1.	Consolidated EBITDA (from item B.5 above)	$_____
2.	The total consolidated interest expense paid or payable in cash of Holdings and its Subsidiaries (including, without limitation, to the extent included under GAAP, all commission, discounts and other commitment fees and charges (e.g., fees with respect to letters of credit or any Hedging Agreement) for such period (calculated without regard to any limitations on payment thereof), adjusted to exclude (to the extent same would otherwise be included in the calculation above in this Item 2 (i)), the amortization of any deferred financing costs for such period and any interest expense actually "paid in kind" or accreted during such period, and excluding non-cash mark-to-market adjustments on Hedging Obligations that do not qualify under GAAP for hedge accounting treatment:	$_____
3.	Without duplication of Item F.2, that portion of Capital Lease Obligations of Holdings and its Subsidiaries on a consolidated basis representing the interest factor for such period	$_____
4.	Cash interest income	$_____

5. Consolidated Cash Interest Expense (Item 2, plus Item 3, minus Item 4 $_____

6. Interest Coverage Ratio (ratio of Item 1 to Item 5) [___]:1.00

7.Is the ratio in Item 6 equal to or greater than [2.25] [2.50] to 1.00? YES/NO

ATTACHMENT 3

TO

COMPLIANCE CERTIFICATE

1.
Collateral Vessels:

[ATTACHMENT 4

TO

COMPLIANCE CERTIFICATE

[Vessel Appraisals to be attached]]

EXHIBIT D

[Form of]
INTERCOMPANY SUBORDINATION AGREEMENT

[*attached*]

EXHIBIT D

INTERCOMPANY SUBORDINATION AGREEMENT

This INTERCOMPANY SUBORDINATION AGREEMENT, dated as of January [●], 2020 (as from time to time amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, this "**Intercompany Subordination Agreement**"), is made and entered into by and among each of the undersigned, to the extent a borrower from time to time (in such capacity for the purposes of this Intercompany Subordination Agreement, an "**Obligor**") from any other entity listed on the signature page (in such capacity for the purposes of this Intercompany Subordination Agreement, a "**Subordinated Creditor**").

RECITALS

(A) Reference is made to (i) that Credit Agreement, dated as of January 23, 2020 (as amended, amended and restated, supplemented, extended, renewed, restated, replaced or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent, collateral agent and security trustee thereunder (in such capacities, the "**Agent**"), and the other parties thereto, and any related notes, guarantees, collateral documents, instruments and agreements executed in connection with the Credit Agreement, and as amended, modified, renewed, refunded, replaced, restated, restructured, increased, supplemented or refinanced in whole or in part from time to time, regardless of whether such amendment, modification, renewal, refunding, replacement, restatement, restructuring, increase, supplement or refinancing is with the same lenders or holders, agents or otherwise. Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to them in the Credit Agreement.

(B) All Indebtedness of each Obligor that is a Loan Party to each Subordinated Creditor now or hereafter existing (whether created directly or acquired by assignment or otherwise), and all principal, interest, premiums, costs, expenses, indemnification and other amounts thereon or payable in respect thereof or in connection therewith, are hereinafter referred to as the "**Subordinated Debt**".

(C) This Intercompany Subordination Agreement is entered into pursuant to the terms of the Credit Agreement and is delivered in connection therewith.

SECTION 1. Subordination

(a) Each Subordinated Creditor and each Obligor agrees that the Subordinated Debt is and shall be subordinate, to the extent and in the manner hereinafter set forth, to the prior payment in full in cash of all Secured Obligations (as defined in the Credit Agreement) of any such Obligor now or hereafter existing under the Credit Agreement, the other Loan Documents (as defined in the Credit Agreement) and the Bank Product Agreements (as defined in the Credit Agreement), including,

without limitation, where applicable, such Obligor's guarantee thereof (collectively, the "**Senior Indebtedness**").

(b) A Subordinated Creditor shall automatically be released from its obligations hereunder upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subordinated Creditor ceases to be a Subsidiary of Holdings.

SECTION 2. Events of Subordination. In the event of any dissolution, winding up, liquidation, arrangement, reorganization, adjustment, protection, relief or composition of any Obligor or its debts, whether voluntary or involuntary, in any bankruptcy, insolvency, arrangement, reorganization, receivership, relief or other similar case or proceeding under any Insolvency Law or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of any Obligor or otherwise, the holders of Senior Indebtedness shall be entitled to receive payment in full in cash of all Senior Indebtedness before any Subordinated Creditor is entitled to receive any payment of any kind or character (whether in cash, property or securities) of all or any of the Subordinated Debt, and any payment or distribution of any kind or character (whether in cash, property or securities) that otherwise would be payable or deliverable upon or with respect to the Subordinated Debt in any such case, proceeding, assignment, marshalling or otherwise (including any payment that may be payable by reason of any other indebtedness of such Obligor being subordinated to payment of the Subordinated Debt) shall be paid or delivered directly to the Agent for the account of the holders of Senior Indebtedness for application (in the case of cash) to, or as collateral (in the case of non-cash property or securities) for, the payment or prepayment of the Senior Indebtedness until the Senior Indebtedness shall have been paid in full in cash.

(c) If any Event of Default has occurred and is continuing under the Credit Agreement, then no payment (including any payment that may be payable by reason of any other Indebtedness of any Obligor being subordinated to payment of the Subordinated Debt) or distribution of any kind or character (whether in cash, property or securities) shall be made by or on behalf of any Obligor for or on account of any Subordinated Debt, and no Subordinated Creditor shall take or receive from or on behalf of any Obligor, directly or indirectly, in cash or other property or by set-off or in any other manner, including, without limitation, from or by way of collateral, payment of all or any of the Subordinated Debt, unless and until (x) all Senior Indebtedness shall have been paid in full in cash or (y) such Event of Default shall have been cured or waived, unless otherwise agreed in writing by the Agent.

(d) Except as otherwise set forth in Sections 2(a) and (b) above, any Obligor is permitted to pay, and any Subordinated Creditor is entitled to receive, any payment or prepayment of principal and interest on the Subordinated Debt in accordance with the terms thereof.

SECTION 3. In Furtherance of Subordination. Each Subordinated Creditor agrees as follows:

(a) If any proceeding referred to in Section 2(a) above is commenced by or against any Obligor,

(i) the Agent is hereby irrevocably authorized and empowered (in its own name or in the name of each Subordinated Creditor or otherwise), but shall have no obligation, to demand, sue for, collect and receive every payment or distribution referred to in Section 2(a) and give acquittance therefor and to file claims and proofs of claim and take such other action (including, without limitation, voting the Subordinated Debt or enforcing any security interest or other lien securing payment of the Subordinated Debt) as it may deem necessary or advisable for the exercise or enforcement of any of the rights or interests of the Agent and/or the Lenders hereunder; and

(ii) each Subordinated Creditor shall duly and promptly take such action as the Agent may reasonably request (A) to collect the Subordinated Debt for the account of the Agent and of the other Secured Parties and to file appropriate claims or proofs or claim in respect of the

Subordinated Debt, (B) to execute and deliver to the Agent such powers of attorney, assignments, or other instruments as the Agent may request in order to enable the Agent to enforce any and all claims with respect to, and any security interests and other liens securing payment of, the Subordinated Debt, and (C) to collect and receive any and all payments or distributions which may be payable or deliverable upon or with respect to the Subordinated Debt.

(b) All payments or distributions upon or with respect to the Subordinated Debt which are received by each Subordinated Creditor contrary to the provisions of this Intercompany Subordination Agreement shall be received in trust for the benefit of the Agent and of the other Secured Parties, shall be segregated from other funds and property held by such Subordinated Creditor and shall be forthwith paid over to the Agent for the account of the Agent and of the other Secured Parties in the same form as so received (with any necessary indorsement) to be applied (in the case of cash) to, or held as collateral (in the case of non-cash property or securities) for, the payment or prepayment of the Senior Indebtedness in accordance with the terms of the Credit Agreement.

(c) The Agent is hereby authorized to demand specific performance of this Intercompany Subordination Agreement, whether or not any Obligor shall have complied with any of the provisions hereof applicable to it, at any time when any applicable Subordinated Creditor shall have failed to comply with any of the provisions of this Intercompany Subordination Agreement applicable to it. Each Subordinated Creditor hereby irrevocably waives any defense based on the adequacy of a remedy at law, which might be asserted as a bar to such remedy of specific performance.

SECTION 4 Rights of Subrogation. Each Subordinated Creditor agrees that no payment or distribution to the Agent or the other Secured Parties pursuant to the provisions of this Intercompany Subordination Agreement shall entitle such Subordinated Creditor to exercise any right of subrogation in respect thereof until the Senior Indebtedness shall have been paid in full in cash.

SECTION 5 Further Assurances. Each Subordinated Creditor and each Obligor will, at its expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Agent may reasonably request in writing, in order to protect any right or interest granted or purported to be granted hereby or to enable the Agent or any other Secured Party to exercise and enforce its rights and remedies hereunder.

SECTION 6 Agreements in Respect of Subordinated Debt. No Subordinated Creditor will, except as permitted under the Credit Agreement:

(i) sell, assign, pledge, encumber or otherwise dispose of any of the Subordinated Debt unless such sale, assignment, pledge, encumbrance or disposition is made expressly subject to this Intercompany Subordination Agreement; or

(ii) permit the terms of any of the Subordinated Debt to be changed in such a manner as to have a material adverse effect upon the rights or interests of the Agent or any other Secured Party hereunder.

SECTION 7. Agreement by the Obligors. Each Obligor agrees that it will not make any payment of any of the Subordinated Debt, or take any other action, in each case if such payment or other action would be in contravention of the provisions of this Intercompany Subordination Agreement.

SECTION 8. Obligations Hereunder Not Affected. All rights and interests of the Agent, the Lenders and the other Secured Parties hereunder, and all agreements and obligations of each Subordinated Creditor and each Obligor under this Intercompany Subordination Agreement, shall remain in full force and effect irrespective of:

(i)
any amendment, extension, renewal, compromise, discharge, acceleration or other change in the time for payment or the terms of the Senior Indebtedness or any part thereof;

(ii)
any taking, holding, exchange, enforcement, waiver, release, failure to perfect, sell or otherwise dispose of any security for payment of the Guarantees or any Senior Indebtedness;

(iii)
the application of security and directing the order or manner of sale thereof as the Agent and the other Secured Parties in their sole discretion may determine;

(iv)
the release or substitution of one or more of any endorsers or other guarantors of any of the Senior Indebtedness;

(v)
the taking of, or failure to take any action which might in any manner or to any extent vary the risks of any Guarantor or which, but for this Section 8, might operate as a discharge of such Guarantor;

(vi)
any defense arising by reason of any disability, change in corporate existence or structure or other defense of any Obligor, any other Guarantor or a Subordinated Creditor, the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of such Obligor, any other Guarantor or a Subordinated Creditor;

(vii)
any defense based on any claim that such Guarantor's or Subordinated Creditor's obligations exceed or are more burdensome than those of any Obligor, any other Guarantor or any other subordinated creditor, as applicable;

(viii)
the benefit of any statute of limitations affecting such Guarantor's or Subordinated Creditor's liability hereunder;

(ix)
any right to proceed against any Obligor, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of any Secured Party, whatsoever;

(x)
any benefit of and any right to participate in any security now or hereafter held by any Secured Party, and

(xi)
to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties.

This Intercompany Subordination Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Senior Indebtedness is rescinded or must otherwise be returned by the Agent or any Lender or any other Secured Party upon the insolvency, bankruptcy or reorganization of any Obligor or otherwise, all as though such payment had not been made.

SECTION 9. Waiver. Each Subordinated Creditor and each Obligor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Intercompany Subordination Agreement and any requirement that the Agent or any other Secured Party protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against any Obligor or any other person or entity or any collateral.

SECTION 10 Amendments, Etc. No amendment or waiver of any provision of this Intercompany Subordination Agreement, and no consent to any departure by any Subordinated Creditor or any Obligor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent, each Obligor and each Subordinated Creditor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that amendments hereto shall be effective as against the Lenders only if executed and delivered by the Agent (with the written consent of the Required Lenders at such time).

SECTION 11 Expenses; Indemnity. This Intercompany Subordination Agreement is entitled to the benefits of Section 11.03 of the Credit Agreement.

SECTION 12.Addresses for Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 11.01 of the Credit Agreement. All communications and notice hereunder to an Obligor shall be given in care of the Borrower.

SECTION 13.No Waiver; Remedies. No failure on the part of the Agent or any Lender or any other Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 14.Joinder. Upon execution and delivery after the date hereof by any Subsidiary of a joinder agreement in substantially the form of Exhibit A hereto, each such party shall become an Obligor and/or a Subordinated Creditor, as applicable, hereunder with the same force and effect as if originally named as an Obligor or a Subordinated Creditor, as applicable, hereunder. The rights and obligations of each Obligor and each Subordinated Creditor hereunder shall remain in full force and effect notwithstanding the addition of any new Obligor or Subordinated Creditor as a party to this Intercompany Subordination Agreement.

SECTION 15.Governing Law; Jurisdiction; Etc. THIS INTERCOMPANY SUBORDINATION AGREEMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS INTERCOMPANY SUBORDINATION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAW OF THE STATE OF NEW YORK.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE LOCATED IN THE BOROUGH OF MANHATTAN, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INTERCOMPANY SUBORDINATION AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN

RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENTS. NOTHING IN THIS INTERCOMPANY SUBORDINATION AGREEMENT SHALL AFFECT ANY RIGHT THAT THE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS INTERCOMPANY SUBORDINATION AGREEMENT AGAINST ANY OBLIGOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INTERCOMPANY SUBORDINATION AGREEMENT IN ANY COURT REFERRED TO IN SECTION 15(b) OF THIS INTERCOMPANY SUBORDINATION AGREEMENT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INTERCOMPANY SUBORDINATION AGREEMENT, IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN FACSIMILE OR EMAIL) IN SECTION 12 OF THIS INTERCOMPANY SUBORDINATION AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS INTERCOMPANY SUBORDINATION AGREEMENT OR ANY OTHER LOAN DOCUMENT, EACH OBLIGOR AND EACH SUBORDINATED CREDITOR HEREBY IRREVOCABLY AND UNCONDITIONALLY APPOINTS THE BORROWER, WITH AN OFFICE FOR SERVICE OF PROCESS DELIVERY ON THE DATE HEREOF AT C/O INTERNATIONAL SEAWAYS SHIP MANAGEMENT LLC, 600 THIRD AVENUE, 39TH FLOOR, NEW YORK, NEW YORK 10016, AND ITS SUCCESSORS (THE "**PROCESS AGENT**"), AS ITS AGENT TO RECEIVE ON BEHALF OF SUCH OBLIGOR AND SUCH SUBORDINATED CREDITOR AND ITS PROPERTY ALL WRITS, CLAIMS, PROCESS, AND SUMMONSES IN ANY ACTION OR PROCEEDING BROUGHT AGAINST SUCH OBLIGOR OR SUCH SUBORDINATED CREDITOR IN THE STATE OF NEW YORK. SUCH SERVICE MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO THE APPLICABLE OBLIGOR OR SUBORDINATED CREDITOR IN CARE OF THE PROCESS AGENT AT THE ADDRESS SPECIFIED ABOVE FOR THE PROCESS AGENT, AND EACH OBLIGOR AND EACH SUBORDINATED CREDITOR IRREVOCABLY AUTHORIZES AND DIRECTS THE PROCESS AGENT TO ACCEPT SUCH SERVICE ON ITS BEHALF. FAILURE BY THE PROCESS AGENT TO GIVE NOTICE TO THE APPLICABLE OBLIGOR OR SUBORDINATED CREDITOR, OR FAILURE OF THE APPLICABLE OBLIGOR OR SUBORDINATED CREDITOR, TO RECEIVE NOTICE OF SUCH SERVICE OF PROCESS SHALL NOT IMPAIR OR AFFECT THE VALIDITY OF SUCH SERVICE ON THE PROCESS AGENT OR SUCH OBLIGOR OR SUBORDINATED CREDITOR, OR OF ANY JUDGMENT BASED THEREON. EACH OBLIGOR AND EACH SUBORDINATED CREDITOR COVENANTS AND AGREES THAT IT SHALL TAKE ANY AND ALL REASONABLE ACTION, INCLUDING THE EXECUTION AND FILING OF ANY AND ALL DOCUMENTS THAT MAY BE NECESSARY TO CONTINUE THE DESIGNATION OF THE PROCESS AGENT ABOVE IN FULL FORCE AND EFFECT, AND TO CAUSE THE PROCESS AGENT TO ACT AS SUCH. EACH OBLIGOR AND EACH SUBORDINATED CREDITOR HERETO

FURTHER COVENANTS AND AGREES TO MAINTAIN AT ALL TIMES AN AGENT WITH OFFICES IN NEW YORK CITY TO ACT AS ITS PROCESS AGENT. NOTHING IN THIS INTERCOMPANY SUBORDINATION AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LEGAL REQUIREMENTS.

(e) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS INTERCOMPANY SUBORDINATION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS INTERCOMPANY SUBORDINATION AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 15(e).

SECTION 16. Counterparts; Effectiveness. This Intercompany Subordination Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Intercompany Subordination Agreement by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Intercompany Subordination Agreement. This Intercompany Subordination Agreement shall become effective when it shall have been executed by the Subordinated Creditors, the Obligors and the Agent, and thereafter shall be binding upon and inure to the benefit of each Obligor, each Subordinated Creditor, the Agent, each other Secured Party and their respective permitted successors and assigns, subject to Section 6 hereof. Delivery of an executed counterpart of a signature page of this Intercompany Subordination Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Intercompany Subordination Agreement.

SECTION 17. Rights under Agreement. No person other than the parties hereto, the Lenders from time to time and their successors and assigns as holders of the Senior Indebtedness and the Subordinated Debt shall have any rights under this Agreement.

SECTION 18. Severability of Provisions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[*Remainder of page left intentionally blank*]

IN WITNESS WHEREOF, each Subordinated Creditor and each Obligor has caused this Intercompany Subordination Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

INTERNATIONAL SEAWAYS, INC.,
as a Subordinated Creditor and an Obligor

By: _____
Name:
Title:

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as a Subordinated Creditor and an Obligor

By: _____
Name:
Title:

1372 TANKER CORPORATION
AMALIA PRODUCT CORPORATION
ATHENS PRODUCT TANKER CORPORATION
BATANGAS TANKER CORPORATION
CABO HELLAS LIMITED
CARL PRODUCT CORPORATION
FRONT PRESIDENT INC.
GOLDMAR LIMITED
HATTERAS TANKER CORPORATION,
each, as a Subordinated Creditor and an Obligor

By: _____
Name:
Title:

JADEMAR LIMITED
KYTHNOS CHARTERING CORPORATION
LEYTE PRODUCT TANKER CORPORATION
MAPLE TANKER CORPORATION
MILOS PRODUCT TANKER CORPORATION
MINDANAO TANKER CORPORATION
MONTAUK TANKER CORPORATION
OAK TANKER CORPORATION
OVERSEAS SHIPPING (GR) LTD.
REYMAR LIMITED
ROSALYN TANKER CORPORATION
ROSEMAR LIMITED
RUBYMAR LIMITED
SAMAR PRODUCT TANKER CORPORATION
SEAWAYS SHIPPING CORPORATION
SECOND KATSURA TANKER CORPORATION
SILVERMAR LIMITED
SKOPELOS PRODUCT TANKER CORPORATION
TOKYO TRANSPORT CORP.,
each, as a Subordinated Creditor and an Obligor

By: _____
Name:
Title:

,

Agreed and acknowledged as of the date
above written:

NORDEA BANK ABP, NEW YORK BRANCH,
as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit A to the Intercompany Subordination Agreement

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of _____, 20__ (this "**Joinder**"), is delivered pursuant to the Intercompany Subordination Agreement, dated as of January [●], 2020 (as from time to time amended, amended and restated, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Intercompany Subordination Agreement**"), among International Seaways, Inc., a Marshall Islands corporation, International Seaways Operating Corporation, a Marshall Islands corporation, the other Subordinated Creditors and Obligors from time to time party thereto, and Nordea Bank Abp, New York Branch, as Administrative Agent under the Credit Agreement. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Intercompany Subordination Agreement.

1. Joinder in the Intercompany Subordination. The undersigned hereby agrees that on and after the date hereof, it shall be an "**Obligor**" and a "**Subordinated Creditor**" (as applicable) under and as defined in the Intercompany Subordination Agreement, hereby assumes and agrees to perform all of the obligations of an Obligor and a Subordinated Creditor thereunder and agrees that it shall comply with and be fully bound by the terms of the Intercompany Subordination Agreement as if it had been a signatory thereto as of the date thereof; *provided* that the representations and warranties made by the undersigned thereunder shall be deemed true and correct as of the date of this Joinder.

2. Unconditional Joinder. The undersigned acknowledges that the undersigned's obligations as a party to this Joinder are unconditional and are not subject to the execution of one or more Joinders by other parties. The undersigned further agrees that it has joined and is fully obligated as an Obligor and a Subordinated Creditor (as applicable) under the Intercompany Subordination Agreement.

3. Incorporation by Reference. All terms and conditions of the Intercompany Subordination Agreement are hereby incorporated by reference in this Joinder as if set forth in full.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

[_____]

By: _____
Name:
Title:

EXHIBIT E

[Form of]
INTEREST ELECTION REQUEST

[Date]

Nordea Bank Abp, New York Branch, as Administrative Agent for the Lenders referred to below
1211 Avenue of the Americas
New York, New York 10036
Attention: Shipping, Offshore and Oil Services
Telephone: (212) 318-9630
Email: agency.soosid@nordea.com / martin.lunder@nordea.com

Re: International Seaways Operating Corporation

Ladies and Gentlemen:

Pursuant to Section 2.08 of that certain Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"; capitalized terms used but not defined herein shall have the meanings given to such terms in the Credit Agreement), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto, the Borrower hereby gives the Administrative Agent notice that the Borrower hereby requests:

Continuation of Borrowings: to continue as Borrowings $_____ in presently outstanding _____ Borrowings with a final Interest Payment Date of _____ ____, _____ (which is a Business Day). The Interest Period for such Borrowings is _____ month[s].

[Signature Page Follows]

Very truly yours,

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as Borrower

By
Name:
Title:

EXHIBIT F-1

[Form of]
TERM NOTE

$[_____]New York, New York

[_____]

FOR VALUE RECEIVED, the undersigned Borrower (as defined in the Credit Agreement referred to below), HEREBY PROMISES TO PAY to _____ (or its registered assigns) (the "**Lender**"), on the [Core][Transition] Term Loan Maturity Date at the offices of Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") pursuant to the Credit Agreement (as hereinafter defined) for the financial institutions party thereto as Lenders, at its address at 1211 Avenue of the Americas, New York, New York 10036, or at such other place as the Administrative Agent may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the principal amount of the lesser of (a) _____ DOLLARS AND __ CENTS ($_____) and (b) the aggregate unpaid principal amount of all [Initial Core][Incremental Core][Transition] Term Loans of the Lender outstanding under the Credit Agreement referred to below. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the rates, and on the dates, specified in Section 2.06 of the Credit Agreement. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein.

The holder of this Note may endorse and attach a schedule to reflect the date and amount of each [Initial Core][Incremental Core][Transition] Term Loan of the Lender outstanding under the Credit Agreement, the date and amount of each payment or prepayment of principal hereof, and the date of each interest rate continuation pursuant to Section 2.08 of the Credit Agreement and the principal amount subject thereto; *provided* that the failure of the Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, the Administrative Agent for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. This Note is subject to the provisions thereof and is subject to optional and mandatory prepayment in whole or in part as provided therein.

This Note is secured and guaranteed as provided in the Credit Agreement and the Security Documents. Reference is hereby made to the Credit Agreement and the Security Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and guarantees, the terms and conditions upon which the security interest and each guarantee was granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuation of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE CREDIT AGREEMENT. TRANSFERS OF THIS NOTE MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF THE CREDIT AGREEMENT.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as Borrower

By:_____
Name:
Title:

EXHIBIT F-2

[Form of]
REVOLVING NOTE

$[_____]New York, New York

[_____]

FOR VALUE RECEIVED, the undersigned Borrower (as defined in the Credit Agreement referred to below), HEREBY PROMISES TO PAY to _____ [(or its registered assigns)] (the "**Lender**"), on the Revolving Maturity Date, at the offices of Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") pursuant to the Credit Agreement (as hereinafter defined) for the financial institutions party thereto as Lenders, at its address at 1211 Avenue of the Americas, New York, New York 10036, or at such other place as the Administrative Agent may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the principal amount of the lesser of (a) _____ DOLLARS AND __ CENTS ($_____) and (b) the aggregate unpaid principal amount of all Revolving Loans of the Lender outstanding under the Credit Agreement referred to below. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time at the rates, and on the dates, specified in Section 2.06 of the Credit Agreement. Terms used herein which are defined in the Credit Agreement shall have such defined meanings unless otherwise defined herein.

The holder of this Note may endorse and attach a schedule to reflect the date and amount of each Revolving Loan of the Lender outstanding under the Credit Agreement, the date and amount of each payment or prepayment of principal hereof, and the date of each interest rate continuation pursuant to Section 2.08 of the Credit Agreement and the principal amount subject thereto; *provided* that the failure of the Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, the Administrative Agent for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. This Note is subject to the provisions thereof and is subject to optional and mandatory prepayment in whole or in part as provided therein.

This Note is secured and guaranteed as provided in the Credit Agreement and the Security Documents. Reference is hereby made to the Credit Agreement and the Security Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and guarantees, the terms and conditions upon which the security interest and each guarantee was granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuation of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE CREDIT AGREEMENT. TRANSFERS OF THIS NOTE MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF THE CREDIT AGREEMENT.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as Borrower

By:_____
Name:
Title:

EXHIBIT G

[Form of]

PLEDGE AGREEMENT

[*attached*]

EXHIBIT G

FORM OF PLEDGE AGREEMENT

PLEDGE AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this "Agreement"), dated as of January [●], 2020, made by each of the undersigned pledgors (each a "Pledgor" and, together with any other entity that becomes a pledgor hereunder pursuant to Section 26 hereof, the "Pledgors") in favor of NORDEA BANK ABP, NEW YORK BRANCH, as Collateral Agent (in such capacity, together with any successor Collateral Agent, the "Pledgee"), for the benefit of the Secured Parties (as defined below).

W I T N E S S E T H :

WHEREAS, International Seaways, Inc., a Marshall Islands corporation ("Holdings"), International Seaways Operating Corporation, a Marshall Islands corporation (the "Borrower"), the various lenders from time to time party thereto (the "Lenders"), Nordea Bank Abp, New York Branch, as Administrative Agent (in such capacity, together with any successor Administrative Agent, the "Administrative Agent"), and the other persons party thereto from time to time, have entered into a Credit Agreement, dated as of January 23, 2020 (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement"), providing for the making of Loans and Revolving Commitments to the Borrower as contemplated therein (the Lenders holding from time to time outstanding Loans and/or Commitments, the Administrative Agent and the Pledgee, in each of the aforementioned capacities, are herein called the "Lender Creditors");

WHEREAS, the Borrower may at any time and from time to time after the date hereof enter into, or guaranty the obligations of one or more other Pledgors or any of their respective Subsidiaries under, one or more Bank Product Agreements from time to time with one or more Bank Product Providers (the Bank Product Providers together with the Lender Creditors are herein called the "Secured Parties");

WHEREAS, it is a condition precedent to the making of the Loans and the Revolving Loan Commitments to the Borrower under the Credit Agreement that each Pledgor shall have executed and delivered to the Pledgee this Agreement; and

WHEREAS, each Pledgor desires to enter into this Agreement in order to satisfy the condition described in the preceding paragraph;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Pledgee for the benefit of the Secured Parties and hereby covenants and agrees with the Pledgee for the benefit of the Secured Parties as follows:

1. SECURITY FOR OBLIGATIONS; ESTABLISHMENT OF EARNINGS ACCOUNT.

1.1. Security. This Agreement is made by each Pledgor for the benefit of the Secured Parties to secure:

(i)the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, principal, premium, interest, fees, commitments commission and indemnities (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Pledgor at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding)) of such Pledgor to the Lender Creditors (provided, in respect of the Lender Creditors which are Lenders, such aforementioned obligations, liabilities and indebtedness shall arise only for such Lenders (in such capacity) in respect of Loans and/or Commitments), whether now existing or hereafter incurred under, arising out of, or in connection with, the Credit Agreement and the other Loan Documents to which such Pledgor is a party (including, in the case of each Pledgor that is a Guarantor, all such obligations, liabilities and indebtedness of such Pledgor under the Guarantee to which such Guarantor is a party) and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements contained in the Credit Agreement and in such other Loan Documents;

(ii)the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Pledgor at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding) owing by such Pledgor to the Bank Product Providers under, or with respect to (including, in the case of each Pledgor that is a Guarantor, all such obligations, liabilities and indebtedness of such Pledgor under the Guarantees) any Bank Product Agreement, whether such Bank Product Agreement is now in existence or hereafter arising, and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements contained therein;

(iii)any and all sums advanced by the Pledgee in order to preserve the Collateral (as hereinafter defined) or preserve its security interest in the Collateral;

(iv)in the event of any proceeding for the collection or enforcement of any indebtedness, obligations or liabilities of such Pledgor referred to in clauses (i) and (ii) above, after an Event of Default shall have occurred and be continuing, the reasonable out-of-pocket expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Pledgee of its rights hereunder, together with reasonable out-of-pocket attorneys' fees and court costs; and

(v)all amounts paid by any Secured Party as to which such Secured Party has the right to reimbursement under Section 12 of this Agreement;

all such obligations, liabilities, sums and expenses set forth in clauses (i) through (v) of this Section 1.1 being herein collectively called the "Obligations," it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement in connection with the Credit Agreement.

2. DEFINITIONS. (a) Unless otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement shall be used herein as therein defined. Reference to singular terms shall include the plural and vice versa.

(b) The following capitalized terms used herein shall have the definitions specified below:

"Administrative Agent" shall have the meaning set forth in the Recitals hereto.

"Adverse Claim" shall have the meaning given such term in Section 8-102(a)(1) of the UCC.

"Agreement" shall have the meaning set forth in the first paragraph hereof.

"Certificated Security" shall have the meaning given such term in Section 8-102(a)(4) of the UCC.

"Clearing Corporation" shall have the meaning given such term in Section 8-102(a)(5) of the UCC.

"Collateral" shall have the meaning set forth in Section 3.1 hereof.

"Control Agreement" shall have the meaning provided in Section 4 hereof.

"Credit Agreement" shall have the meaning set forth in the Recitals hereto.

"Deposit Account Bank" shall have the meaning provided in Section 4 hereof.

"Earnings Accounts" shall mean the accounts listed on Annex F hereto.

"Earnings Account Collateral" shall have the meaning set forth in Section 3.1(a) hereof.

"Earnings Collateral" shall have the meaning set forth in the General Assignment Agreement.

"Event of Default" shall mean any Event of Default under, and as defined in, the Credit Agreement and any payment default under any Bank Product Agreement entered into in respect of the Borrower's obligations with respect to the outstanding Loans and/or Commitments from time to time, after any applicable grace period.

"Indemnitees" shall have the meaning set forth in Section 12 hereof.

"Insurance Collateral" shall have the meaning set forth in the General Assignment Agreement.

"Lender Creditors" shall have the meaning set forth in the Recitals hereto.

"Lenders" shall have the meaning set forth in the Recitals hereto.

"Limited Liability Company Assets" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all limited liability company capital and interest in other limited liability companies), at any time owned or represented by any Limited Liability Company Interest.

"Limited Liability Company Interests" shall mean the entire limited liability company membership interest at any time owned by any Pledgor in any limited liability company that is a Pledged Subsidiary.

"Obligations" shall have the meaning set forth in Section 1.1 hereof.

"Partnership Assets" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interest in other partnerships), at any time owned or represented by any Partnership Interest.

"Partnership Interest" shall mean the entire general partnership interest or limited partnership interest at any time owned by any Pledgor in any general partnership or limited partnership that is a Pledged Subsidiary.

"Pledged Subsidiary" shall have the meaning set forth in Section 3.1(b) hereof.

"Pledgee" shall have the meaning set forth in the first paragraph hereof.

"Pledgor" shall have the meaning set forth in the first paragraph hereof.

"Proceeds" shall have the meaning given such term in Section 9-102(a)(64) of the UCC.

"Secured Parties" shall have the meaning set forth in the Recitals hereto.

"Secured Debt Agreements" shall mean and includes this Agreement, the other Loan Documents and the Bank Product Agreements entered into with any Bank Product Providers.

"Securities Act" shall mean the Securities Act of 1933, as amended, as in effect from time to time.

"Security" and "Securities" shall have the meaning given such term in Section 8-102(a)(15) of the UCC and shall in any event also include all Stock.

"Security Entitlement" shall have the meaning given such term in Section 8-102(a)(17) of the UCC.

"Stock" shall mean all of the issued and outstanding shares of capital stock of any corporation at any time owned by any Pledgor in any Subsidiary Guarantor.

"Termination Date" shall have the meaning set forth in Section 21 hereof.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time; provided that all references herein to specific sections or subsections of the UCC

are references to such sections or subsections, as the case may be, of the Uniform Commercial Code as in effect in the State of New York on the date hereof.

"Uncertificated Security" shall have the meaning given such term in Section 8-102(a)(18) of the UCC.

3. PLEDGE OF STOCK, ACCOUNTS, ETC.

3.1 Pledge. To secure the Obligations now or hereafter owed or to be performed by such Pledgor, the applicable Pledgor, as indicated below, does hereby grant and pledge to the Pledgee for the benefit of the Secured Parties, and does hereby create a continuing first priority security interest in favor of the Pledgee for the benefit of the Secured Parties in, all of its right, title and interest in and to the following, whether now existing or hereafter from time to time acquired (collectively, the "Collateral"):

(a) in the case of each Pledgor listed on Annex F, the applicable Earnings Account held in its name, together with all of such Pledgor's right, title and interest in and to all sums of property (including cash equivalents and other investments) now or at any time hereafter on deposit therein, credited thereto or payable thereon, and all instruments, documents and other writings evidencing the Earnings Accounts (collectively, the "Earnings Account Collateral");

(b) all Stock of the Borrower and each Subsidiary Guarantor (each a "Pledged Subsidiary") owned by a Pledgor from time to time and all options and warrants owned by such Pledgor from time to time to purchase Stock of any such Pledged Subsidiary;

(c)all Limited Liability Company Interests in any Pledged Subsidiary owned by such Pledgor from time to time and all of its right, title and interest in each limited liability company to which each such interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Limited Liability Company Interests and applicable law:

(A) all the capital thereof and its interest in all profits, losses, Limited Liability Company Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Limited Liability Company Interests;

(B) all other payments due or to become due to such Pledgor in respect of Limited Liability Company Interests, whether under any limited liability company agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of such Pledgor's claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any limited liability company agreement or operating agreement, or at law or otherwise in respect of such Limited Liability Company Interests;

(D) all present and future claims, if any, of such Pledgor against any such limited liability company for moneys loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any limited liability company agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Limited Liability Company Interests, including any power to terminate, cancel or modify any limited liability company agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Limited Liability Company Interests and any such limited liability company, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Limited Liability Company Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(d) all Partnership Interests in any Pledged Subsidiary owned by such Pledgor from time to time and all of its right, title and interest in each partnership to which each such interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Partnership Interests and applicable law:

(A) all the capital thereof and its interest in all profits, losses, Partnership Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Partnership Interests;

(B) all other payments due or to become due to such Pledgor in respect of such Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership agreement or operating agreement, or at law or otherwise in respect of such Partnership Interests;

(D) all present and future claims, if any, of such Pledgor against any such partnership for moneys loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any partnership agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Partnership Interests,

including any power to terminate, cancel or modify any partnership agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of any of such Pledgor in respect of such Partnership Interests and any such partnership, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Partnership Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof; and

(e) all Proceeds of any and all of the foregoing.

3.2. Procedures. (a) To the extent that any Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by such Pledgor) be pledged pursuant to Section 3.1 of this Agreement and, in addition thereto, such Pledgor shall (to the extent provided below) take, or, in the case of Section 3.2(a)(v), authorize the Pledgee to take, the following actions as set forth below (as promptly as practicable and, in any event, within 30 days after it obtains such Collateral) for the benefit of the Pledgee and the Secured Parties:

(i)with respect to a Certificated Security, such Pledgor shall deliver such Certificated Security to the Pledgee with transfer powers executed in blank;

(ii)with respect to an Uncertificated Security (other than an Uncertificated Security credited on the books of a Clearing Corporation), such Pledgor shall cause the issuer of such Uncertificated Security (or, in the case of an issuer that is not a Subsidiary of such Pledgor, will use reasonable efforts to cause such issuer) to duly authorize and execute, and deliver to the Pledgee, an agreement for the benefit of the Pledgee and the other Secured Parties substantially in the form of Annex G hereto (appropriately completed to the reasonable satisfaction of the Pledgee and with such modifications, if any, as shall be reasonably satisfactory to the Pledgee) pursuant to which such issuer agrees to comply with any and all instructions originated by the Pledgee without further consent by the registered owner and not to comply with instructions regarding such Uncertificated Security originated by any other Person other than a court of competent jurisdiction;

(iii)with respect to a Certificated Security, Uncertificated Security, Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation (including a Federal Reserve Bank, Participants Trust Company or The Depository Trust Company), such Pledgor shall promptly notify the Pledgee thereof and shall promptly take all actions required (i) to comply in all material respects with the applicable rules of such Clearing Corporation and (ii) to perfect the security interest of the Pledgee under applicable law

(including, in any event, under Sections 9-314(a), (b) and (c), 9-106 and 8-106(d) of the UCC). Such Pledgor further agrees to take such actions as the Pledgee deems reasonably necessary to effect the foregoing;

(iv)with respect to a Partnership Interest or a Limited Liability Company Interest (other than a Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation), (1) if such Partnership Interest or Limited Liability Company Interest is represented by a certificate and is a Security for purposes of the UCC, the procedure set forth in Section 3.2(a)(i) hereof, and (2) if such Partnership Interest or Limited Liability Company Interest is not represented by a certificate or is not a Security for purposes of the UCC, the procedure set forth in Section 3.2(a)(ii) hereof; and

(v)with respect to cash proceeds from any of the Collateral described in Section 3.1 hereof which are not released to such Pledgor in accordance with Section 7 hereof, (i) establishment by the Pledgee of a cash account in the name of such Pledgor over which the Pledgee shall have exclusive and absolute control and dominion (and no withdrawals or transfers may be made therefrom by any Person except with the prior written consent of the Pledgee) and (ii) deposit of such cash in such cash account.

(b)In addition to the actions required to be taken pursuant to Section 3.2(a) hereof, each Pledgor shall take the following additional actions with respect to the Collateral:

(i)with respect to all Collateral of such Pledgor whereby or with respect to which the Pledgee may obtain "control" thereof within the meaning of Section 8-106 of the UCC (or under any provision of the UCC as same may be amended or supplemented from time to time, or under the laws of any relevant State other than the State of New York), such Pledgor shall take all actions as may be reasonably requested from time to time by the Pledgee so that "control" of such Collateral is obtained and at all times held by the Pledgee;

(ii)each Pledgor shall from time to time cause appropriate financing statements (on Form UCC-1 or other appropriate form) under the Uniform Commercial Code as in effect in the various relevant states, covering all Collateral hereunder (with the form of such financing statements to be satisfactory to the Pledgee), to be filed in the relevant filing offices so that at all times the Pledgee has a security interest in all Collateral which is perfected by the filing of such financing statements (in each case to the maximum extent perfection by filing may be obtained under the laws of the relevant states, including, without limitation, Section 9-312(a) of the UCC); and

(iii)with respect to any deposit account (as defined in Section 9-102 of the UCC) of such Pledgor whereby or with respect to which the Pledgee may obtain " control" thereof within the meaning of Section 9-104 of the UCC (or under any provision of the UCC as same may be amended or supplemented from time to time, or under the laws of any relevant State other than the State of New York), each Pledgor shall from time to time execute and deliver and cause the relevant depositary bank to execute and deliver a control agreement in form and substance reasonably satisfactory to the Pledgee.

3.3. Subsequently Acquired Collateral. If any Pledgor shall acquire (by purchase, stock dividend or similar distribution or otherwise) any additional Collateral at any time or from time to time after the date hereof, such Collateral shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3.1 hereof and, furthermore, such Pledgor will promptly thereafter take (or cause to be taken) all action with respect to such Collateral in accordance with the procedures set forth in Section 3.2 hereof, and will promptly thereafter deliver to the Pledgee supplements to Annexes A through E hereto as are reasonably necessary to cause such annexes to be complete and accurate at such time.

3.4. Transfer Taxes. Each pledge of Collateral under Section 3.1 or Section 3.3 hereof shall be accompanied by any transfer tax stamps required (if any) in connection with the pledge of such Collateral.

3.5. Certain Representations and Warranties Regarding the Collateral. Each Pledgor represents and warrants that: (i) the jurisdiction of organization of such Pledgor, and such Pledgor's organizational identification number (if any), is listed on Annex A hereto; (ii) each Subsidiary of such Pledgor that is a Pledged Subsidiary is listed in Annex B hereto; (iii) the Stock (and any warrants or options to purchase Stock) of any Pledged Subsidiary held by such Pledgor consists of the number and type of shares of the stock (or warrants or options to purchase any stock) as described in Annex C hereto; (iv) such Stock constitutes that percentage of the issued and outstanding capital stock of the respective Pledged Subsidiaries as is set forth in Annex C hereto; (v) the Limited Liability Company Interests in any and all Pledged Subsidiaries held by such Pledgor consist of the number and type of interests of the respective Pledged Subsidiaries described in Annex D hereto; (vi) each such Limited Liability Company Interest constitutes that percentage of the issued and outstanding equity interest of the respective Pledged Subsidiaries as set forth in Annex D hereto; (vii) the Partnership Interests held by such Pledgor in any and all Pledged Subsidiaries consist of the number and type of interests of the respective Pledged Subsidiaries described in Annex E hereto; (viii) each such Partnership Interest constitutes that percentage or portion of the entire partnership interest of the Partnership as set forth in Annex E hereto; (ix) such Pledgor has complied with the respective procedure set forth in Section 3.2(a) hereof with respect to each item of Collateral described in Annexes B through E hereto; (x) on the date hereof, such Pledgor owns no other Stock, Limited Liability Company Interests or Partnership Interests of, in each case, any Pledged Subsidiary; and (xi) each Earnings Account held by such Pledgor is listed on Annex F hereto.

4. EARNINGS ACCOUNTS.

(a) Each Pledgor listed on Annex F, has established Earnings Accounts for purposes of this Agreement and the other relevant Loan Documents, which Earnings Accounts are or shall be maintained with the Deposit Account Bank.

(b) Annex F hereto accurately sets forth, as of the date of this Agreement, for each Pledgor listed on Annex F, each Earnings Account maintained by such Pledgor (including a description thereof and the respective account number), the name of the bank with which such Deposit Account is maintained (the "Deposit Account Bank"), and the jurisdiction of the Deposit Account Bank.

(c) Subject to Section 5.14 of the Credit Agreement, for each Earnings Account, each Pledgor listed on Annex F shall cause the Deposit Account Bank, simultaneously herewith, to enter into, a "control agreement" in substantially the form attached hereto as Annex H and reasonably acceptable to the Pledgee (each, a "Control Agreement"), which establishes the Pledgee's, as agent for the Secured Parties, "control" in accordance with the UCC of each of the respective Earnings Accounts; provided, that the Pledgee shall not send a notice of sole control or similar notice unless an Event of Default has occurred and is continuing, with respect to which the Pledgee is permitted to exercise remedies pursuant to the Credit Agreement.

5. APPOINTMENT OF SUB-AGENTS; ENDORSEMENTS, ETC. If and to the extent necessary to enable the Pledgee to perfect its security interest in any of the Collateral or to exercise any of its remedies hereunder, the Pledgee shall have the right to appoint one or more sub-agents for the purpose of retaining physical possession of the Collateral, which may be held (in the discretion of the Pledgee) in the name of the relevant Pledgor, endorsed or assigned in blank or in favor of the Pledgee or any nominee or nominees of the Pledgee or a sub-agent appointed by the Pledgee.

6. VOTING, ETC., WHILE NO EVENT OF DEFAULT. Unless and until there shall have occurred and be continuing an Event of Default, each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof; provided that, in each case, no vote shall be cast or any consent, waiver or ratification given or any action taken or omitted to be taken which would violate or be inconsistent with any of the terms of any Secured Debt Agreement, or which could reasonably be expected to have the effect of impairing the value of the Collateral or any part thereof or the position or interests of the Pledgee or any other Secured Party in the Collateral unless expressly permitted by the terms of the Secured Debt Agreements. All such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease in case an Event of Default has occurred and is continuing, and Section 8 hereof shall become applicable.

7. DIVIDENDS AND OTHER DISTRIBUTIONS. Unless and until there shall have occurred and be continuing an Event of Default, all cash dividends, cash distributions, cash Proceeds and other cash amounts payable in respect of the Collateral shall be paid to the Pledgors. The Pledgee shall be entitled to receive directly, and to retain as part of the Collateral:

(i) all other or additional stock, notes, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash dividends other than as set forth above in the first sentence of this Section 7) paid or distributed by way of dividend or otherwise in respect of the Collateral;

(ii) all other or additional stock, notes, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash) paid or distributed in respect of the Collateral by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar rearrangement; and

(iii) all other or additional stock, notes, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash) which

may be paid in respect of the Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

All dividends, distributions or other payments which are received by any Pledgor contrary to the provisions of this Section 7 and Section 8 hereof shall be received in trust for the benefit of the Pledgee, shall be segregated from other property or funds of such Pledgor and shall be forthwith paid over and/or delivered to the Pledgee as Collateral in the same form as so received (with any necessary endorsement).

8. REMEDIES IN CASE OF AN EVENT OF DEFAULT. If there shall have occurred and be continuing an Event of Default, then and in every such case, the Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Secured Debt Agreement or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Pledgee shall be entitled to exercise all the rights and remedies of a secured party under the Uniform Commercial Code as in effect in any relevant jurisdiction and also shall be entitled, without limitation, to exercise the following rights, which each Pledgor hereby agrees to be commercially reasonable:

(i)to receive all amounts payable in respect of the Collateral otherwise payable under Section 7 hereof to the Pledgors;

(ii)to transfer all or any part of the Collateral into the Pledgee's name or the name of its nominee or nominees;

(iii)to vote all or any part of the Collateral (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so);

(iv)at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and on such terms as the Pledgee in its absolute discretion may determine, provided that at least 10 days' written notice of the time and place of any such sale shall be given to the Pledgors. The Pledgee shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee on behalf of the Secured Parties may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Pledgee nor any other Secured Party shall be liable for failure to collect or realize upon any or all of the

Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto; and

(v)to set-off any and all Collateral against any and all Obligations.

9. REMEDIES, ETC., CUMULATIVE. Each and every right, power and remedy of the Pledgee provided for in this Agreement or in any other Secured Debt Agreement, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee or any other Secured Party of any one or more of the rights, powers or remedies provided for in this Agreement or any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee or any other Secured Party of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee or any other Secured Party to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Pledgee or any other Secured Party to any other or further action in any circumstances without notice or demand. The Secured Parties agree that this Agreement may be enforced only by the action of the Pledgee, in each case acting upon the instructions of the Required Lenders and that no other Secured Party shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Pledgee for the benefit of the Secured Parties upon the terms of this Agreement.

10. APPLICATION OF PROCEEDS. All monies collected by the Pledgee upon any sale or other disposition of the Collateral of each Pledgor, together with all other monies received by the Pledgee hereunder (except to the extent released in accordance with the applicable provisions of this Agreement or any other Loan Document), shall be applied to the payment of the Obligations in the manner set forth in Section 9.01 of the Credit Agreement.

11. PURCHASERS OF COLLATERAL. Upon any sale of the Collateral by the Pledgee hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Pledgee or the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Pledgee or such officer or be answerable in any way for the misapplication or nonapplication thereof.

12. INDEMNITY. Each Pledgor jointly and severally agrees (i) to indemnify and hold harmless the Pledgee and each other Secured Party and their respective successors, assigns, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, civil penalties, fines, settlements and suits of whatsoever kind or nature, and (ii) to reimburse each Indemnitee for all reasonable costs and expenses, including reasonable and documented attorneys' fees, in each case growing out of or resulting from this Agreement or the exercise by any Indemnitee of any right or remedy granted to it hereunder or under any other Secured Debt Agreement (but excluding all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, civil penalties, fines, settlements, suits, costs and expenses to the extent incurred by reason

of the gross negligence of, the breach in bad faith of this Agreement by, or willful misconduct of such Indemnitee). In no event shall the Pledgee be liable, in the absence of gross negligence, the breach in bad faith of this Agreement or willful misconduct on its part, for any matter or thing in connection with this Agreement other than to account for monies actually received by it in accordance with the terms hereof. If and to the extent that the obligations of any Pledgor under this Section 12 are unenforceable for any reason, such Pledgor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law. Notwithstanding the foregoing, no party hereto shall be responsible to any Person for any consequential, indirect, special or punitive damages which may be alleged by such Person arising out of this Agreement or the other Loan Documents.

13. PLEDGEE NOT A PARTNER OR LIMITED LIABILITY COMPANY MEMBER. (a) Nothing herein shall be construed to make the Pledgee or any other Secured Party liable as a member of any limited liability company or as a partner of any partnership and neither the Pledgee nor any other Secured Party by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall have any of the duties, obligations or liabilities of a member of any limited liability company or partnership. The parties hereto expressly agree that, unless the Pledgee shall become the absolute owner of Collateral consisting of a Limited Liability Company Interest or Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Pledgee, any other Secured Party, any Pledgor and/or any other Person.

(b) Except as provided in the last sentence of paragraph (a) of this Section 13, the Pledgee, by accepting this Agreement, did not intend to become a member of any limited liability company or a partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor, any limited liability company, partnership and/or any other Person either before or after an Event of Default shall have occurred. The Pledgee shall have only those powers set forth herein and the Secured Parties shall assume none of the duties, obligations or liabilities of a member of any limited liability company or as a partner of any partnership or any Pledgor except as provided in the last sentence of paragraph (a) of this Section 13.

(c) The Pledgee and the other Secured Parties shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Pledgee of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Pledgee or any other Secured Party to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

14. FURTHER ASSURANCES; POWER-OF-ATTORNEY. (a) Each Pledgor agrees that it will join with the Pledgee in executing and, at such Pledgor's own expense, file and refile under the Uniform Commercial Code or other applicable law such financing statements, continuation statements and other documents in such offices as the Pledgee may deem reasonably necessary and wherever required by law in order to perfect and preserve the Pledgee's security interest in the Collateral and hereby authorizes the Pledgee to file financing statements and amendments thereto relative to all or any part of the Collateral without the signature of such Pledgor where permitted by law, and agrees to do such further acts and things and to execute and deliver to the Pledgee such

additional conveyances, assignments, agreements and instruments as the Pledgee may reasonably require or deem necessary to carry into effect the purposes of this Agreement or to further assure and confirm unto the Pledgee its rights, powers and remedies hereunder.

(b) Each Pledgor hereby appoints the Pledgee such Pledgor's attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, to act from time to time solely after the occurrence and during the continuance of an Event of Default in the Pledgee's reasonable discretion to take any action and to execute any instrument which the Pledgee may deem reasonably necessary or appropriate to accomplish the purposes of this Agreement.

15. THE PLEDGEE AS AGENT. The Pledgee will hold in accordance with this Agreement and the other Security Documents all items of the Collateral (as defined in the Credit Agreement) at any time received under this Agreement or the other Security Documents. It is expressly understood and agreed by each Secured Party that by accepting the benefits of this Agreement and the other Security Documents each such Secured Party acknowledges and agrees that the obligations of the Pledgee as holder of the Collateral (as defined in the Credit Agreement) and interests therein and with respect to the disposition thereof, and otherwise under this Agreement and the other Security Documents, are only those expressly set forth in this Agreement, the other Security Documents and in Sections 9.01 and 10 of the Credit Agreement. The Pledgee shall act hereunder on the terms and conditions set forth herein and in Sections 9.01 and 10 of the Credit Agreement.

16. TRANSFER BY THE PLEDGORS. No Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein (except as may be permitted in accordance with the terms of the Secured Debt Agreements).

17. REPRESENTATIONS AND WARRANTIES OF THE PLEDGORS. (a) Each Pledgor represents and warrants that:

(i)it is the legal, beneficial and record owner of, and has good and marketable title to, all Collateral pledged by such Pledgor hereunder and that it has sufficient interest in all Collateral pledged by such Pledgor hereunder in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no pledge, lien, mortgage, hypothecation, security interest, charge, option, Adverse Claim or other encumbrance whatsoever, except the liens and security interests created by this Agreement and Permitted Liens);

(ii)it has the company, corporate, limited partnership or limited liability company power and authority, as the case may be, to pledge all the Collateral pledged by it pursuant to this Agreement;

(iii)this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable against such Pledgor in accordance with its terms, except to the extent that the enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law);

(iv)except to the extent already obtained or made, or, in the case of any filings or recordings of the Security Documents (other than the Collateral Vessel Mortgages) executed on or before the Initial Borrowing Date, no consent of any other party (including, without limitation, any stockholder, partner, member or creditor of such Pledgor or any of its Subsidiaries) and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with (a) the execution, delivery or performance by such Pledgor of this Agreement, (b) the legality, validity, binding effect or enforceability of this Agreement, (c) the perfection or enforceability of the Pledgee's security interest in the Collateral pledged by such Pledgor hereunder or (d) except for compliance with or as may be required by applicable securities laws, the exercise by the Pledgee of any of its rights or remedies provided herein;

(v)the execution, delivery and performance of this Agreement will not (i) violate any provision of any applicable law or regulation or of any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, U.S. or non-U.S., applicable to such Pledgor, or of the certificate or articles of incorporation, certificate of formation, operating agreement, limited liability company agreement, partnership agreement or by-laws of such Pledgor, as applicable, or of any securities issued by such Pledgor or any of its Subsidiaries, or (ii) materially violate any provision of any mortgage, deed of trust, indenture, lease, loan agreement, credit agreement or other material contract, agreement or instrument or undertaking to which such Pledgor or any of its Subsidiaries is a party or which purports to be binding upon such Pledgor or any of its Subsidiaries or upon any of their respective assets and will not result in the creation or imposition of (or the obligation to create or impose) any lien or encumbrance on any of the assets of such Pledgor or any of its Subsidiaries which are Credit Parties, except as contemplated by this Agreement or the Credit Agreement;

(vi)all of the Collateral has been duly and validly issued and acquired, is fully paid and non-assessable and is subject to no options to purchase or similar rights;

(vii)the pledge and collateral assignment to, and possession by, the Pledgee of the Collateral pledged by such Pledgor hereunder consisting of Certificated Securities pursuant to this Agreement creates a valid and perfected first priority security interest in such Certificated Securities, and the proceeds thereof, subject to no prior Lien or to any agreement purporting to grant to any third party a Lien on the property or assets of such Pledgor which would include the Certificated Securities, except for Permitted Liens, and the Pledgee is entitled to all the rights, priorities and benefits afforded by the UCC or other relevant law as enacted in any relevant jurisdiction to perfected security interests in respect of such Collateral; and

(viii)"control" (as defined in Section 8-106 of the UCC) has been obtained by the Pledgee over all Collateral pledged by such Pledgor hereunder consisting of Stock with respect to which such "control" may be obtained pursuant to Section 8-106 of the UCC, and "control" (as defined in Section 9-104 of the UCC) has been obtained by the Pledgee over the Earnings Accounts with respect to which such "control" may be obtained pursuant to Section 9-104 of the UCC.

(b) Each Pledgor covenants and agrees that it will defend the Pledgee's right, title and security interest in and to the Collateral and the proceeds thereof against the claims and demands of all persons whomsoever; and each Pledgor covenants and agrees that it will have like title to and right to pledge any other property at any time hereafter pledged to the Pledgee as Collateral hereunder and will likewise defend the right thereto and security interest therein of the Pledgee and the Secured Parties.

18. JURISDICTION OF ORGANIZATION; CHIEF EXECUTIVE OFFICE; RECORDS. (a) The jurisdiction of organization and chief executive office of each Pledgor is specified in Annex A hereto. Each Pledgor will not change the jurisdiction of its organization or move its chief executive office except to such new jurisdiction or location as such Pledgor may establish in accordance with Section 18(b). The originals of all documents in the possession of such Pledgor evidencing all Collateral, including but not limited to all Limited Liability Company Interests and Partnership Interests, and the only original books of account and records of such Pledgor relating thereto are, and will continue to be, kept at such chief executive office as specified in Annex A hereto, or at such new locations as such Pledgor may establish in accordance with Section 18(b). All Limited Liability Company Interests and Partnership Interests are, and will continue to be, maintained at, and controlled and directed (including, without limitation, for general accounting purposes) from, such chief executive office as specified in Annex A hereto, or such new locations as such Pledgor may establish in accordance with Section 18(b).

(b) No Pledgor shall establish a new jurisdiction of organization or a new location for such chief executive offices until (i) it shall have given to the Pledgee not less than 10 days' prior written notice of its intention so to do, providing clear details of such new jurisdiction of organization or new location, as the case may be, and providing such other information in connection therewith as the Pledgee may reasonably request, and (ii) with respect to such new jurisdiction of organization or new location, as the case may be, it shall have taken all action, reasonably satisfactory to the Pledgee (and, to the extent applicable, in accordance with Section 3.2 hereof), to maintain the security interest of the Pledgee in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect. Promptly after establishing a new jurisdiction of organization or new location for such chief executive offices in accordance with the immediately preceding sentence, the respective Pledgor shall deliver to the Pledgee a supplement to Annex A hereto, so as to cause such Annex A to be complete and accurate.

19. PLEDGORS' OBLIGATIONS ABSOLUTE, ETC. The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (i) any renewal, extension, amendment or modification of or addition or supplement to or deletion from any Secured Debt Agreement or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof; (ii) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement; (iii) any furnishing of any additional security to the Pledgee or its assignee or any acceptance thereof or any release of any security by the Pledgee or its assignee; (iv) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or (v) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to

any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing (it being understood and agreed that the enforcement hereof may be limited by applicable bankruptcy, insolvency, restructuring, moratorium or other similar laws generally affecting creditors' rights and by equitable principles).

20. REGISTRATION, ETC. If at any time when the Pledgee shall determine to exercise its right to sell all or any part of the Collateral consisting of Stock, Limited Liability Company Interests or Partnership Interests pursuant to Section 8 hereof, and the Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, as then in effect, the Pledgee may, in its sole and absolute discretion, sell such Collateral or part thereof, as the case may be, by private sale in such manner and under such circumstances as the Pledgee may deem necessary or appropriate in order that such sale may legally be effected without such registration. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion (i) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof shall have been filed under such Securities Act, (ii) may approach and negotiate with a single possible purchaser to effect such sale, and (iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Pledgee, in its sole and absolute discretion, in good faith deems reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until after registration as aforesaid.

21. TERMINATION; RELEASE. (a) After the Termination Date, this Agreement and the security interest created hereby shall automatically terminate (provided that all indemnities set forth herein including, without limitation, in Section 12 hereof shall survive any such termination), and the Pledgee, at the request and expense of any Pledgor, will as promptly as practicable execute and deliver to such Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as has not theretofore been sold or otherwise applied or released pursuant to this Agreement or any other Loan Document, together with any monies at the time held by the Pledgee or any of its sub-agents hereunder. As used in this Agreement, "Termination Date" shall mean the date upon which (i) the Term Commitment and the Total Revolving Commitments under the Credit Agreement have been terminated, (ii) all Bank Product Agreements applicable to the Loans (and/or the Commitments) entered into with any Bank Product Providers have been terminated, (iii) no Note under the Credit Agreement is outstanding, (iv) all Loans thereunder have been repaid in full and (v) all Obligations then due and payable (other than indemnities described in Section 12 hereof and described in Section 11.03 of the Credit Agreement, and any other indemnities set forth in any other Secured Debt Agreements, in each case which are not then due and payable) have been indefeasibly paid in full.

(b) In the event that any part of the Collateral is sold in connection with a sale permitted by the Credit Agreement (other than a sale to any Pledgor or any Subsidiary thereof) or is otherwise released with the consent of the Required Lenders and the proceeds of such sale or sales or from such release are applied in accordance with the provisions of the Credit Agreement, to the extent required to be so applied, the Pledgee, at the request and expense of the respective Pledgor, will duly

assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral (and releases therefor) as is then being (or has been) so sold or released and has not theretofore been released pursuant to this Agreement.

(c) At any time that a Pledgor listed on Annex F desires to close an Earnings Account, it shall, with the consent of the Pledgee, redirect the contents of such Earnings Account to such other Earnings Account as the Pledgee shall specify to such Pledgor, and all future deposits shall be required to be made in such specified Earnings Account.

(d) At any time that a Pledgor desires that the Pledgee assign, transfer and deliver Collateral (and releases therefor) as provided in Section 21(a) or (b) hereof, it shall deliver to the Pledgee a certificate signed by an officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to such Section 21(a) or (b).

(e) The Pledgee shall have no liability whatsoever to any other Secured Party as a result of any release of Collateral by it in accordance with this Section 20.

22. NOTICES, ETC. Except as otherwise expressly provided herein, any notice, demand or other communication to given under or for the purposes of this Agreement shall be made as provided in Section 11.01 of the Credit Agreement.

23. WAIVER; AMENDMENT. None of the terms and conditions of this Agreement and the other Security Documents may be changed, waived, modified or varied in any manner whatsoever except in writing duly signed by each Pledgor party hereto and the Pledgee (with the written consent of the Required Lenders).

24. MISCELLANEOUS. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of and be enforceable by each of the parties hereto and its successors and assigns, provided that no Pledgor may assign any of its rights or obligations under this Agreement except in accordance with the terms of the Secured Debt Agreements.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY IN THE CITY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PLEDGOR HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY CLAIM THAT ANY

SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH PLEDGOR, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH PLEDGOR. EACH PLEDGOR HEREBY IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH SUCH PLEDGOR IS A PARTY BROUGHT IN THE COURTS REFERRED TO IN THIS SECTION 23 AND HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

The headings in this Agreement are for purposes of reference only and shall not limit or define the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto.

25. RECOURSE. This Agreement is made with full recourse to the Pledgors and pursuant to and upon all the representations, warranties, covenants and agreements on the part of the Pledgors contained herein and in the other Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

26. ADDITIONAL PLEDGORS. It is understood and agreed that any Subsidiary of the Borrower that is required to become a party to this Agreement after the date hereof pursuant to Sections 5.10 and 5.11 of the Credit Agreement shall become a Pledgor hereunder by (x) executing a counterpart hereof or a joinder hereto, (y) delivering supplements to Annexes A through F hereto as are necessary to cause such Annexes to be complete and accurate with respect to such additional Pledgor on such date and (z) taking all actions as specified in Section 3 of this Agreement as would have been taken by such Pledgor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Pledgee and with all actions required to be taken above to be taken to the reasonable satisfaction of the Pledgee.

27. RELEASE OF GUARANTORS. In the event any Pledgor which is a Subsidiary of the Borrower is released from its obligations pursuant to the Credit Agreement, such Pledgor shall be released from this Agreement and this Agreement shall, as to such Pledgor only, have no further force or effect.

* * *

IN WITNESS WHEREOF, each Pledgor and the Pledgee have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

[●]
as Pledgors

By: ___
Name:
Title:

[Signature Page to INSW - Pledge Agreement]

Accepted and Agreed to:

NORDEA BANK ABP,
NEW YORK BRANCH,
as Pledgee

By:
Name:
Title:

By:
Name:
Title:

ANNEX A
to
PLEDGE AGREEMENT

Legal Names; Type of Organization; Jurisdiction of Organization; Organizational Identification Numbers; Chief Executive Office.

Exact Legal Name	Type of Organization	Jurisdiction of Organization	Organizational Identification Number	Address of Chief Executive Office

ANNEX B
to
PLEDGE AGREEMENT

LIST OF SUBSIDIARIES

Pledgor	Pledged Entity

ANNEX C
to
PLEDGE AGREEMENT

LIST OF STOCK

Name of Issuing Corporation Pledged Entity	Number and Type of Shares	Certificated (Y/N)	Percentage (%) Ownership

ANNEX D
to
PLEDGE AGREEMENT

LIST OF LIMITED LIABILITY COMPANY INTERESTS

Name of Limited Liability Company	Type of Interest	Percentage (%) Owned
I.		

ANNEX E
to
PLEDGE AGREEMENT

LIST OF PARTNERSHIP INTERESTS

[●]

ANNEX F
to
PLEDGE AGREEMENT

Omitted

ANNEX G
to
PLEDGE AGREEMENT

Form of Agreement Regarding Uncertificated Securities, Limited Liability Company Interests and Partnership Interests

AGREEMENT (as amended, modified or supplemented from time to time, this "Agreement"), dated as of January [●], 2020, among the undersigned pledgor (the "Pledgor"), Nordea Bank Abp, New York Branch, not in its individual capacity but solely as collateral agent (the "Pledgee"), and _____, as the issuer of the Uncertificated Securities, Limited Liability Company Interests and/or Partnership Interests (each as defined below) (the "Issuer").

W I T N E S S E T H :

WHEREAS, the Pledgor, certain of its affiliates and the Pledgee have entered into a Pledge Agreement, dated as of January [●], 2020 (as amended, amended and restated, modified or supplemented from time to time, the "Pledge Agreement"), under which, among other things, in order to secure the payment of the Obligations (as defined in the Pledge Agreement), the Pledgor will pledge to the Pledgee for the benefit of the Secured Parties (as defined in the Credit Agreement), and grant a first priority security interest in favor of the Pledgee for the benefit of the Secured Parties in, all of the right, title and interest of the Pledgor in and to any and all (1) "uncertificated securities" (as defined in Section 8-102(a)(18) of the Uniform Commercial Code, as adopted in the State of New York) ("Uncertificated Securities"), (2) Partnership Interests (as defined in the Pledge Agreement) and (3) Limited Liability Company Interests (as defined in the Pledge Agreement), in each case issued from time to time by the Issuer, whether now existing or hereafter from time to time acquired by the Pledgor (with all of such Uncertificated Securities, Partnership Interests and Limited Liability Company Interests being herein collectively called the "Issuer Pledged Interests"); and

WHEREAS, the Pledgor desires the Issuer to enter into this Agreement in order to protect the security interest of the Pledgee under the Pledge Agreement in the Issuer Pledged Interests, to vest in the Pledgee control of the Issuer Pledged Interests and to provide for the rights of the parties under this Agreement;

NOW THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Pledgor hereby irrevocably authorizes and directs the Issuer, and the Issuer hereby agrees, after receiving a notice from the Pledgee stating that an "Event of Default" has occurred and is continuing, to comply with any and all instructions and orders originated by the Pledgee (and its successors and assigns) regarding any and all of the Issuer Pledged Interests without the further consent by the registered owner (including the Pledgor), and not to comply with any instructions or orders regarding any or all of the Issuer Pledged Interests originated by any person or entity other than the Pledgee (and its successors and assigns) or a court of competent jurisdiction.

2. The Issuer hereby certifies that (i) no notice of any security interest, lien or other encumbrance or claim affecting the Issuer Pledged Interests (other than the security interest of the Pledgee) has been received by it, and (ii) the security interest of the Pledgee in the Issuer Pledged Interests has been registered in the books and records of the Issuer.

3. The Issuer hereby represents and warrants that (i) the pledge by the Pledgor of, and the granting by the Pledgor of a security interest in, the Issuer Pledged Interests to the Pledgee, for the benefit of the Secured Parties, does not violate the charter, by-laws, partnership agreement, membership agreement or any other agreement governing the Issuer or the Issuer Pledged Interests, and (ii) the Issuer Pledged Interests are fully paid and nonassessable.

4. All notices, statements of accounts, reports, prospectuses, financial statements and other communications to be sent to the Pledgor by the Issuer in respect of the Issuer will also be sent to the Pledgee at the following address:

Nordea Bank Abp,
New York Branch
1211 Avenue of the Americas
23rd Floor
New York, New York 10036
Attn: Shipping, Offshore and Oil Services
Telephone: (212) 318-9344
E-mail: agency.soosid@nordea.com / martin.lunder@nordea.com

5. Until the Pledgee shall have delivered written notice to the Issuer that all of the Obligations have been paid in full and this Agreement is terminated, the Issuer will, upon receiving notice from the Pledgee stating that an "Event of Default" has occurred and is continuing, send any and all redemptions, distributions, interest or other payments in respect of the Issuer Pledged Interests from the Issuer for the account of the Pledgor only by wire transfers to such account as the Pledgee shall instruct.

6. Except as expressly provided otherwise in Sections 4 and 5, all notices and other communications shall be delivered in accordance with Section 11.01 of the Credit Agreement.

7. This Agreement shall be binding upon the successors and assigns of the Pledgor and the Issuer and shall inure to the benefit of and be enforceable by the Pledgee and its successors and assigns. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in the manner whatsoever except in writing signed by the Pledgee, the Issuer and the Pledgor.

8. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY**

JURY IN ANY ACTION PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY IN THE CITY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PLEDGOR HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY CLAIM THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH PLEDGOR, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH PLEDGOR. EACH PLEDGOR HEREBY IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH SUCH PLEDGOR IS A PARTY BROUGHT IN THE COURTS REFERRED TO IN THIS SECTION 8 AND HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

* * *

IN WITNESS WHEREOF, the Pledgor, the Pledgee and the Issuer have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

[_____],
as Pledgor

By_____
Name:
Title:

NORDEA BANK ABP, NEW YORK BRANCH,
not in its individual capacity but solely as Pledgee

By_____
Name:
Title:

By_____
Name:
Title:

[_____],
the Issuer

By_____
Name:
Title:

ANNEX H
to
PLEDGE AGREEMENT

Form of Control Agreement Regarding Deposit Account

CONTROL AGREEMENT REGARDING DEPOSIT ACCOUNT (as amended, modified or supplemented from time to time, this "Agreement"), dated as of January [●], 2020, among the undersigned assignor (the "Assignor"), NORDEA BANK ABP, NEW YORK BRANCH, not in its individual capacity but solely as Collateral Agent (the "Collateral Agent") and NORDEA BANK ABP, NEW YORK BRANCH, as account bank (the "Deposit Account Bank"), as the bank (as defined in Section 9-102 of the UCC as in effect on the date hereof in the State of New York (the "UCC")) with which one or more deposit accounts (as defined in Section 9-102 of the UCC), including the accounts listed on Schedule I hereto, are maintained by the Assignor (with all such deposit accounts now or at any time in the future maintained by the Assignor with the Deposit Account Bank being herein called the "Deposit Accounts").

W I T N E S S E T H :

WHEREAS, the Assignor, various other assignors and the Collateral Agent have entered into a Pledge Agreement, dated as of January [●], 2020 (as amended, amended and restated, modified or supplemented from time to time, the "Pledge Agreement"; terms used but not otherwise defined herein shall have the meanings given thereto in the Pledge Agreement), under which, among other things, in order to secure the payment of the Obligations, the Assignor has granted a first priority security interest to the Collateral Agent for the benefit of the Secured Parties in all of the right, title and interest of the Assignor in and into the Deposit Accounts (identified in the Pledge Agreement as the "Earnings Accounts" and each an "Earning Account") and in all monies, securities, instruments and other investments deposited therein from time to time (collectively, herein called the "Collateral"); and

WHEREAS, the Assignor desires that the Deposit Account Bank enter into this Agreement in order to establish "control" (as defined in Section 9-104 of the UCC) in the Deposit Accounts, and to provide for the rights of the parties under this Agreement with respect to the Deposit Account;

NOW THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignor's Dealings with Deposit Accounts; Notice of Exclusive Control. (a) Until the Deposit Account Bank shall have received from the Collateral Agent a Notice of Exclusive Control (as defined below), the Assignor shall be entitled to present items drawn on and otherwise to withdraw or direct the disposition of funds from the Deposit Account and give instructions in respect of the Deposit Account; provided, however, that the Assignor may not, and the Deposit Account Bank agrees that it shall not permit the Assignor to, without the Collateral Agent's prior written consent, close the Deposit Accounts. If upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall give to the Deposit Account Bank a notice of the Collateral Agent's exclusive control of the Deposit Account, which notice states

that it is a "Notice of Exclusive Control" (a "Notice of Exclusive Control"), only the Collateral Agent shall be entitled to withdraw funds from the Deposit Accounts, to give any instructions in respect of the Deposit Account and any funds held therein or credited thereto or otherwise to deal with the Deposit Account (the time period from and after receipt by the Deposit Account Bank of a Notice of Exclusive Control and lasting until such time as the Collateral Agent delivers written notice to the Deposit Account Bank rescinding such Notice of Exclusive Control, the "Exclusive Control Period").

(b) For the benefit of the Assignor, the Collateral Agent hereby irrevocably agrees that in the event that after it has delivered a Notice of Exclusive Control to the Deposit Account Bank, no Event of Default shall be continuing, then promptly and without further act, and in any event immediately upon the written request of the Assignor, the Collateral Agent shall deliver to the Deposit Account Bank a written notice rescinding such Notice of Exclusive Control, whereupon the Exclusive Control Period shall terminate.

(c) Notwithstanding anything to the contrary herein, the Deposit Account Bank shall be permitted to comply with any writ, levy order or other similar juridical or regulatory order or process or law concerning the Deposit Accounts at any time and shall not be in violation of this Agreement for doing so.

2. Collateral Agent's Right to Give Instructions as to Deposit Accounts. (a) Notwithstanding the foregoing or any separate agreement that the Assignor may have with the Deposit Account Bank, the Collateral Agent shall be entitled, following the occurrence and during the continuance of an Event of Default and delivery to the Deposit Account Bank of a Notice of Exclusive Control for purposes of this Agreement, at any time to give the Deposit Account Bank instructions as to the withdrawal or disposition of any funds from time to time credited to the Deposit Account, or as to any other matters relating to the Deposit Account or any other Collateral, without further consent from the Assignor. The Assignor hereby irrevocably authorizes and instructs the Deposit Account Bank, and the Deposit Account Bank hereby agrees, subject to the terms of this Agreement in respect of instructions to make payments to beneficiaries other than the Collateral Agent, the receipt and satisfactory review by the Deposit Account Bank of any incumbency, "know your customer" or any other due diligence materials requested by the Deposit Account Bank, to comply with any such instructions from the Collateral Agent without any further consent from the Assignor. Such instructions may include the giving of stop payment orders for any items being presented to the Deposit Accounts for payment. The Deposit Account Bank shall be fully entitled to rely on, and shall comply with, such instructions from the Collateral Agent even if such instructions are contrary to any instructions or demands that the Assignor may give to the Deposit Account Bank. In case of any conflict between instructions received by the Deposit Account Bank from the Collateral Agent and the Assignor, the instructions from the Collateral Agent shall prevail.

(b) It is understood and agreed that the Deposit Account Bank's duty to comply with instructions from the Collateral Agent regarding the Deposit Accounts following the delivery to the Deposit Account Bank of a Notice of Exclusive Control is absolute, and the Deposit Account Bank shall be under no duty or obligation, nor shall it have the authority, to inquire or determine whether or not such instructions are in accordance with the Pledge Agreement or any other Loan Document, nor seek confirmation thereof from the Assignor or any other Person.

(c) Any checks, automated clearinghouse ("ACH") transfers, wire transfers, instruments and other payment items (collectively, the "Funds") deposited into the Deposit Accounts are not available if (i) they are not available pursuant to the Deposit Account Bank's funds availability policy as set forth in the Account Related Agreements (as defined below) or (ii) in the reasonable determination of the Deposit Account Bank, (A) they are subject to hold, dispute or a binding order, judgment or decree or injunction or a garnishment, restraining notice or other legal process directing or prohibiting or otherwise restricting the disposition of the Funds in the Deposit Accounts or (B) the transfer of such Funds would result in the Deposit Account Bank failing to comply with a statute, rule or regulation binding on the Deposit Account Bank. "Account Related Agreements" shall mean terms and conditions or other documentation entered into by and between the Deposit Account Bank and the Assignor governing the Deposit Accounts and any cash management or similar services provided by the Deposit Account Bank or an affiliate of the Deposit Account Bank in connection with the Deposit Accounts, including without limitation, services in connection with any funds to be deposited to the Deposit Accounts that have been received in one or more post office lockboxes maintained for Assignor by the Deposit Account Bank.

(d) Both the Collateral Agent and the Assignor acknowledge that the Deposit Account Bank may, without liability, comply with any withdrawal, payment, transfer or other instructions originated by the Assignor concerning the disposition of Funds in the Deposit Accounts or otherwise complete a transaction involving a Deposit Account that the Deposit Account Bank or an affiliate had started to process before the commencement of the Exclusive Control Period, which actions shall not, in any way, affect the commencement of the Exclusive Control Period or the Deposit Account Bank's obligations thereafter. The Deposit Accounts may receive merchant card deposits and chargebacks. The Assignor acknowledges and agrees that during the Exclusive Control Period, chargebacks shall be blocked from debiting the Deposit Accounts.

3. Assignor's Exculpation and Indemnification of Depository Bank. (a) The Assignor hereby irrevocably authorizes and instructs the Deposit Account Bank to follow instructions from the Collateral Agent regarding the Deposit Accounts even if the result of following such instructions from the Collateral Agent is that the Deposit Account Bank dishonors items presented for payment from the Deposit Account. The Assignor further confirms that the Deposit Account Bank shall have no liability to the Assignor for wrongful dishonor of such items in following such instructions from the Collateral Agent. The Deposit Account Bank shall have no duty to inquire or determine whether the Assignor's obligations to the Collateral Agent are in default or whether the Collateral Agent is entitled, under any separate agreement between the Assignor and the Collateral Agent, to give any such instructions. The Assignor further agrees to be responsible for the Deposit Account Bank's customary charges and to indemnify the Deposit Account Bank from and to hold the Deposit Account Bank harmless from and against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, civil penalties, fines, settlements, suits and out-of-pocket costs, expenses and disbursements (including reasonable and documented out-of-pocket attorneys' and consultants' fees, charges and disbursements) that the Deposit Account Bank may sustain or incur in acting upon instructions which the Deposit Account Bank believes in good faith to be instructions from the Collateral Agent excluding all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, civil penalties, fines, settlements, suits and

out-of-pocket costs, expenses and disbursements (including reasonable and documented out-of-pocket attorneys' and consultants' fees, charges and disbursements) to the extent incurred by reason of the gross negligence of, the breach in bad faith of this Agreement by, or willful misconduct of the Deposit Account Bank. Notwithstanding the foregoing, no party hereto shall be responsible to any Person for any consequential, indirect, special or punitive damages which may be alleged by such Person arising out of this Agreement or the other Loan Documents.

(b) The Deposit Account Bank will not be liable to the Assignor or the Collateral Agent for complying with instructions concerning the Deposit Accounts from the Assignor that are received by the Deposit Account Bank before the Deposit Account Bank received, and has some reasonable opportunity to act on, a Notice of Exclusive Control.

(c) The Deposit Account Bank will not be liable to the Assignor or the Collateral Agent for complying with a Notice of Exclusive Control or with instructions concerning the Deposit Accounts originated by the Collateral Agent, even if the Assignor notifies the Deposit Account Bank that the Collateral Agent is not legally entitled to issue the Notice of Exclusive Control of instructions unless the Deposit Account Bank takes the actions after it is served with an injunction, restraining order, or other legal process enjoining it from doing do, issued by a court of competent jurisdiction.

(d) The Assignor further agrees to be responsible for the Deposit Account Bank's customary charges (including, without limitation, all reasonable and documented out-of-pocket costs, expenses and attorney's fees incurred by the Deposit Account Bank in connection with the enforcement of this Agreement or any related instrument of agreement) and to indemnify the Deposit Account Bank from and to hold the Deposit Account Bank harmless from and against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits and out-of-pocket costs, expenses and disbursements (including reasonable and documented out-of-pocket attorneys' and consultants' fees, charges and disbursements) that the Deposit Account Bank may sustain or incur in acting upon instructions which the Deposit Account Bank believes in good faith to be instructions from the Collateral Agent excluding all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits and out-of-pocket costs, expenses and disbursements (including reasonable and documented out-of-pocket attorneys' and consultants' fees, charges and disbursements) to the extent incurred as a direct result of the gross negligence of or willful misconduct of the Deposit Account Bank as determined by a court of competent jurisdiction in a final non-appealable judgment. Notwithstanding the foregoing, no party hereto shall be responsible to any Person for any consequential, indirect, special or punitive damages which may be alleged by such Person arising out of this Agreement or the other Loan Documents.

(e) The Collateral Agent agrees to be responsible for the Deposit Account Bank's reasonable and documented out-of-pocket costs, expenses and attorney's fees incurred by the Deposit Account Bank in connection with the enforcement of this Agreement and to indemnify the Deposit Account Bank from and to hold the Deposit Account Bank harmless against any direct loss, cost or expense of any nature that the Deposit Account Bank may sustain or incur in connection with this Agreement, excluding any loss, cost or expense to the extent incurred as a direct result of the gross negligence or willful misconduct of the Deposit Account Bank as determined by a court of competent jurisdiction in a final and non-appealable judgment.

(f) If the balances in the Deposit Accounts are not sufficient to compensate the Deposit Account Bank for any fees or charges due to the Deposit Account Bank in connection with the Deposit Account or this Agreement or any returned check related thereto, the Assignor agrees to pay to the Deposit Account Bank, on demand, the amount due. The Assignor will have breached this Agreement if it has not paid the Deposit Account Bank, within five days after such demand, the amount due.

(g) In no event will the Deposit Account Bank and the Collateral Agent hereto be liable for any special, indirect, exemplary, and consequential or punitive damages, including but not limited to lost profits.

(h) The Deposit Account Bank will be excused from failing to act or delay in acting, and no such failure or delay shall constitute a breach of this Agreement or otherwise give rise to liability of the Deposit Account Bank, if such failure or delay is caused by circumstances beyond the Deposit Account Bank's reasonable control.

4. Subordination of Security Interests; Deposit Account Bank's Recourse to Deposit Account. The Deposit Account Bank hereby subordinates any claims and security interests it may have against, or with respect to, the Deposit Accounts (including any amounts, investments, instruments or other Collateral from time to time on deposit therein) to the security interests of the Collateral Agent (for the benefit of the Secured Parties) therein, and agrees that no amounts shall be charged by it to, or withheld or set-off or otherwise recouped by it from, the Deposit Accounts or any amounts, investments, instruments or other Collateral from time to time on deposit therein; provided that the Deposit Account Bank may, however, from time to time debit the Deposit Accounts for any of its customary charges in maintaining the Deposit Accounts or for reimbursement for the reversal of any provisional credits granted by the Deposit Account Bank to the Deposit Accounts, to the extent, in each case, that the Assignor has not separately paid or reimbursed the Deposit Account Bank therefor.

5. Representations, Warranties and Covenants of Deposit Account Bank. The Deposit Account Bank represents and warrants to the Collateral Agent that:

(a) The Deposit Account Bank constitutes a "bank" (as defined in Section 9-102 of the UCC), that the jurisdiction (determined in accordance with Section 9-304 of the UCC) of the Deposit Account Bank for purposes of the Deposit Accounts shall be the State of New York.

(b) The Deposit Account Bank shall not permit the Assignor to establish any other account with it.

(c) The account agreements between the Deposit Account Bank and the Assignor relating to the establishment and general operation of the Deposit Accounts provide, whether specifically or generally, that the laws of New York govern secured transactions relating to the Deposit Account and that the Deposit Account Bank's "jurisdiction" for purposes of Section 9-304 of the UCC in respect of the Deposit Account is New York. The Deposit Account Bank will not, without the Collateral Agent's prior written consent, amend any such account agreement so that the Deposit Account Bank's jurisdiction for purposes of Section 9-304 of the UCC is a

jurisdiction other than the State of New York. Copies of all account agreements in respect of the Deposit Accounts in existence on the date hereof have been furnished to the Collateral Agent.

(d) The Deposit Account Bank has not entered, and will not enter, into any agreement with any other Person by which the Deposit Account Bank is obligated to comply with instructions from such other Person as to the disposition of funds from the Deposit Accounts or other dealings with the Deposit Accounts or other of the Collateral.

(e) On the date hereof the Deposit Account Bank maintains no deposit account (as defined in Section 9-102 of the UCC) for the Assignor other than the Deposit Account.

(f) Any items or funds received by the Deposit Account Bank for the Assignor's account will be credited to the Deposit Account Bank for the Assignor in accordance with this Agreement.

(g) The Assignor will promptly notify the Collateral Agent of each Deposit Account hereafter established by the Deposit Account Bank for the Assignor (which notice shall specify the account number of such Deposit Account and the location at which the Deposit Account is maintained), and each such new Deposit Account shall be subject to the terms of this Agreement in all respects.

6. Deposit Accounts Statements and Information. The Deposit Account Bank agrees, and is hereby authorized and instructed by the Assignor, to furnish to the Collateral Agent, at its address indicated below, copies of all account statements relating to the Deposit Accounts that the Deposit Account Bank sends to the Assignor and to disclose to the Collateral Agent all information reasonably requested by the Collateral Agent regarding the Deposit Account.

7. Conflicting Agreements. This Agreement supplements, rather than replaces, the Account Related Agreements. Except as supplemented herein, the Account Related Agreements will continue to apply to the Deposit Account and cash management or similar services provided to the Assignor by the Deposit Account Bank or any affiliate of the Deposit Account Bank in connection with the Deposit Account to the extent not directly in conflict with the provisions of this Agreement (provided, however, that in the event of any such conflict, the provisions on this Agreement shall control).

8. Merger or Consolidation of Deposit Account Bank. Without the execution or filing of any paper or any further act on the part of any of the parties hereto, any bank into which the Deposit Account Bank may be merged or with which it may be consolidated, or any bank resulting from any merger to which the Deposit Account Bank shall be a party, or any affiliated bank of the Deposit Account Bank to which the Deposit Account Bank has assigned this Agreement, the Account Related Agreements or the Deposit Accounts shall be the successor of the Deposit Account Bank hereunder and shall be bound by all provisions hereof which are binding upon the Deposit Account Bank and shall be deemed to affirm as to itself all representations and warranties of the Deposit Account Bank contained herein.

9. Notices. (a) All notices and other communications provided for in this Agreement shall be in writing (including via e-mail or facsimile) and mailed, faxed or delivered to the intended recipient at its address, e-mail address or facsimile number set forth below:

If to the Collateral Agent, at:

Nordea Bank Abp,
New York Branch
1211 Avenue of the Americas
23rd Floor
New York, New York 10036
Attn: Shipping, Offshore and Oil Services
Telephone: (212) 318-9344
E-mail: agency.soosid@nordea.com / martin.lunder@nordea.com

If to the Assignor, at:

International Seaways Operating Corporation
c/o International Seaways Ship Management LLC
600 Third Avenue, 39th Floor
New York, New York 10016
Attention: Jeffrey D. Pribor, Senior Vice President, Chief Financial Officer
Telephone: +1 212 578 1947
Email: jpribor@intlseas.com
Legaldepartment@intlseas.com
Treasury@intlseas.com

with copies to:

Holland & Knight LLP
31 West 52nd Street
New York, NY 10019
Attention: Jovi Tenev
Facsimile: + 1 212 513 3218
Email: jovi.tenev@hklaw.com

If to the Deposit Account Bank, at:

Nordea Bank Abp,
New York Branch
1211 Avenue of the Americas
23rd Floor
New York, New York 10036
Attn: Shipping, Offshore and Oil Services
Telephone: (212) 318-9344
E-mail: agency.soosid@nordea.com / martin.lunder@nordea.com

with copies to the Assignor as above provided

or, as to any party, to such other address, e-mail address or facsimile number as such party may designate from time to time by notice to the other parties.

(b) Except as otherwise provided herein, all notices and communications shall, (i) when mailed, be effective three Business Days after being deposited in the mail, prepaid and properly addressed for delivery, (ii) when sent by overnight courier, be effective one Business Day after delivery to the overnight courier prepaid and properly addressed for delivery on such next Business Day, or (iii) when sent by email or facsimile, be effective when sent by email or facsimile.

10. Amendment. This Agreement may not be amended, modified or supplemented except in writing executed and delivered by all the parties hereto.

11. Binding Agreement. This Agreement shall bind the parties hereto and their successors and assign and shall inure to the benefit of the parties hereto and their successors and assigns. Without limiting the provisions of the immediately preceding sentence, the Collateral Agent at any time or from time to time may designate in writing to the Deposit Account Bank a successor Collateral Agent (at such time, if any, as such entity becomes the Collateral Agent under the Pledge Agreement, or at any time thereafter) who shall thereafter succeed to the rights of the existing Collateral Agent hereunder and shall be entitled to all of the rights and benefits provided hereunder.

12. Continuing Obligations. The rights and powers granted herein to the Collateral Agent have been granted in order to protect and further perfect its security interests in the Deposit Accounts and other Collateral and are powers coupled with an interest and will be affected neither by any purported revocation by the Assignor of this Agreement or the rights granted to the Collateral Agent hereunder or by the bankruptcy, insolvency, conservatorship or receivership of the Assignor or the Deposit Account Bank or by the lapse of time. The rights of the Collateral Agent hereunder and in respect of the Deposit Account and the other Collateral, and the obligations of the Assignor and Deposit Account Bank hereunder, shall continue in effect until the security interests of Collateral Agent in the Deposit Account and such other Collateral have been terminated and the Collateral Agent has notified the Deposit Account Bank of such termination in writing.

13. Governing Law; Consent to Jurisdiction; Venue; Waiver of Jury Trial. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY IN THE CITY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE ASSIGNOR HEREBY IRREVOCABLY**

ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. THE ASSIGNOR HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY CLAIM THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER THE ASSIGNOR, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER THE ASSIGNOR. THE ASSIGNOR HEREBY IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH THE ASSIGNOR IS A PARTY BROUGHT IN THE COURTS REFERRED TO IN THIS SECTION 13 AND HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

14. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

15. Termination. This Agreement and the security interest created hereby shall automatically terminate, without further action by any party, on the date upon which (i) the Term Commitment and the Total Revolving Commitments under the Credit Agreement and (ii) all Bank Product Agreements have been terminated; (iii) no Notes representing Borrower's obligation to pay the principal of, and interest on the Loans under, the Credit Agreement are outstanding; and (iv) all Loans thereunder have been repaid in full and all Obligations applicable to the Loans then due and payable have been paid in full (provided that all indemnities set forth herein shall survive any such termination).

16. Effect of Agreement. It is expressly understood and agreed that this Agreement is given for the purposes of establishing "control" (as defined in Section 9-104 of the UCC) in the Deposit Accounts.

17. E.U. Bail-In Provisions. Each of the Assignor and the Collateral Agent acknowledges, agrees to be bound by and consents to the exercise of any right and power under applicable law, commonly referred to as the "Bail-in Power", vested in the relevant resolution authority that may result in the cancellation of all or a portion of the obligations of the Deposit Account Bank hereunder, including by means of a variation to the terms of such obligations.

* * *

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first written above.

Assignor:

[●]

By:_____
Name:
Title:

Collateral Agent:

NORDEA BANK ABP, NEW YORK BRANCH,
as Collateral Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Deposit Account Bank:

NORDEA BANK ABP, NEW YORK BRANCH,
as Deposit Account Bank

By:_____
Name:
Title:

By:_____
Name:
Title:

Omitted

EXHIBIT H-1

[Form of]

PORTFOLIO INTEREST CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.15(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:
Name:
Title:

Date: _____ __, 20[ ]

[Form of]

PORTFOLIO INTEREST CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated, replaced or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.15(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:
Name:
Title:

Date: _____ __, 20[ ]

EXHIBIT H-3

[Form of]
PORTFOLIO INTEREST CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated, replaced or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.15(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or Form W-8BEN-E, as applicable or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]
By:
Name:
Title:

Date: _____ __, 20[ ]

[Form of]
PORTFOLIO INTEREST CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to that certain Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated, replaced or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to the provisions of Section 2.15(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]
By:
Name:
Title:

Date: _____ __, 20[ ]

EXHIBIT I

[Form of]
SOLVENCY CERTIFICATE

Reference is made to that certain Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as Collateral Agent and security trustee for the Secured Parties, and the other parties thereto. Capitalized terms used but not defined herein shall have the meaning given to such terms in the Credit Agreement.

I, [_____], treasurer and chief financial officer of Holdings, solely in my capacity as treasurer and chief financial officer of Holdings and not in an individual capacity, do hereby certify pursuant to Section 4.01(g) of the Credit Agreement as follows:

Immediately after the consummation of the Transactions to occur on the Closing Date and immediately following the making of each Credit Extension on the Closing Date and after giving effect to the application of the proceeds of each Credit Extension on the Closing Date:

(a) The fair value of the properties of Borrower and its Subsidiaries, (on a consolidated basis) will exceed their debts and liabilities, subordinated, contingent or otherwise;

(b) The present fair saleable value of the property of Borrower and its Subsidiaries as a going concern (on a consolidated basis) will be greater than the amount that will be required to pay the probable liability of their respective debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;

(c) Borrower and its Subsidiaries (on a consolidated basis) will be able to pay their respective debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured;

(d) Borrower and its Subsidiaries (on a consolidated basis) will not have unreasonably small capital with which to conduct their respective businesses in which they are engaged as such business is now conducted and is proposed, contemplated or about to be conducted following the Closing Date;

(e) For purposes of this solvency certificate (this "**Certificate**"), the amount of contingent liabilities has been computed as the amount that, in the light of all the facts and circumstances existing as of the date hereof, represents the amount that can reasonably be expected to become an actual or matured liability;

(f) The Administrative Agent has received the financial statements described in Sections 3.04(a) and 4.01(e) of the Credit Agreement (the "**Financial Statements**"), which the undersigned believes present fairly and accurately, the financial condition and results of operations and cash flows of Borrower and its Subsidiaries as of the dates and for the periods to which they relate; and

(g) The undersigned is familiar with the business and financial position of Borrower and its Subsidiaries. In reaching the conclusions set forth in this Certificate, the undersigned has made such investigations and inquiries as the undersigned has deemed appropriate, having taken into account the nature of the particular business anticipated to be conducted by each of Holdings and its Subsidiaries after consummation of the Transactions.

[*Signature Page Follows*]

The undersigned understands that the Lenders are relying on the truth and accuracy of contents of this Certificate in connection with each Credit Extension made to the Borrower on the Closing Date pursuant to the Credit Agreement.

INTERNATIONAL SEAWAYS, INC.,
as Holdings

By:_____
Name:
Title:

EXHIBIT J

[Letterhead of Specified Bank Products Provider]

[Date]

Nordea Bank Abp, New York Branch,
as Administrative Agent for the Lenders referred to below
1211 Avenue of the Americas
New York, New York, 10036
Attention: Shipping, Offshore and Oil Services
Telephone: (212) 318-9630
Email: agency.soosid@nordea.com / martin.lunder@nordea.com

Reference is hereby made to that certain Credit Agreement, dated as of January 23, 2020 (as the same now exists or may hereafter be amended, amended and restated, modified, supplemented, extended, renewed, restated or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Islands corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent (in such capacity, the "**Administrative Agent**") for the Lenders, Nordea Bank Abp, New York Branch, as collateral agent and security trustee for the Secured Parties, and the other parties thereto. Capitalized terms used herein but not specifically defined herein shall have the meanings ascribed to them in the Credit Agreement.

Reference is also made to that certain [describe the Bank Product Agreement or Agreements] (the "**Specified Bank Product Agreement [Agreements]**"), dated as of [_____], by and between [Agent, Lender or Affiliate of Agent or Lender] (the "**Specified Bank Products Provider**") and [identify the Loan Party].

1. Appointment of the Administrative Agent and Collateral Agent. The Specified Bank Products Provider hereby designates and appoints the Administrative Agent and the Collateral Agent, and the Administrative Agent and the Collateral Agent by its signature below hereby accepts such appointment, as its agent under the Credit Agreement and the other Loan Documents as, and to the extent, provided therein. The Specified Bank Products Provider hereby acknowledges that it has reviewed Sections 10.01, 10.02, 10.03, 10.04, 10.05, 10.06, 10.07, 10.08, 10.09, 10.10, 10.12, 10.13, 10.14 and 11.18 of the Credit Agreement (collectively such sections are referred to herein as the "**Agency Provisions**"), including, as applicable, the defined terms referenced therein (but only to the extent used therein), and agrees to be bound by the provisions thereof. The Specified Bank Products Provider, the Administrative Agent and the Collateral Agent each agree that the Agency Provisions which govern the relationship, and certain representations, acknowledgements, appointments, rights, restrictions, and agreements, between the Administrative Agent and the Collateral Agent, on the one hand, and the Lenders or the Secured Parties, on the other hand, shall, from and after the date of this letter agreement also apply to and govern, *mutatis mutandis,* the relationship between the Administrative Agent and the Collateral Agent, on the one hand, and the Specified Bank Products Provider with respect to the Bank Products provided pursuant to the Specified Bank Product Agreement[s], on the other hand.

2. Acknowledgement of Certain Provisions of Credit Agreement. The Specified Bank Products Provider also hereby acknowledges that it has reviewed the provisions of Sections 9.01 and 11.02 of the Credit Agreement, including, as applicable, the defined terms referenced therein, and agrees

to be bound by the provisions thereof. Without limiting the generality of any of the foregoing referenced provisions, the Specified Bank Products Provider understands and agrees that its rights and benefits under the Loan Documents consist solely of it being a beneficiary of the Liens and security interests granted to the Collateral Agent and the right to share in Collateral as set forth in the Credit Agreement.

3. Reporting Requirements. Neither the Administrative Agent nor the Collateral Agent shall have any obligation to calculate the amount due and payable with respect to any Bank Products. On a monthly basis (not later than the 10th Business Day of each calendar month) or as more frequently as the Administrative Agent shall request, the Specified Bank Products Provider agrees to provide the Administrative Agent with a written report, in form and substance reasonably satisfactory to the Administrative Agent, detailing Specified Bank Products Provider's reasonable determination of the credit exposure (and mark-to-market exposure) of the Loan Parties in respect of the Bank Products provided by the Specified Bank Products Provider pursuant to the Specified Bank Product Agreement[s]. If the Administrative Agent does not receive such written report within the time period provided above, the Administrative Agent shall be entitled to assume that the reasonable determination of the credit exposure of the Loan Parties with respect to the Bank Products provided pursuant to the Specified Bank Product Agreement[s] is zero.

4. [Reserved].

5. Bank Product Obligations. From and after the delivery to the Administrative Agent and the Collateral Agent of this letter agreement duly executed by the Specified Bank Products Provider and the acknowledgement of this letter agreement by the Administrative Agent, the Collateral Agent and the Borrower, the obligations and liabilities of the Loan Parties to the Specified Bank Products Provider in respect of Bank Products evidenced by the Specified Bank Product Agreement[s] shall constitute Bank Product Obligations (and which, in turn, shall constitute Secured Obligations), and the Specified Bank Products Provider shall constitute a Bank Product Provider. The Specified Bank Products Provider acknowledges that other Bank Products (which may or may not be Bank Products provided pursuant to the Specified Bank Product Agreement[s]) may exist at any time.

6. Notices. All notices and other communications provided for hereunder shall be given in the form and manner provided in Section 11.01 of the Credit Agreement, and, if to the Administrative Agent or the Collateral Agent, shall be mailed, sent, or delivered to the Administrative Agent or the Collateral Agent in accordance with Section 11.01 of the Credit Agreement, and if to the Borrower, shall be mailed, sent, or delivered to the Borrower in accordance with Section 11.01 of the Credit Agreement, and, if to the Specified Bank Products Provider, shall be mailed, sent or delivered to the address set forth below, or, in each case as to any party, at such other address as shall be designated by such party in a written notice to the other party.

If to the Specified Bank
Products Provider:_____

Attn:
Fax No.

7. Miscellaneous. This letter agreement is for the benefit of the Administrative Agent, the Collateral Agent, the Specified Bank Products Provider, the Loan Parties and each of their respective successors and assigns (including any successor Administrative Agent or Collateral Agent pursuant to Section 10.06 of the Credit Agreement[, but excluding any successor or assignee of a Specified Bank Products Provider that does not qualify as a Bank Product Provider]). Unless the context of this letter

agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." This letter agreement may be executed in any number of counterparts and by different parties on separate counterparts. Each of such counterparts shall be deemed to be an original, and all of such counterparts, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this letter by telefacsimile or other means of electronic transmission shall be equally effective as delivery of a manually executed counterpart.

8. Governing Law. (a) THIS LETTER AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAW OF THE STATE OF NEW YORK.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE LOCATED IN THE BOROUGH OF MANHATTAN, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENTS. NOTHING IN THIS LETTER AGREEMENT OR OTHERWISE SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS LETTER AGREEMENT AGAINST ANY SPECIFIED BANK PRODUCTS PROVIDER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT IN ANY COURT REFERRED TO IN SECTION 8(b). EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY TO THIS LETTER AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT OR ANY LOAN DOCUMENT, IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN FACSIMILE OR EMAIL) IN SECTION 6. NOTHING IN

THIS LETTER AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS LETTER AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LEGAL REQUIREMENTS.

(e) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT OR THE OTHER TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS LETTER AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.

[Remainder of This Page Intentionally Left Blank]

Sincerely,

[_____],
as Specified Bank Products Provider

By:_____
Name:
Title:

Acknowledged and accepted as of the date first written above:

INTERNATIONAL SEAWAYS OPERATING CORPORATION,
as Borrower

By:
_____
Name:
Title:

Acknowledged, accepted, and agreed as of _____ __, 20__:

NORDEA BANK ABP, NEW YORK BRANCH,
as Administrative Agent and Collateral Agent

By:
_____
Name:
Title:

By:_____
Name:
Title:

EXHIBIT K

[Form of]
QUIET ENJOYMENT AGREEMENT

[*attached*]

EXHIBIT K

FORM OF

QUIET ENJOYMENT AGREEMENT

QUIET ENJOYMENT AGREEMENT (this "**Agreement**"), dated as of [DATE] between [CHARTERER] (together with its successors and permitted assigns, the "**Charterer**"), and NORDEA BANK ABP, NEW YORK BRANCH, acting as Collateral Agent and Security Trustee on behalf of the Lenders under the Credit Agreement (as defined below) (together with its successors and permitted assigns, the "**Mortgagee**").

Recitals

Reference is made to that certain Credit Agreement, dated as of January 23, 2020, among the Mortgagee, the Owner and the other parties thereto (as such agreement may be amended, supplemented, restated or otherwise modified from time to time, the "**Credit Agreement**"; capitalized terms used herein but not defined shall have the meaning assigned thereto in the Credit Agreement).

[SHIPOWNER] (the "**Owner**") is the owner of the Marshall Islands registered [VESSEL TYPE] named [VESSEL NAME], IMO Number [●] (the **"Vessel").**

As security for the Secured Obligations of the Borrower under the Credit Agreement and as permitted under the Charter (as defined below), the Owner executed and delivered to the Mortgagee, as Security Trustee, for the benefit of the Lenders, a first preferred ship mortgage, dated January [●], 2020 (the "**Vessel Mortgage**") covering the whole of the Vessel, which is subject to the [TYPE OF CHARTER] dated [●] pursuant to which the Vessel was chartered to the Charterer (the "**Charter**"). A copy of the Charter is attached hereto as Exhibit "A".

The parties wish to provide for the quiet enjoyment of the Vessel by the Charterer.

The parties agree as follows:

Section 1. The Charterer hereby represents and warrants to the Mortgagee as of the date hereof that:

(a) all necessary corporate action has been taken by the Charterer to authorize, and all necessary consents and approvals have been obtained to permit, the Charterer to enter into this Agreement; and

(b) this Agreement constitutes the legal, valid and binding obligation of the Charterer, enforceable against the Charterer in accordance with its terms, except to the extent that such enforceability may be limited by any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditor's rights and by general principles of equity.

Section 2. The Mortgagee hereby represents and warrants to the Charterer as of the date hereof that:

(a) the Mortgagee is authorized to enter into this Agreement; and

(b) this Agreement constitutes the legal, valid and binding obligation of the Mortgagee, enforceable against the Mortgagee in accordance with its terms, except to the extent that such enforceability may be limited by any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditor's rights and by general principles of equity.

Section 3. Charterer hereby agrees that:

(a) [this Agreement is the "[agreement]" referred to in Clause [●] of the Charter;]

(b) it will duly perform all of its obligations under the Charter in accordance with the Charter and will make all payments of charter hire due and to become due under, and in accordance with, the Charter, without set-off, deduction or counterclaim for any reason whatsoever, except as provided in the Charter; and

(c) any lien it may have against the Vessel shall be fully subordinate to any lien of the Mortgagee as mortgagee against the Vessel.

Section 4. The Mortgagee hereby agrees that the exercise by the Mortgagee of its remedies with respect to the Vessel under the Credit Agreement and pursuant to the terms of the Vessel Mortgage shall be made consistent with the provisions of this Agreement.

Section 5. So long as the Charter remains in effect and no default thereunder by the Charterer has occurred and is continuing (a "**Charterer Default**"), the Mortgagee acknowledges and agrees that the Mortgagee shall not exercise its remedies with respect to the Vessel pursuant to the terms of the Vessel Mortgage in a manner that disturbs or interferes with the quiet and peaceful use and enjoyment of the Vessel by the Charterer and any permitted sub-charterer under the terms of the Charter, *provided* that, even when no Charterer Default shall have occurred and be continuing, the Mortgagee shall remain free to exercise its powers of extra-judicial sale in relation to the Vessel contained in the Vessel Mortgage and any sale of the Vessel pursuant to any such power shall not terminate the Charter, unless the Charterer does not consent to a change in the technical management of the Vessel (such consent not to be unreasonably withheld), in which case the Charter may be terminated. In the event of such extra-judicial sale and so long as no Charterer Default shall have occurred and be continuing:

(a) the Mortgagee shall conduct and complete such sale in a manner which does not unreasonably interfere with the Charterer's rights under the Charter and this Agreement; and

(b) the Mortgagee shall require that the purchaser accede to the Charter and agree to comply with the Owner's obligations thereunder as though it were named in the Charter in place of the Owner, until the expiration of the Charter according to its terms.

Section 6. The Charterer hereby agrees that the provisions of Section 5 above shall not be construed as restricting or limiting the ability or rights of the Mortgagee to take such action as may be necessary or appropriate in relation to its security and/or ownership interests in the Vessel so as to preserve or protect those interests as a consequence of (i) the arrest or forfeiture or threatened arrest or forfeiture of the Vessel by a third party or (ii) those interests in the Vessel being threatened or otherwise imperiled during the period whilst the circumstances contemplated in (i) above continue to apply.

Section 7. The provisions of this Agreement are in substitution for, and to the exclusion of, any other covenant for quiet enjoyment which may have otherwise been given by the Mortgagee (unless expressly stated in writing by the Mortgagee to apply) or implied at law or otherwise.

Section 8. This Agreement shall be governed by and construed in accordance with the [LAW OF APPLICABLE JURISDICTION],

Signature pages follow

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed as of the date first above written.

NORDEA BANK ABP, NEW YORK BRANCH, as Mortgagee

By: _____

Name:
Title:

By: _____

Name:
Title:

[CHARTERER], as Charterer

By: _____

Name:
Title:

EXHIBIT L
TO THE CREDIT AGREEMENT

FORM OF
FIRST PREFERRED SHIP MORTGAGE

ON MARSHALL ISLANDS FLAG VESSEL

[VESSEL NAME]
OFFICIAL NO. [OFFICIAL NUMBER]

executed by

[SHIPOWNER],
as Shipowner

in favor of

NORDEA BANK ABP, NEW YORK BRANCH,
not in its individual capacity, but solely as Collateral Agent and Security Trustee,
as Mortgagee

[DATE]

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FIRST PREFERRED MORTGAGE

[VESSEL NAME]

This First Preferred Ship Mortgage made on January __, 2020 (this "Mortgage"), by [SHIPOWNER], a Marshall Islands corporation and a Marshall Islands foreign maritime entity, with its address at 600 Third Avenue, 39th Floor, New York, New York 10016 (the "Shipowner"), in favor of NORDEA BANK ABP, NEW YORK BRANCH, not in its individual capacity, but solely as Collateral Agent and Security Trustee on behalf of the Secured Parties under the Credit Agreement (as hereinafter defined), with its address at 1211 Avenue of the Americas, New York, NY 10036 (in such capacity, together with its successors in trust and assigns, the "Mortgagee"). Except as otherwise defined or limited herein, capitalized terms used herein and defined in the Credit Agreement shall be used herein as so defined. The term "Secured Parties" as used in this Mortgage shall include any Bank Product Provider.

Statement pursuant to Chapter 3 of the Republic of the Marshall Islands Maritime Act of 1990, as amended

The MAXIMUM AMOUNT of the direct and contingent obligations secured by this Mortgage is [Seven Hundred Forty Million United States Dollars (U.S. $740,000,000) being the aggregate of (i)] Three Hundred Ninety Million United States Dollars (U.S. $390,000,000) in respect of obligations under the Loan Documents [and (ii) Three Hundred Fifty Million United States Dollars (U.S. $350,000,000) in respect of obligations under the Bank Product Agreements,] and interest, fees and performance of mortgage covenants.

W I T N E S S E T H

WHEREAS:

A. The Shipowner is the sole owner of the whole of the vessel [VESSEL NAME], Official Number [OFFICIAL NUMBER], registered in the name of the Shipowner under the laws and flag of the Republic of the Marshall Islands (the "Vessel").

B.International Seaways Operating Corporation (the "Borrower") and International Seaways, Inc. ("Holdings") have entered into a Credit Agreement, dated as of January 23, 2020 (as such may hereafter be amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), with the other Guarantors named therein, including the Shipowner, the Lenders party thereto from time to time, Nordea Bank Abp, New York Branch, ABN AMRO Capital LLC, Crédit Agricole Corporate & Investment Bank, DNB Markets, Inc. and Skandinaviska Enskilda Banken AB (PUBL), as mandated lead arrangers, Nordea Bank Abp, New York Branch as Administrative Agent, Nordea Bank Abp, New York Branch, as the Mortgagee, as Collateral Agent and Security Trustee, providing for senior secured term loan facilities in an aggregate principal amount of Three Hundred Fifty Million United States Dollars ($350,000,000) and a senior secured revolving credit facility in an aggregate principal amount not in excess of Forty Million United States Dollars ($40,000,000). The form of the Credit Agreement (without Schedules or Exhibits, except for Exhibit F-1, the form of the Term Note, and Exhibit F-2, the form of the Revolving Note) is attached hereto as Mortgage Exhibit A and made a part hereof.

C.[The Borrower may at any time and from time to time enter into, or guaranty the obligations of one or more Guarantors or any of their respective Subsidiaries under, one or more Bank Product Agreements with a Bank Product Provider. The parties agree that the aggregate notional amount of liabilities of the Borrower under the Bank Product Agreements entered into with respect to the Loans and/or Commitments is Three Hundred Fifty Million United States Dollars (U.S. $350,000,000). Copies of the

Bank Product Agreements outstanding on the date hereof together with the confirmations relating thereto are attached hereto as Exhibit B and made a part hereof.]

D.The Shipowner is a Wholly-Owned Subsidiary of the Borrower.

E.Pursuant to Article VII of the Credit Agreement, the Shipowner has guaranteed the Secured Obligations from time to time owing to the Secured Parties by any Loan Party. [The Secured Obligations include the Borrower's or one or more Guarantors' obligations under any existing or subsequent Bank Product Agreements.]

F.The Lenders have committed to make the Loans subject to the terms and on the conditions set forth in the Credit Agreement; and the Shipowner acknowledges that it is justly indebted to the Secured Parties for such obligations under the Credit Agreement.

G.In order to secure (1) its obligations as aforesaid under the Credit Agreement according to the respective terms thereof, [(2) its obligations as aforesaid under one or more Bank Product Agreements according to the terms thereof,] (3) the payment of all other such sums that may hereinafter be secured by this Mortgage in accordance with the terms hereof, and (4) the performance and observance of and compliance with all the agreements, covenants and conditions contained herein, in the Credit Agreement and the Notes [and in the Bank Product Agreements] (the foregoing being hereafter collectively referred to as the " Secured Obligations"), the Shipowner has duly authorized the execution and delivery of this Mortgage under Chapter 3 of the Republic of the Marshall Islands Maritime Act 1990 as amended.

H.Pursuant to Article X of the Credit Agreement, the Mortgagee has agreed to hold the Trust Property in trust for the Secured Parties.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, and in order to secure the payment of the Secured Obligations, the Shipowner has granted, conveyed, mortgaged, pledged, confirmed, assigned, transferred and set over and by these presents does grant, convey, mortgage, pledge, confirm, assign, transfer and set over, unto the Mortgagee, and its successors and assigns, the whole of the Vessel, including, without being limited to, all of the boilers, engines, machinery, masts, spars, boats, anchors, cables, chains, fuel (to the extent owned by the Shipowner), rigging, tackle, capstans, outfit, tools, pumps and pumping equipment, apparel, furniture, drilling equipment, fittings, equipment, spare parts, and all other appurtenances thereunto appertaining or belonging, whether now owned or hereafter acquired, and also any and all additions, improvements, renewals and replacements hereafter made in or to the Vessel or any part thereof, including all items and appurtenances aforesaid, all of which shall be deemed to be included in the term "Vessel" as used in this Mortgage;

TO HAVE AND TO HOLD all and singular the above mortgaged and described property unto the Mortgagee and its successors and assigns, to its and to its successors' and assigns' own use, benefit and behoof forever;

PROVIDED, and these presents are upon the condition that, if the Shipowner or its successors or assigns shall pay or cause to be paid the Secured Obligations as and when the same shall become due and payable in accordance with the respective terms of the Credit Agreement, the Notes,[the Bank Product Agreements] and this Mortgage, and all other such sums as may hereafter become secured by this Mortgage in accordance with the terms hereof, and the Shipowner shall duly perform, observe and comply with or cause to be performed, observed, or complied with all the covenants, terms and conditions of this Mortgage, the Credit Agreement [and the Bank Product Agreements], expressed or implied, to be performed, then this Mortgage and the estate and rights hereunder shall cease, determine and be void, otherwise to remain in full force and effect.

The Shipowner, for itself, its successors and assigns, hereby covenants, declares and agrees with the Mortgagee and its successors and assigns that the Vessel is to be held subject to the further covenants, conditions, terms and uses hereinafter set forth.

ARTICLE I

Representations and Warranties of the Shipowner

Section 1. Existence: Authorization. The Shipowner is a corporation duly incorporated and validly existing under the laws of the Republic of the Marshall Islands and shall so remain during the life of this Mortgage; it is duly authorized to mortgage the Vessel; all actions necessary and required by law for the execution and delivery of this Mortgage have been duly and effectively taken; and each of the Secured Obligations and the Mortgage is and will be the legal, valid and binding obligation of the Shipowner enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditor's rights generally or by equitable principles relating to enforceability.

Section 2. Title to Vessel. The Shipowner lawfully owns and is lawfully possessed of the Vessel free from any Lien whatsoever other than Permitted Liens, and will warrant and defend the title and possession thereto and to every part thereof for the benefit of the Mortgagee against the claims and demands of all persons whomsoever.

Section 3. ISM and ISPS Compliance. The Shipowner is in compliance with the ISM Code and the ISPS Code in all material respects, and has obtained all documentation, including a valid safety management certificate and document of compliance in relation to the Vessel and the manager of the Vessel, respectively, as may be required by applicable law.

ARTICLE II

Covenants of the Shipowner

Section 1. Payment of Indebtedness. The Shipowner will pay or cause to be paid the Secured Obligations, and will observe, perform and comply with the covenants, terms and conditions herein and in the Credit Agreement [and the Bank Product Agreements], express or implied, on its part to be observed, performed or complied with.

The Secured Obligations are obligations in United States Dollars and the term "$" when used herein shall mean such United States Dollars. Notwithstanding fluctuations in the value or rate of United States Dollars in terms of gold or any other currency, all payments hereunder or otherwise in respect of the Secured Obligations shall be payable in terms of United States Dollars when due, in United States Dollars when paid, whether such payment is made before or after the due date.

Section 2.Mortgage Recording. The Shipowner will cause this Mortgage to be duly recorded in the Office of the Deputy Commissioner of Maritime Affairs of the Republic of the Marshall Islands, in accordance with the provisions of Chapter 3 of the Republic of the Marshall Islands Maritime Act of 1990, as amended, and will otherwise comply with and satisfy all of the provisions of applicable laws of the Republic of the Marshall Islands in order to establish and maintain this Mortgage as a first preferred mortgage thereunder upon the Vessel and upon all renewals, replacements and improvements made in or to the same for the amount of the Secured Obligations.

Section 3. Lawful Operation. The Shipowner will not cause or permit the Vessel to be operated in any manner contrary to law, and the Shipowner will not engage in any unlawful trade or violate any law or carry any cargo that will expose the Vessel to penalty, confiscation, forfeiture, capture or

condemnation, and will not do, or suffer or permit to be done, anything which can or may injuriously affect the registration or enrollment of the Vessel under the laws and regulations of the Republic of the Marshall Islands, and will at all times keep the Vessel duly documented as a Republic of the Marshall Islands flag vessel under the laws of the Republic of the Marshall Islands, and the regulations in effect thereunder from time to time, as amended. Upon the reasonable request of the Mortgagee from time to time, the Shipowner will advise the Mortgagee of the Vessel's position and trading route. Only a Technical Manager or such other Person as permitted under the Credit Agreement shall perform the technical management of the Vessel. The Shipowner will not change or permit the change of the technical or the commercial management of the Vessel in violation of the Credit Agreement. The Shipowner will at all times procure that (i) the Vessel shall not be used by or for the benefit of an Embargoed Person, (ii) the Vessel shall not be used in trading in any manner contrary to Sanctions Laws or that would otherwise trigger the operation of any exclusion clause (or similar) in the Insurance Collateral, and (iii) that each charterparty in respect of the Vessel shall contain, for the benefit of the Shipowner or the Borrower, language which gives effect to the provisions of the Credit Agreement as regards Sanctions Laws and of this Section 3 and which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions Laws.

Section 4. Prohibition of Liens. None of the Shipowner, any charterer, the Master of the Vessel or any other person has or shall have any right, power or authority to create, incur or permit to be placed or imposed or continued upon the Vessel, its freights, profits or hire any Lien whatsoever other than this Mortgage and Permitted Liens.

Section 5.Payment of Taxes, Etc.; Release of Liens. The Shipowner will pay and discharge when due and payable, from time to time, all tolls, dues, taxes, assessments, governmental charges, fines, penalties, debts, damages and liabilities whatsoever which have given or may give rise to maritime or possessory Liens (other than Permitted Liens) or claims (other than Permitted Liens) enforceable against, the Vessel or any income therefrom, provided that such payment and discharge shall not be required with respect to any such tolls, dues, taxes, assessments, governmental charges, fines, penalties, debts, damages, liabilities or claims so long as (i) the validity or amount of the foregoing is being contested in good faith by appropriate proceedings timely instituted and diligently conducted and the Shipowner shall have set aside on its books adequate reserves or other appropriate provisions with respect thereto in accordance with GAAP, and (ii) such contest operates to suspend collection of the contested Tax, assessment or charge and enforcement of a Lien other than a Permitted Lien. The Shipowner will not create, incur, assume or suffer to exist any Lien on the Vessel other than the Lien of this Mortgage and the other Permitted Liens. The Shipowner will pay or cause to be discharged or make adequate provision for the satisfaction or discharge of all Liens, or will cause the Vessel to be released or discharged from any Lien (other than Permitted Liens) in accordance with the Credit Agreement.

Section 6. Notice of Mortgage. The Shipowner will place, and at all times and places will retain a properly certified copy of this Mortgage on board the Vessel with her papers and will cause such certified copy and the Vessel's certificate of documentation to be exhibited to any and all persons having business therewith which might give rise to any Lien thereon and to any representative of the Mortgagee.

The Shipowner will place and keep prominently displayed in the chart room and in the Master's cabin or office on the Vessel a framed printed notice in plain type reading as follows:

NOTICE OF MORTGAGE

> THIS VESSEL IS OWNED BY [SHIPOWNER], AND IS SUBJECT TO A FIRST PREFERRED SHIP MORTGAGE IN FAVOR OF NORDEA BANK ABP, NEW YORK BRANCH, NOT IN ITS INDIVIDUAL CAPACITY, BUT SOLELY AS COLLATERAL AGENT AND SECURITY TRUSTEE, AS MORTGAGEE UNDER AUTHORITY OF CHAPTER 3 OF THE MARSHALL ISLANDS MARITIME ACT 1990, AS AMENDED.

UNDER THE TERMS OF THE MORTGAGE, NONE OF THE SHIPOWNER, ANY CHARTERER, THE MASTER OF THE VESSEL, OR ANY OTHER PERSON HAS ANY RIGHT, POWER OR AUTHORITY TO CREATE, INCUR OR PERMIT TO BE PLACED OR IMPOSED UPON THE VESSEL, ANY LIEN WHATSOEVER OTHER THAN "PERMITTED LIENS" AS DEFINED IN THE MORTGAGE.

Section 7.Release from Arrest. If a libel, complaint, writ or warrant be filed against the Vessel or the Vessel be otherwise attached, arrested, levied upon or taken into custody under process or color of legal authority for any cause whatsoever, the Shipowner will promptly notify the Mortgagee thereof by electronic mail, and within thirty (30) days will cause the Vessel to be released and all Liens thereon other than this Mortgage and any Permitted Liens to be discharged, and will promptly notify the Mortgagee thereof in the manner aforesaid. The Shipowner will notify the Mortgagee within forty-eight (48) hours of any average or salvage incurred by the Vessel in an amount in excess of US$1,500,000. If the Shipowner shall fail or neglect to furnish proper security or otherwise to release the Vessel from libel, arrest, levy, seizure or attachment as set forth above, the Mortgagee or any person acting on behalf of the Mortgagee may furnish security to release the Vessel and by so doing shall not be deemed to cure the default of the Shipowner.

Section 8. Maintenance. The Shipowner will without cost or expense to the Mortgagee maintain and preserve, or cause to be maintained and preserved, the Vessel in good running order and repair, so that the Vessel shall be, insofar as due diligence can make her so, tight, staunch, strong and well and sufficiently tackled, apparelled, furnished, equipped and in every respect seaworthy and will keep the Vessel, or cause her to be kept, in such condition as will entitle her to maintain the classification and rating for vessels of the same age and type with an Approved Classification Society, free of any overdue conditions or recommendations affecting class, unless failure to obtain such classification or the existence of any overdue conditions or recommendations affecting class, or failure to maintain such seaworthiness or fitness, would not reasonably be expected to have a Material Adverse Effect or result in any suspensions, discontinuances or withdrawal of class. The Shipowner hereby irrevocably and unconditionally grants to the Mortgagee a power of attorney permitting the Mortgagee and representatives thereof to examine the class records of the Vessel at any time, so long as the Secured Obligations shall remain outstanding. Without cost or expense to the Mortgagee, the Shipowner will irrevocably and unconditionally instruct and authorize the Approved Classification Society of the Vessel as follows, and will obtain from the Approved Classification Society a written undertaking to the Mortgagee containing the following language (or such other language as may be reasonably acceptable to the Mortgagee):

(i) to send to the Mortgagee, following receipt of a written request from the Mortgagee, certified true copies of all original certificates of class issued by the Approved Classification Society relating to the Vessel;

(ii) to allow the Mortgagee (or its agents), upon reasonably notice to the Approved Classification Society and from time to time, to inspect the classification reports and related records of the Shipowner and the Vessel at the offices of the Approved Classification Society and to take copies of them;

(iii) to notify the Mortgagee promptly in writing if the Approved Classification Society suspends or cancels the Vessel's class under (a) its rules, terms and conditions, or other policies of the Approved Classification Society, or (b) the laws of the Republic of the Marshall Islands;

(iv) following receipt of a written request from the Mortgagee:

(A) to advise of any facts or matters which could reasonably be expected to result in or have resulted in a change, suspension, discontinuance, withdrawal or expiry of

the Vessel's class under the rules or terms and conditions of the Approved Classification Society;

(B) to notify the Mortgagee promptly in writing if the Classification Society receives notification from the Shipowner or any other Person that the Vessel's Approved Classification Society is to be changed;

(C) to confirm that the Shipowner is not in default of any of its contractual obligations or liabilities to the Approved Classification Society, including confirmation that it has paid in full all fees or other charges due and payable to the Approved Classification Society; and

(D) if the Shipowner is in default of any of its contractual obligations or liabilities to the Approved Classification Society, to specify to the Mortgagee in reasonable detail the facts and circumstances of such default, the consequences thereof, and any remedy period agreed or allowed by the Approved Classification Society.

Notwithstanding the above instructions and undertaking given for the benefit of the Mortgagee, the Shipowner shall continue to be responsible to the Approved Classification Society for the performance and discharge of all its obligations and liabilities relating to or arising out of or in connection with the contract it has with the Approved Classification Society, and nothing herein or therein shall be construed as imposing any obligation or liability of the Mortgagee to the Approved Classification Society in respect thereof.

The Shipowner shall further notify the Approved Classification Society that all the foregoing instructions and authorizations shall remain in full force and effect until revoked or modified by written notice to the Approved Classification Society received from the Mortgagee, and that the Shipowner shall reimburse the Approved Classification Society for all its costs and expenses incurred in complying with its undertakings to the Mortgagee.

(a) The Vessel shall, and the Shipowner covenants that she will, at all times comply with and satisfy all applicable Legal Requirements of the Republic of the Marshall Islands, including the ISM Code and the ISPS Code, and shall have on board as and when required thereby valid certificates showing compliance therewith. Unless otherwise required by applicable law, the Shipowner will not make, or permit to be made, any substantial change in the structure, type or speed of the Vessel or change in her rig, without first receiving the written approval thereof of the Mortgagee.

(b) The Shipowner agrees to give the Mortgagee at least ten (10) days' notice of the actual date and place of any scheduled classification society special survey or drydocking and, where possible having due regard for safety and operational necessities, prior notice of the actual date and place of any other classification society survey or drydocking, the estimated scope of which shall involve repairs or other liability in excess of US$1,000,000, in order that the Mortgagee may have representatives present if desired subject always to the approval of the shipyard or other facility.

(c) The Shipowner shall promptly notify the Mortgagee of and furnish the Mortgagee with full information, including copies of reports and surveys, regarding any material accident involving repairs where the aggregate cost is likely to exceed US$2,500,000 (or its equivalent in another currency).

Section 9. Inspection; Reports. The Shipowner shall permit representatives of the Collateral Agent and the Administrative Agent, upon two Business Day's advance notice and not more than twice during any fiscal year of the Borrower (unless an Event of Default has occurred and is continuing), to visit and inspect the Vessel without interrupting the normal commercial operation of the Vessel, including to conduct any environmental assessments of the Vessel and examine and make abstracts from any of its books and records (including insurance policies), at any reasonable time and upon reasonable notice.

Section 10. Flag; Name. The Shipowner will not change the flag or name of the Vessel without the written consent of the Mortgagee and any such written consent to any one change of flag or name shall not be construed to be a waiver of this provision with respect to any subsequent proposed change of flag or name.

Section 11. Insurance. The Shipowner will at all times and without cost to the Mortgagee maintain the Required Insurance in accordance with the Credit Agreement.

Section 12. Reimbursement for Expenses. The Shipowner will reimburse the Mortgagee promptly for any and all expenditures which the Mortgagee may from time to time make, lay out or expend in providing such protection in respect of insurance, discharge or purchase of Liens, taxes, dues, tolls, assessments, governmental charges, fines and penalties lawfully imposed, repairs, reasonable attorney's fees, and other matters as the Shipowner is obligated herein to provide, but fails to provide and which, in the reasonable judgment of the Mortgagee are necessary or appropriate for the protection of the Vessel or the security granted by this Mortgage. Such obligation of the Shipowner to reimburse the Mortgagee shall be an additional indebtedness due from the Shipowner, shall bear interest at the interest rate as set forth in Section 2.06(b) of the Credit Agreement from the date of payment by the Mortgagee to and including the date of reimbursement by the Shipowner, shall be secured by this Mortgage, and shall be payable by the Shipowner on demand. The Mortgagee, though privileged to do so, shall be under no obligation to the Shipowner to make any such expenditure, nor shall the making thereof relieve the Shipowner of any default in that respect.

Section 13. Further Assurances. In the event that at any time and from time to time, the Credit Agreement, [the Bank Product Agreements,] this Mortgage or any of the other Loan Documents or any provisions hereof or thereof shall be deemed invalidated in whole or in part by reason of any present or future law or any decision of any authoritative court, or if the documents at any time held by the Mortgagee shall be reasonably deemed by the Mortgagee insufficient to carry out the true intent and spirit of this Mortgage, then the Shipowner, forthwith upon the request of the Mortgagee, will execute, on its own behalf, such other and further assurances and documents as reasonably requested by the Mortgagee to more effectually subject the Vessel to the payment of the principal sum of the Indebtedness secured hereby, as in this Mortgage provided, and the performance of the terms and provisions of this Mortgage.

Section 14. [Further Bank Product Agreements. The Shipowner shall, promptly upon entering into any Bank Product Agreement or any amendment to such Bank Product Agreement, amend this Mortgage to attach any such Bank Product Agreement or any amendments thereto as an Exhibit hereto if requested by the Mortgagee, and the costs associated with such amendment shall be borne by the Shipowner.]

ARTICLE III

Events of Default and Remedies

Section 1. Events of Default; Remedies. An "event of default" hereunder shall happen if an Event of Default shall have occurred and be continuing under the Credit Agreement [or any Bank Product Agreement]. If an event of default shall happen, then the security constituted by this Mortgage shall become immediately enforceable and that without limitation, the enforcement remedies specified can be exercised irrespective of whether or not the Mortgagee has exercised the right of acceleration under the Credit Agreement and the Mortgagee shall have the right to:

(i) Declare all the then unpaid Secured Obligations to be due and payable immediately, and upon such declaration, the same shall become and be immediately due and payable; provided, however, that no declaration shall be required if an event of default shall have occurred by reason of a default under Section 8.01(g) or (h) of the Credit Agreement, then and in

such case, the Secured Obligations shall become immediately due and payable on the occurrence of such event of default without any notice or demand;

(ii) Exercise all of the rights and remedies in foreclosure and otherwise given to a mortgagee by the provisions of the laws of the Republic of the Marshall Islands or of any other jurisdiction where the Vessel may be found;

(iii) Bring suit at law, in equity or in admiralty, as it may be advised, to recover judgment for the Secured Obligations, and collect the same out of any and all property of the Shipowner whether covered by this Mortgage or otherwise;

(iv) Take and enter into possession of the Vessel, at any time, wherever the same may be, without legal process and without being responsible for loss or damage and the Shipowner or other person in possession forthwith upon demand of the Mortgagee shall surrender to the Mortgagee possession of the Vessel and at the request of the Mortgagee, the Shipowner shall convey any request or instructions of the Mortgagee to the Vessel's officers and other senior personnel to remain on board to operate the Vessel for a reasonable period of time;

(v) Without being responsible for loss or damage, the Mortgagee may hold, lay up, lease, charter, operate or otherwise use the Vessel for such time and upon such terms as it may deem to be for its best advantage, and demand, collect and retain all hire, freights, earnings, issues, revenues, income, profits, return premiums, salvage awards or recoveries, recoveries in general average, and all other sums due or to become due in respect of such Vessel or in respect of any insurance thereon from any person whomsoever, accounting only for the net profits, if any, arising from such use of the Vessel and charging upon all receipts from the use of the Vessel or from the sale thereof by court proceedings or pursuant to subsection (vi) next following, all costs, expenses, charges, damages or losses by reason of such use; and if at any time the Mortgagee shall avail itself of the right herein given it to take the Vessel, the Mortgagee shall have the right to dock the Vessel, for a reasonable time at any dock, pier or other premises of the Shipowner without charge, or to dock her at any other place at the cost and expense of the Shipowner;

(vi) Without being responsible for loss or damage, the Mortgagee may sell the Vessel upon such terms and conditions as the Mortgagee shall deem best, free from any claim of or by the Shipowner, at public or private sale, by sealed bids or otherwise, by delivering notice of such sale, whether public or private, addressed to the Shipowner at its last known address and to any other record mortgagee, twenty (20) calendar days prior to the date fixed for entering into the contract of sale and by first publishing notice of any such public sale for ten (10) consecutive days, in daily newspapers of general circulation published in the City of New York, State of New York; in the event that the Vessel shall be offered for sale by private sale, no newspaper publication of notice shall be required, nor notice of adjournment of sale; sale may be held at such place and at such time as the Mortgagee by notice may have specified, or may be adjourned by the Mortgagee from time to time by announcement at the time and place appointed for such sale or for such adjourned sale, and without further notice or publication the Mortgagee may make any such sale at the time and place to which the same shall be so adjourned; and any sale may be conducted without bringing the Vessel to the place designated for such sale and in such manner as the Mortgagee may deem to be for its best advantage, and the Mortgagee may become the purchaser at any sale. The Shipowner agrees that any sale made in accordance with the terms of this paragraph shall be deemed made in a commercially reasonable manner insofar as it is concerned.

Section 1. Power of Sale. Any sale of the Vessel made in pursuance of this Mortgage, whether under the power of sale hereby granted or any judicial proceedings, shall operate to divest all right, title and interest of any nature whatsoever of the Shipowner therein and thereto, and shall bar the Shipowner,

its successors and assigns, and all persons claiming by, through or under them. No purchaser shall be bound to inquire whether notice has been given, or whether any default has occurred, or as to the propriety of the sale, or as to the application of the proceeds thereof. In case of any such sale, the Mortgagee, if it is the purchaser, shall be entitled, for the purpose of making settlement or payment for the property purchased, to use and apply the Secured Obligations in order that there may be credited against the amount remaining due and unpaid thereon the sums payable out of the net proceeds of such sale to the Mortgagee after allowing for the costs and expense of sale and other charges; and thereupon such purchaser shall be credited, on account of such purchase price, with the net proceeds that shall have been so credited upon the Secured Obligations. At any such sale, the Mortgagee may bid for and purchase such property and upon compliance with the terms of sale may hold, retain and dispose of such property without further accountability therefor.

Section 2. Power of Attorney-Sale. The Mortgagee is hereby irrevocably appointed attorney-in-fact of the Shipowner, upon the happening of any event of default, to execute and deliver to any purchaser aforesaid, and is hereby vested with full power and authority to make, in the name and on behalf of the Shipowner, a good conveyance of the title to the Vessel so sold. Any person dealing with the Mortgagee or attorney-in-fact shall not be put on enquiry as to whether the power of attorney contained herein has become exercisable. In the event of any sale of the Vessel, under any power herein contained, the Shipowner will, if and when required by the Mortgagee, execute such form of conveyance of the Vessel as the Mortgagee may direct or approve.

Section 3. Power of Attorney-Collection. The Mortgagee is hereby irrevocably appointed attorney-in-fact of the Shipowner, upon the happening of any event of default, in the name of the Shipowner to demand, collect, receive, compromise and sue for, so far as may be permitted by law, all freight, hire, earnings, issues, revenues, income and profits of the Vessel and all amounts due from underwriters under any insurance thereon as payment of losses or as return premiums or otherwise, salvage awards and recoveries, recoveries in general average or otherwise, and all other sums due or to become due at the time of the happening of any event of default as defined in Section 1 of Article III hereof in respect of the Vessel, or in respect of any insurance thereon, from any person whomsoever, and to make, give and execute in the name of the Shipowner acquittances, receipts, releases or other discharges for the same, whether under seal or otherwise, and to endorse and accept in the name of the Shipowner all checks, notes, drafts, warrants, agreements and other instruments in writing with respect to the foregoing. Any person dealing with the Mortgagee or attorney-in-fact shall not be put on enquiry as to whether the power of attorney contained herein has become exercisable.

Section 4. Delivery of Vessel. Whenever any right to enter and take possession the Vessel accrues to the Mortgagee, the Mortgagee may require the Shipowner to deliver, and the Shipowner shall on such demand, at its own cost and expense, deliver the Vessel, as demanded. If any legal proceedings shall be taken to enforce any right under this Mortgage, the Mortgagee shall be entitled as a matter of right to the appointment of a receiver of the Vessel and the freights, hire, earnings, issues, revenues, income and profits due or to become due arising from the operation thereof.

Section 5. Mortgagee to Discharge Liens. The Shipowner authorizes and empowers the Mortgagee or its appointees or any of them, upon the happening of any event of default, to appear in the name of the Shipowner, its successors and assigns, in any court of any country or nation of the world where a suit is pending against the Vessel because of or on account of any alleged Lien against the Vessel from which the Vessel has not been released and to take such proceedings as to them or any of them may seem proper towards the defense of such suit and the purchase or discharge of such Lien, and all expenditures made or incurred by them or any of them for the purpose of such defense or purchase or discharge shall be a debt due from the Shipowner, its successors and assigns, to the Mortgagee, and shall be secured by the Lien of this Mortgage in like manner and extent as if the amount and description thereof were written herein.

Section 6. Payment of Expenses. The Shipowner covenants that upon the happening of any one or more of the events of default, then, upon written demand of the Mortgagee, the Shipowner will pay to the Mortgagee the whole amount due and payable in respect of the Secured Obligations; and in case the Shipowner shall fail to pay the same forthwith upon such demand, the Mortgagee shall be entitled to recover judgment for the whole amount so due and unpaid, together with such further amounts as shall be sufficient to cover the reasonable compensation of the Mortgagee or its agents, attorneys and counsel and any necessary advances, expenses and liabilities made or incurred by it or them or the Mortgagee hereunder. All moneys collected by the Mortgagee under this Section 7 shall be applied by the Mortgagee in accordance with the provisions of Section 11 of this Article III.

Section 7. Remedies Cumulative. Each and every power and remedy herein given to the Mortgagee shall be cumulative and in addition to all other powers or remedies now or hereafter existing at law, in equity, in admiralty or by statute, and each and every power and remedy whether herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other power or remedy. The Mortgagee shall not be required or bound to enforce any of its rights under any other agreements, prior to enforcing its rights under this Mortgage. No delay or omission by the Mortgagee in the exercise of any right or power or in the pursuance of any remedy accruing upon any default as above defined shall impair any such right, power or remedy or be construed to be a waiver of any such event of default or to be an acquiescence therein; nor shall the acceptance by the Mortgagee of any security or of any payment of or on account of the Secured Obligations maturing after any event of default or of any payment on account of any past default be construed to be a waiver of any right to exercise its remedies due to any future event of default or of any past event of default not completely cured thereby. No consent, waiver or approval of the Mortgagee shall be deemed to be effective unless in writing and duly signed by authorized signatories of the Mortgagee; any waiver by the Mortgagee of any of the terms of this Mortgage or any consent given under this Mortgage shall only be effective for the purpose and on the terms which it is given and shall be without prejudice to the right to give or withhold consent in relation to future matters (which are either the same or different).

Section 8. Cure of Defaults. If at any time after an event of default and prior to the actual sale of the Vessel by the Mortgagee or prior to any enforcement or foreclosure proceedings the Shipowner offers completely to cure all events of default and to pay all expenses, advances and damages to the Mortgagee consequent on such events of default, with interest at the interest rate set forth in Section 2.06(b) of the Credit Agreement, then the Mortgagee may, but shall not be obligated to, accept such offer and payment and restore the Shipowner to its former position, but such action, if taken, shall not affect any subsequent event of default or impair any rights consequent thereon.

Section 9. Discontinuance of Proceedings. In case the Mortgagee shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Mortgagee, then and in every such case the Shipowner and the Mortgagee shall be restored to its former position and right hereunder with respect to the property subject or intended to be subject to this Mortgage, and all rights, remedies and powers of the Mortgagee shall continue as if no such proceedings had been taken.

Section 10. Application of Proceeds. After an event of default hereunder shall have occurred and be continuing, the proceeds of any sale of the Vessel and any and all other moneys received by the Mortgagee pursuant to or under the terms of this Mortgage or in any proceedings hereunder, the application of which has not elsewhere herein been specifically provided for, shall be applied as follows:

First: To the payment of all costs and expenses (together with interest thereon as set forth in Section 12 of Article II) of the Mortgagee, including the reasonable compensation of its agents and attorneys, by reason of any sale, retaking, management or operation of the Vessel and all other sums payable to the Mortgagee hereunder by reason of any expenses or liabilities incurred or advances made by it for the protection, maintenance and enforcement of the security or of any of its rights hereunder or in the pursuit of any remedy hereby conferred; and at the option of the Mortgagee to provide for adequate indemnity against Liens claiming priority over or equality with the Lien of this Mortgage; and

Second: To the Mortgagee for its distribution in accordance with the provisions of Section 9.01 of the Credit Agreement.

Section 11. Possession Until Default. Until one or more of the events of default hereinafter described shall happen, the Shipowner (a) shall be suffered and permitted to retain actual possession and use of the Vessel and (b) shall have the right, from time to time, in its discretion, and without application to the Mortgagee, and without obtaining a release thereof by the Mortgagee, to dispose of, free from the Lien hereof, any boilers, engines, machinery, masts, spars, sails, rigging, boats, anchors, chains, tackle, apparel, furniture, fittings or equipment or any other appurtenances of the Vessel that are no longer useful, necessary, profitable or advantageous in the operation of the Vessel, first or simultaneously replacing the same by new boilers, engines, machinery, masts, spars, sails, rigging, boats, anchors, chains, tackle, apparel, furniture, fittings, equipment, or other appurtenances of substantially equal value to the Shipowner, which shall forthwith become subject to the Lien of this Mortgage as a first preferred mortgage thereon.

Section 12. Severability of Provisions, Etc. If any provision of this Mortgage should be deemed invalid or shall be deemed to affect adversely the preferred status of this Mortgage under any applicable law, such provision shall be void and of no effect and shall cease to be a part of this Mortgage without affecting the remaining provisions, which shall remain in full force and effect.

(a) In the event that this Mortgage or any of the documents or instruments which may from time to time be delivered thereunder or hereunder or any provision thereof or hereof shall be deemed invalidated by present or future law of any nation or by decision of any court, this shall not affect the validity and/or enforceability of all or any other parts of this Mortgage or such documents or instruments and, in any such case, the Shipowner covenants and agrees that, on demand, it will execute and deliver such other and further agreements and/or documents and/or instruments and do such things as the Mortgagee in its sole discretion may reasonably deem to be necessary to carry out the true intent of this Mortgage.

(b) In the event that the title, or ownership of the Vessel shall be requisitioned, purchased or taken by any government of any country or any department, agency or representative thereof, pursuant to any present or future law, proclamation, decree order or otherwise, the Lien of this Mortgage shall be deemed to attach to the claim for compensation therefor, and the compensation, purchase or other taking of such title or ownership is hereby agreed to be payable to the Mortgagee who shall be entitled to receive the same and shall apply it as provided in Section 11 of this Article III. In the event of any such requisition, purchase or taking, and the failure of the Mortgagee to receive proceeds as herein provided, the Shipowner shall promptly execute and deliver to the Mortgagee such documents, if any, as in the opinion of the Mortgagee may be necessary or useful to facilitate or expedite the collection by the Mortgagee of such part of the compensation, purchase price, reimbursement or award as is payable to it hereunder.

ARTICLE IV

Sundry Provisions

Section 1. Successors and Assigns. All of the covenants, promises, stipulations and agreements of the Shipowner in this Mortgage contained shall bind the Shipowner and its successors and shall inure to the benefit of the Mortgagee and its successors and permitted assigns. In the event of any assignment or transfer of this Mortgage, the term "Mortgagee", as used in this Mortgage, shall be deemed to mean any such assignee or transferee.

Section 2. Power of Substitution. Wherever and whenever herein any right, power or authority is granted or given to the Mortgagee, such right, power or authority may be exercised in all cases by the Mortgagee or such agent or agents as it may appoint, and the act or acts of such agent or agents when taken shall constitute the act of the Mortgagee hereunder.

Section 3. Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 4. Notices. Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be made in accordance with Section 11.01 of the Credit Agreement.

Section 5. Further Assurances. The Shipowner shall execute and do all such commercially reasonable assurances, acts and things as the Mortgagee may reasonably request, or any receiver in its absolute discretion may require, for:

(a) perfecting or protecting the security created (or intended to be created) by this Mortgage; or

(a) preserving or protecting any of the rights of the Mortgagee under this Mortgage (or any of them); or

(a) ensuring that the security constituted by this Mortgage and the covenants and obligations of the Shipowner under this Mortgage shall inure to the benefit of assignees of the Mortgagee (or any of them); or

(a) facilitating the appropriation or realization of the Vessel or any part thereof and enforcing the security constituted by this Mortgage on or at any time after the same shall have become enforceable; or

(a) the exercise of any power, authority or discretion vested in the Mortgagee under this Mortgage,

in any such case, forthwith upon demand by the Mortgagee or such receiver and at the expense of the Shipowner. Without limitation of the foregoing, the Shipowner shall, at its expense, enter into, deliver and cause to be recorded such amendments to this Mortgage, and such other instruments and legal opinions, as the Mortgagee may reasonably request.

Section 6. Governing Law. The provisions of this Mortgage shall, with respect to its validity, effect, recordation and enforcement, be governed by and construed in accordance with the applicable laws of the Republic of the Marshall Islands.

Section 7. Additional Rights of the Mortgagee. In the event the Mortgagee shall be entitled to exercise any of its remedies under Article III hereof, the Mortgagee shall have the right to arrest and take action against the Vessel at whatever place the Vessel shall be found lying and for the purpose of any action which the Mortgagee may bring before the Courts of such jurisdiction or other judicial authority and for the purpose of any action which the Mortgagee may bring against the Vessel, any writ, notice, judgment or

other legal process or documents may (without prejudice to any other method of service under applicable law) be served upon the Master of the Vessel (or upon anyone acting as the Master) and such service shall be deemed good service on the Shipowner for all purposes.

Section 8. Amendments; Waiver. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in writing duly signed by the Mortgagor and the Mortgagee.

[Signature Page Follows]

IN WITNESS WHEREOF, the Shipowner has caused this Mortgage to be duly executed by its authorized representative the day and year first above written.

[NAME OF SHIPOWNER]

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF NEW YORK)

COUNTY OF NEW YORK)

On [DATE], before me personally appeared [NAME], known to me to be the person who executed the foregoing instrument, who, being by me duly sworn did depose and say that he resides at _____, New York, NY; that he is [TITLE] of [SHIPOWNER], the Marshall Islands corporation described in and which executed the foregoing instrument (the "Shipowner"); that he signed his name pursuant to authority granted to him by the Shipowner; and that he further acknowledged that said instrument is the act and deed of the Shipowner.

_____
Notary Public

[FOR USE IN THE REPUBLIC OF THE MARSHALL ISLANDS]

Mortgage Exhibit A

[Form of Credit Agreement]

[Mortgage Exhibit B

[Copy of Bank Product Agreement between [___] and [___] and related Confirmation(s)]]

EXHIBIT M

[Form of]

GENERAL ASSIGNMENT AGREEMENT

[attached]

FORM OF GENERAL ASSIGNMENT AGREEMENT

This GENERAL ASSIGNMENT AGREEMENT, dated January [●], 2020 (this "Agreement") is given by the Assignors listed on the signature pages hereto (collectively, the "Assignors" and each, an "Assignor"), in favor of NORDEA BANK ABP, NEW YORK BRANCH, as Administrative Agent, Security Trustee and Collateral Agent under the Credit Agreement referred to below (together with its successors and assigns, the "Assignee") for the benefit of the Secured Parties.

RECITALS

WHEREAS, [OWNER NAME] (the "Owner") is the sole owner of [VESSEL NAME] (the "Vessel").

WHEREAS, each Assignor is a direct or indirect wholly-owned subsidiary of the Borrower.

WHEREAS, pursuant to and subject to the conditions contained in the Credit Agreement dated as of January 23, 2020 (as the same may be amended, restated, supplemented and/or otherwise modified from time to time, the "Credit Agreement") among (i) International Seaways, Inc., a Marshall Islands corporation ("Holdings"); (ii) International Seaways Operating Corporation, a Marshall Islands corporation (the "Borrower"); (iii) the Assignor and each of the other companies party thereto, as Subsidiary Guarantors, (iv) the financial institutions party thereto, as Lenders and (v) the Assignee, as administrative agent, security trustee and collateral agent, the Lenders agreed to make available to the Borrower term loan facilities in the aggregate principal amount of up to Three Hundred Fifty Million Dollars ($350,000,000) and a revolving credit facility in the aggregate principal amount of Forty Million Dollars ($40,000,000) (the Lenders, the Administrative Agent, the Security Trustee and the Collateral Agent, collectively, the "Lender Creditors").

WHEREAS, the Borrower may at any time and from time to time enter into, or guaranty the obligations of one or more Subsidiary Guarantors under one or more Bank Product Agreements with one or more Bank Product Providers (the Bank Product Providers, together with the Lender Creditors, the "Secured Parties").

WHEREAS, pursuant to the Credit Agreement, the Owner and each other Subsidiary Guarantor has jointly and severally guaranteed (i) all of the Secured Obligations of the Loan Parties under the Loan Documents and (ii) all obligations of the Borrower under each Bank Product Agreement.

WHEREAS, it is a condition to the obligation of the Lenders to the funding of the Loans and the availability of the Revolving Loan Commitments under the Credit Agreement that the Assignors enter into this Agreement as security for their respective obligations under the Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Assignor, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. All capitalized terms used herein (including the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Credit Agreement. Any terms used in this Agreement (whether capitalized or lower case) that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein or in the Credit Agreement; provided that to the extent the UCC is used to define any term used herein and if such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

"Assignor" and "Assignors" shall have the respective meanings specified therefor in the preamble to this Agreement.

"Collateral" shall have the meaning specified therefor in Section 2.02.

"Collateral Agent" shall have the meaning specified therefor in the preamble to this Agreement.

"Collateral Agent's Lien" shall mean the Liens granted by the Assignors to the Collateral Agent pursuant to the Security Documents.

"Credit Agreement" shall have the meaning specified therefor in the recitals to this Agreement.

"Earnings Account" shall have the meaning specified in the Credit Agreement.

"Earnings Collateral" shall have the meaning specified in Section 2.02(a).

"Event of Default" shall mean any Event of Default under, and as defined in, the Credit Agreement and any payment default under any Bank Product Agreement entered into in respect of the Borrower's obligations with respect to the outstanding Loans and/or Commitments from time to time after any grace period.

"Insurance Collateral" shall have the meaning specified in Section 2.02(b).

"Secured Debt Agreements" shall have the meaning specified in the Pledge Agreement.

"Security Interest" shall have the meaning specified therefor in Section 2.02.

"Termination Date" has the meaning set forth in Section 8.04 hereof.

"UCC" shall mean the New York Uniform Commercial Code, as in effect from time to time; provided that in the event that, by reason of mandatory provisions of law, any or all of the perfection, priority, or remedies with respect to the Collateral Agent's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such perfection, priority or remedies.

ARTICLE II

SECURITY INTERESTS

Section 2.01 Secured Obligations. This Agreement is made by each Assignor for the benefit of the Secured Parties to secure the Secured Obligations and the performance and observance of and compliance with the covenants, terms and conditions contained in the Loan Documents to which the Assignor is or is to be a party.

Section 2.02Grant of Security. To secure the Secured Obligations now or hereafter owed or to be performed by such Assignor, each Assignor hereby grants, sells, conveys, assigns, transfers, mortgages and pledges to the Assignee, and unto the Assignee's successors and assigns, on behalf of and for the ratable benefit of the Secured Parties, all its right, title, interest, claim and demand in and to, and hereby also grants unto the Assignee a first priority continuing security interest (hereinafter referred to as the "Security Interest") in and to the following, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Assignor, and regardless of where located (all of which are collectively referred to as the "Collateral"):

(a)(i) the earnings of the Vessel, including, but not limited to, all freight, hire and passage moneys, proceeds of off-hire insurance, any other moneys earned and to be earned, due or to become due, or paid or payable to, or for the account of, each such Assignor, of whatsoever nature, arising out of or as a result of the ownership, use, operation or management by each such Assignor or its respective agents of the Vessel, (ii) all moneys and claims for moneys due and to become due to each such Assignor under and all claims for damages arising out of the breach (or payments for variation or termination) of any charter, or contract relating to or under which is employed the Vessel, any and all other present and future charter parties, contracts of affreightment, and operations of every kind whatsoever of the Vessel, and in and to any and all claims and causes of action for money, loss or damages that may now and hereafter accrue or belong to each such Assignor, its respective successors or assigns, arising out of or in any way connected with the present or future ownership, use, operation or management of the Vessel or arising out of or in any way connected with the Vessel, (iii) if the Vessel is employed on terms whereby any money falling within clauses (i) or (ii) above are pooled or shared with any other Person, that proportion of the net receipts of the pooling or sharing arrangements which is attributable to the Vessel, (iv) all moneys and claims for moneys due and to become due to each such Assignor, and all claims for damages, in respect of the actual or constructive total loss of or requisition of use of or title to the Vessel, (v) all moneys and claims for moneys due in respect of demurrage or detention, and (vi) any proceeds of any of the foregoing (the above clauses (i) through (vi), collectively, the " Earnings Collateral");

(b)(i) all insurances required pursuant to Section 5.04 (*Insurance*) of the Credit Agreement in respect of the Vessel, whether now or hereafter to be effected, and all renewals of or replacements for the same, (ii) all claims, returns of premium and other moneys and claims for moneys due and to become due under said insurance or in respect of said insurance, (iii) all other rights of the Assignors under or in respect of said insurance and (iv) any proceeds of any of the foregoing (the above clauses (i) through (iv), collectively, the "Insurance Collateral");

(c)(i) all of the Assignors' right, title, interest, claim and demand in and to each charter or similar contract of employment of the Vessel with a term in excess of twenty four (24) months (each a "Pledged Charter"), all earnings, freights and other receivables payable thereunder, and all amounts due to an Assignor thereunder, (ii) all claims, rights, remedies, powers and privileges for moneys due and to become due to an Assignor pursuant to the Pledged Charter, (iii) all claims, rights, remedies, powers and privileges for failure of the charterer to meet any of its obligations under the Pledged Charter, (iv) the right to make all waivers, consents and agreements under the Pledged Charter, (v) the right to give and receive all notices and other instruments or communications under the Pledged Charter, (vi) the right to take such action, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Pledged Charter, or by law, and (vii) the right to do any and all other things whatsoever which such Assignor is, or may be, entitled to do under the Pledged Charter including, without limitation, termination of the Pledged Charter pursuant to the terms and conditions stated therein; provided that no Assignor shall be required to assign a Pledged Charter with respect to any charter or similar contract of employment if, and to the extent, an assignment thereof is prohibited thereby or in violation thereof; provided, further, that such Assignor shall be required to assign a Pledged Charter with respect to such charter or similar contract of employment at such time as the relevant prohibition shall no longer be applicable (the above clauses (i) through (vii), collectively, the "Charterparty Collateral"); and

(d)all accessions to, substitutions and replacements for, proceeds and products of any of the foregoing, together with all books and records, computer files, programs, printouts and other computer materials and records related thereto and all collateral security and guarantees given by any person with respect to any of the foregoing.

Section 2.03 Subsequently Acquired Collateral. If any Assignor shall acquire any additional Collateral at any time or from time to time after the date hereof, such Collateral shall automatically (and without any further action being required to be taken) be subject to the security interests created pursuant to Section 2.02 hereof and, furthermore, such Assignor will promptly thereafter take (or cause to be taken) all

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action with respect to such Collateral in accordance with the applicable procedures set forth in Articles IV and V hereof, and will promptly thereafter deliver to the Assignee (i) a certificate executed by an Responsible Officer of such Assignor describing such Collateral and certifying that the same has been duly pledged in favor of the Assignee for the benefit of the Secured Parties hereunder and (ii) supplements to Schedules 1 and 2 hereto as are reasonably necessary to cause such schedules to be complete and accurate at such time.

ARTICLE III

GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS Section 3.01Representations and Warranties. Each Assignor hereby represents and warrants to the Collateral Agent for the benefit of the Secured Parties, that (i) with respect to each Assignor on the date hereof, on and as of the date hereof and (ii) with respect to each Additional Assignor, on the date such Additional Assignor becomes an Assignor hereunder pursuant to Section 8.06: (a)Schedule 1 sets forth the exact legal name, the type of organization, the jurisdiction of organization, the organizational identification number (if any) and the location of the chief executive office of each Assignor as of the date hereof. (b)Schedule 2 sets forth each Pledged Charter entered into in connection with the Vessel. (c)it is the legal and beneficial owner of, and has good and marketable title to, all Collateral pledged by such Assignor hereunder and that it has sufficient interest in all Collateral pledged by such Assignor hereunder in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no pledge, lien, mortgage, hypothecation, security interest, charge, option, adverse claim or other encumbrance whatsoever, except the liens and security interests created by this Agreement and Permitted Liens); (d)it has the company, corporate, limited partnership or limited liability company power and authority, as the case may be, to pledge all the Collateral pledged by it pursuant to this Agreement; (e)this Agreement has been duly authorized, executed and delivered by such Assignor and constitutes a legal, valid and binding obligation of such Assignor enforceable against such Assignor in accordance with its terms, except to the extent that the enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law); (f)except to the extent already obtained or made, or, in the case of any filings or recordings of the Security Documents (other than the Collateral Vessel Mortgages) executed on or before the Initial Borrowing Date, no consent of any other party (including, without limitation, any stockholder, partner, member or creditor of such Assignor or any of its Subsidiaries) and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Assignor in connection with (i) the execution, delivery or performance by such Assignor of this Agreement, (ii) the legality, validity, binding effect or enforceability of this Agreement, (iii) the perfection or enforceability of the Assignee's security interest in the Collateral pledged by such Assignor hereunder or (iv) the exercise by the Assignee of any of its rights or remedies provided herein; (g)the execution, delivery and performance of this Agreement will not violate any material provision of any applicable law or regulation or of any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, U.S. or non-U.S., applicable to such Assignor, or of the certificate or articles of incorporation, certificate of formation, operating agreement, limited liability company agreement, partnership agreement or by-laws of such Assignor, as applicable, or of any securities issued by such Assignor or any of its Subsidiaries, or of any mortgage, deed of trust, indenture, lease, loan agreement, credit agreement or other material contract, agreement or instrument or undertaking to which such Assignor or any of its Subsidiaries is a party or which purports to be binding upon such Assignor or any of its Subsidiaries or upon any of their respective material assets and will not result in the creation or imposition of (or the obligation to create or impose) any lien or encumbrance on any of the material assets of such Assignor or any of its Subsidiaries which are Loan Parties, except as

contemplated by this Agreement or the Credit Agreement. **Section 3.02Change of Name; Organizational Structure, etc.**. Each Assignor covenants and agrees that it shall not change (i) its legal name, (ii) its identity or organizational structure, (iii) its organizational identification number (if any), (iv) its jurisdiction of organization (in each case, including by merging with or into any other entity, dissolving, liquidating, reorganizing or organizing in any other jurisdiction) or (v) the location of its chief executive office unless it provides written notice of such change to the Administrative Agent within 30 days after such change. Each Assignor agrees (A) to promptly provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the preceding sentence and with such other information in connection therewith as the Collateral Agent or the Administrative Agent may reasonably request and (B) to promptly take all action reasonably requested by the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, if applicable. **Section 3.03Transfers and Other Liens**. Each Assignor covenants and agrees that it will defend the Assignee's right, title and security interest in and to the Collateral and the proceeds thereof against the claims and demands of all persons whomsoever; and each Assignor covenants and agrees that it will have like title to and right to pledge any other property at any time hereafter pledged to the Assignee as Collateral hereunder and will likewise defend the right thereto and security interest therein of the Assignee and the Secured Parties. **ARTICLE IV**

SPECIAL PROVISIONS REGARDING EARNINGS COLLATERAL AND INSURANCE COLLATERAL **Section 4.01Earnings Collateral**. Each Assignor, jointly and severally, covenants and agrees with the Collateral Agent that from and after the date of this Agreement until the date of termination in accordance with Section 8.04 that (i) it will have all the Earnings (as defined in Exhibit A herein) and other moneys hereby assigned paid over promptly to such Earnings Accounts (or, if an Event of Default has occurred and is continuing, such other account as the Collateral Agent may specify in writing); (ii) it will promptly notify in a writing substantially in the form of Exhibit A hereto, and deliver a duplicate copy of such notice to the Assignee, each person who becomes a party with the Assignor in respect of the Vessel to any charter or contract of affreightment with the Assignor in respect of the Vessel of 24 months or greater duration and each of the Assignor's agents and representatives into whose possession or control may come any Earnings and moneys hereby assigned, informing each such Person of this Agreement and instructing such addressee to remit promptly to such Earnings Accounts all earnings and moneys hereby assigned which may come into such Person's hands or control and to continue to make such remittances or, if an Event of Default shall have occurred and be continuing, in accordance with written notice or instructions to the contrary as such Person may receive directly from the Assignee; and (iii) it will use commercially reasonable efforts to cause each such Person to acknowledge directly to the Assignee receipt of the Assignor's written notification and the instructions and consent, if required pursuant to any such charter or contract of assignment or other contractual relationship with the Assignor. For the avoidance of doubt, unless an Event of Default has occurred and is continuing, the Borrower shall have full control of the funds within the Earnings Accounts. **Section 4.02Insurance Collateral**. Each Assignor hereby covenants and agrees to procure that (i) notice of this Agreement shall be duly given to all insurance brokers, underwriters and protection and indemnity clubs, substantially in the form hereto attached as Exhibit B, and that where the consent of any insurance broker, underwriter or protection and indemnity club is required pursuant to any of the Insurance Collateral assigned hereby that the Assignor (x) shall use commercially reasonable efforts to obtain such consent substantially in the form attached hereto as Annex II to the form of Notice of Assignment attached hereto as Exhibit B and evidence thereof shall be given to the Assignee, or (y) the Assignor shall obtain, with the Assignee's approval, a letter of undertaking by the underwriters and protection and indemnity clubs, and (ii) that there shall be duly endorsed upon all slips, cover notes, policies, certificates of entry or other instruments issued or to be issued in connection with the insurances assigned hereby such notice of this Agreement and clauses as to loss payees in the form attached to Exhibit B or as the Assignee may require or approve in its sole discretion. Approved forms of loss payable clauses are attached hereto as Annex I to the form of Notice of Assignment attached hereto as Exhibit B. In all cases (except in the case of protection and indemnity coverage), unless otherwise agreed in writing by the Assignee, such slips, cover notes, notices, certificates of entry or other instruments shall provide that there will be no recourse against the Assignee for payment of premiums, calls or assessments. **ARTICLE V**

SPECIAL PROVISIONS REGARDING CHARTERS **Section 5.01**Charter Contracts (a)Each Assignor hereby agrees that at any time and from time to time, upon entering into any Pledged Charter, it will, at the cost and expense of the Borrower, promptly and duly execute and deliver to the charterer under such Pledged Charter, notice of this Agreement in respect of such Pledged Charter substantially in the form attached as Exhibit C. The Assignors covenant to use commercially reasonable efforts to obtain the consent of the charterer under said Pledged Charter to the assignment of the Pledged Charter in the form attached as Annex I to Exhibit C or in such other form as the Assignee may agree.

(a) On and after the entry into a Pledged Charter Assignor shall furnish to the Assignee copies of all notices and other instruments, certificates, reports and communications required or permitted to be given or made by the charterer under such Pledged Charter to the Assignor pursuant to such Pledged Charter and, the Assignee may at any time after a Default or Event of Default, instruct the charterer to deliver such notices and other instruments, certificates, reports and communications directly to the Assignee.

Section 5.02Other Actions. The Assignors hereby agree that at any time and from time to time, upon entering into any guarantee of a Pledged Charter of whatsoever nature, it will promptly and duly execute and deliver to and in favor of the Assignee at the cost and expense of the Borrower any and all such further instruments and documents as the Assignee, and its successors or assigns, may reasonably require in order to obtain the full benefits of this Agreement, and of the rights and powers herein granted.

ARTICLE VI

PROVISIONS REGARDING ALL COLLATERAL

Section 6.01Further Assurances. Each Assignor agrees that it will execute, or join with the Assignee in executing, and, at such Assignor's own expense, file and refile under the UCC or other applicable law such financing statements, continuation statements and other documents in such offices as the Assignee may deem reasonably necessary and wherever required by law in order to perfect and preserve the Assignee's security interest in the Collateral and hereby authorizes the Assignee to file financing statements (including, without limitation, "all assets" financing statements) and amendments thereto relative to all or any part of the Collateral without the signature of such Assignor where permitted by law, and agrees to do such further acts and things and to execute and deliver to the Assignee such additional conveyances, assignments, agreements and instruments as the Assignee may reasonably require or deem necessary to carry into effect the purposes of this Agreement or to further assure and confirm unto the Assignee its rights, powers and remedies hereunder.

Section 6.02 Collateral Agent's Right to Perform Contracts, Exercise Rights, etc.

(a) If an Event of Default has occurred and is continuing, the Collateral Agent (or its designee) may proceed to perform any and all of the obligations of any Assignor contained in any Pledged Charter and exercise any and all rights of any Assignor therein contained as fully as such Assignor itself could.

(b) Anything herein contained to the contrary notwithstanding, the Assignee, or its respective successors and assigns, shall have no obligation or liability under any agreement, including any Pledged Charter by reason of or arising out of this Agreement and the Assignee, its respective successors and assigns, shall not be required or obligated in any manner to perform or fulfill any obligations of any Assignor under or pursuant to any agreement, including any charter or contract of affreightment, or to make any payment or to make any inquiry as to the nature or sufficiency of any payment received by the Assignee or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

Section 6.03 Agent Appointed Attorney-in-Fact.

(a) Each Assignor hereby appoints the Assignee, its successors and assigns, as its true and lawful attorney-in-fact to file any financing statements or continuation statements or papers of similar purposes or effect in respect of this Agreement, as the Assignee may reasonably require in connection with the perfection of the Assignee's security interest in the Collateral.

(a) Each Assignor hereby appoints the Assignee, its successors and assigns, as its true and lawful attorney-in-fact, irrevocably, with full power, in the name of the Assignor or otherwise, upon the occurrence and continuance of an Event of Default, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under, or arising out of the, Earnings Collateral, Insurance Collateral, Pledged Charters or otherwise assigned hereunder, property and rights hereby assigned, to endorse any checks or other instruments or orders in

connection therewith and to file any document and any claims or to take any action or institute any proceedings which the Assignee and its successors and assigns may reasonably deem necessary or advisable in the premises, including, without limitation, termination of any Pledged Charter to the extent permitted by the terms thereof. The powers and authorities granted to the Assignee and its successors or assigns herein have been given for valuable consideration, are coupled with an interest and are hereby declared to be irrevocable.

Section 6.04 Collateral Agent May Perform. If any of the Assignors fails to perform any agreement contained herein and an Event of Default has arisen as a result, the Collateral Agent may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Collateral Agent incurred in connection therewith shall be payable by the Borrower.

Section 6.05 Collateral Agent's Duties, etc. The powers conferred on the Collateral Agent hereunder are solely to protect the Collateral Agent's interest in the Collateral, for the benefit of the Secured Parties, and shall not impose any duty upon the Collateral Agent to exercise any such powers. Except for the safe custody of any Collateral in its actual possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its actual possession if such Collateral is accorded treatment substantially similar to that which the Collateral Agent accords its own property. Neither the Collateral Agent, nor any other Secured Party nor any of their respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Assignor or any other person or to take any other action whatsoever with regard to the Collateral or Assignor part thereof. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to any Assignor for any act or failure to act hereunder, except to the extent that any such act or failure to act is found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from their own gross negligence or willful misconduct in breach of a duty owed to such Assignor. Each Assignor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Assignors, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Assignor shall be under any obligation to make any inquiry respecting such authority.

Section 6.06 Continuing Security Interest. The obligations of each Assignor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (i) any renewal, extension, amendment or modification of or addition or supplement to or deletion from any Secured Debt Agreement or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof; (ii) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement; (iii) any furnishing of any additional security to the Assignee or its assignee or any acceptance thereof or any release of any security by the Assignee or its assignee; (iv) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or (v) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Assignor or any Subsidiary of any Assignor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Assignor shall have notice or knowledge of any of the foregoing (it being understood and agreed that the enforcement hereof may be limited by applicable bankruptcy, insolvency, restructuring, moratorium or other similar laws generally affecting creditors' rights and by equitable principles)**.**

Section 6.07 Assignors Remain Liable. Anything herein to the contrary notwithstanding, (a) each of the Assignors shall remain liable under the contracts and agreements included in the Collateral, including the Pledged Charters, to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Agent or any other Secured Party of any of the rights hereunder shall not release any Assignor from any of its duties or obligations under such contracts and agreements included in the Collateral, and (c) none of the Secured Parties shall have any obligation or liability under such contracts and agreements included in the Collateral by reason of this Agreement, nor shall any of the Secured Parties be obligated to perform any of the obligations or duties of any Assignor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Until an Event of Default shall occur and be continuing, except as otherwise provided in this Agreement, the Credit Agreement, or other Loan Documents, the Assignors shall have the right to possession and enjoyment of the Collateral for the purpose of conducting their respective businesses, subject to and upon the terms hereof and of the Credit Agreement and the other Loan Documents. No notice, request or demand under any Pledged Charter shall be valid as against the Assignee unless and until a copy thereof is furnished to the Assignee.

ARTICLE VII

REMEDIES

Section 7.01 Remedies. If an Event of Default has occurred and is continuing:

(a) The Collateral Agent may, and, at the instruction of the Required Lenders, shall exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Loan Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the UCC or any other applicable law.

(b) Without limiting the generality of the foregoing, each Assignor expressly agrees that, in any such event, the Collateral Agent without demand of performance or other demand, advertisement or notice of any kind to or upon any Assignor or any other Person (all and each of which demands and notices are hereby expressly waived to the maximum extent permitted by the UCC or any other applicable law), may take immediate possession of all or any portion of the Collateral and (i) require the Assignors to, and each Assignor hereby agrees that it will at its own expense and upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a location reasonably acceptable to the Collateral Agent, and (ii) without notice except as specified below, sell the Collateral or any part thereof, for cash, on credit, and/or upon such other terms as the Collateral Agent may deem commercially reasonable. Each Assignor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to any Assignor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notice shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the UCC. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) Without limiting the generality of the foregoing, the Assignee shall have the right (but not the obligation) to assume the Assignor's position in the Pledged Charter and in such capacity perform the Assignor's obligations under the Pledged Charter and to exercise the Assignor's rights under such Pledged Charter.

(d) Each Assignor hereby acknowledges that the Secured Obligations arise out of commercial transactions, and agrees that if an Event of Default shall occur and be continuing the Collateral Agent shall have the right to an immediate writ of possession without notice of a hearing. The Collateral Agent shall have the right to the appointment of a receiver for the properties and assets of each Assignor, and each Assignor hereby consents to such rights and such appointment and hereby waives any objection such Assignor may have thereto or the right to have a bond or other security posted by the Collateral Agent.

Section 7.02 Remedies Cumulative. Each and every right, power and remedy of the Assignee provided for in this Agreement or in any other Secured Debt Agreement, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Assignee or any other Secured Party of any one or more of the rights, powers or remedies provided for in this Agreement or any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Assignee or any other Secured Party of all such other rights, powers or

remedies, and no failure or delay on the part of the Assignee or any other Secured Party to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Assignor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Assignee or any other Secured Party to any other or further action in any circumstances without notice or demand. The Secured Parties agree that this Agreement may be enforced only by the action of the Assignee, in each case acting upon the instructions of the Required Lenders and that no other Secured Party shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Assignee for the benefit of the Secured Parties upon the terms of this Agreement.

Section 7.03 Application of Proceeds. All monies collected by the Assignee upon any sale or other disposition of the Collateral of each Assignor, together with all other monies received by the Assignee hereunder (except to the extent released in accordance with the applicable provisions of this Agreement or any other Loan Document), shall be applied to the payment of the Secured Obligations in the manner set forth in Section 9.01 (*Application of Proceeds*) the Credit Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Indemnity and Expenses. Each Assignor jointly and severally agrees (i) to indemnify and hold harmless the Assignee and each other Secured Party and their respective successors, assigns, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever kind or nature, and (ii) to reimburse each Indemnitee for all reasonable costs and expenses, including reasonable attorneys' fees, in each case growing out of or resulting from this Agreement or the exercise by any Indemnitee of any right or remedy granted to it hereunder or under any other Secured Debt Agreement (but excluding any claims, demands, losses, judgments and liabilities or expenses to the extent incurred by reason of gross negligence or willful misconduct of such Indemnitee (as determined by a court of competent jurisdiction in a final and non-appealable decision)). In no event shall the Assignee be liable, in the absence of gross negligence or willful misconduct on its part, for any matter or thing in connection with this Agreement other than to account for monies actually received by it in accordance with the terms hereof. If and to the extent that the obligations of any Assignor under this Section 8.01 are unenforceable for any reason, such Assignor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

Section 8.02 Addresses for Notices. Any notice, demand or other communication to be given under or for the purposes of this Agreement shall be made as provided in Section 11.01 (*Notices*) of the Credit Agreement.

Section 8.03 Continuing Security Interest; Assignments under Credit Agreement. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the Secured Obligations have been paid in full in cash in accordance with the provisions of the Credit Agreement, (b) be binding upon each of the Assignors, and their respective successors and assigns, **and** (c) inure to the benefit of, and be enforceable by, the Collateral Agent, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Lender may, in accordance with the provisions of the Credit Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such the Lender herein or otherwise. Upon payment in full in cash of the Secured Obligations in accordance with the provisions of the Credit Agreement, the Security Interest granted hereby shall terminate and all rights to the Collateral shall revert to Assignors or any other Person entitled thereto, and the Collateral Agent shall execute and deliver to the Assignors, at the Assignors' expense, all termination statements, releases and other documents (without recourse and without representation or warranty) which the Assignors shall reasonably, in each case, request to evidence such termination and authorize the filing of any such termination, release or other document executed and delivered by the Collateral Agent. No transfer or renewal, extension, assignment, or termination of this Agreement or of the Credit Agreement, any other Loan Document, or any other instrument or document executed and delivered by any Assignor to the Collateral Agent nor other loans made by any Lender to the Borrower, nor the taking of further security, nor the retaking or re-delivery of the Collateral to the Assignors, or any of them, by the Collateral Agent, nor any other act of the Secured Parties, or any of them, shall release any of the Assignors from any obligation, except a release or discharge executed in writing by the Collateral Agent in accordance with the provisions of the Credit Agreement. The Collateral Agent shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by the Collateral Agent and then only to the extent therein set forth. A waiver by the Collateral Agent of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which the Collateral Agent would otherwise have had on any other occasion. Upon the consummation of any sale or other disposition of Collateral to any third party pursuant to a transaction permitted by the Credit Agreement or the other Loan Documents, the Security Interest granted hereby with respect to such Collateral shall terminate (but shall attach to the proceeds or products thereof) and the Collateral Agent shall, at the reasonable request and at the expense of the applicable Assignor, provide evidence (without recourse and without any representation or warranty) of such termination.

Section 8.04 Termination; Release. (a) After the Termination Date, this Agreement and the security interest created hereby shall automatically terminate (provided that all indemnities set forth herein including, without limitation, in Section 8.01 hereof shall survive any such termination), and the Assignee, at the request and expense of any Assignor, will as promptly as practicable execute and deliver to such Assignor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Assignor (without recourse and without any representation or warranty) such of the Collateral as has not theretofore been sold or otherwise applied or released pursuant to this Agreement or any other Loan Document, together with any monies at the time held by the Assignee or any of its sub-agents hereunder. As used in this Agreement, "Termination Date" shall mean the date upon which the Term Commitment and the Total Revolving Commitments under the Credit Agreement have been terminated and all Bank Product Agreements applicable to Loans (and/or the Commitments) entered into with any Bank Product Providers have been terminated, no Note under the Credit Agreement is outstanding and all Loans thereunder have been repaid in full and all Secured Obligations then due and payable (other than indemnities described in Section 8.01 hereof and described in Section 11.03 of the Credit Agreement, and any other indemnities set forth in any other Secured Debt Agreement, in each case which are not then due and payable) have been indefeasibly paid in full.

(b) In the event that any part of the Collateral is sold in connection with a sale permitted by the Credit Agreement (other than a sale to any Assignor or any Subsidiary thereof) or is otherwise released with the consent of all of the Lenders, as required by Section 11.02(b) of the Credit Agreement, and the proceeds of such sale or sales or from such release are applied in accordance with the provisions of the Credit Agreement, to the extent required to be so applied, the Assignee, at the request and expense of the respective Assignor, will duly assign, transfer and deliver to such Assignor (without recourse and without any representation or warranty) such of the Collateral (and releases therefor) as is then being (or has been) so sold or released and has not theretofore been released pursuant to this Agreement.

(c) At any time that an Assignor desires that the Assignee assign, transfer and deliver Collateral (and releases therefor) as provided in Section 8.04(a) or (b) hereof, it shall deliver to the Assignee a certificate signed by a principal executive officer of such Assignor stating that the release of the respective Collateral is permitted pursuant to such Section 8.04(a) or (b).

(d) The Assignee shall have no liability whatsoever to any other Secured Party as a result of any release of Collateral by it in accordance with this Section 8.04.

Section 8.05 Governing Law; Waiver of Jury Trial; Submission to Jurisdiction. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY IN THE CITY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH ASSIGNOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH ASSIGNOR HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY CLAIM THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH ASSIGNOR, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH ASSIGNOR. EACH ASSIGNOR HEREBY IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS

ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT TO WHICH SUCH ASSIGNOR IS A PARTY BROUGHT IN THE COURTS REFERRED TO ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE PARTIES HERETO HEREBY FURTHER IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, SUIT, CLAIM OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8.06 ADDITIONAL ASSIGNORS. PURSUANT TO SECTION 5.11 (*SECURITY INTERESTS; FURTHER ASSURANCES*) OF THE CREDIT AGREEMENT, CERTAIN NEW DIRECT OR INDIRECT SUBSIDIARIES (WHETHER BY ACQUISITION, CREATION OR "DESIGNATION") OF ANY ASSIGNOR ARE REQUIRED TO ENTER INTO THIS AGREEMENT BY EXECUTING AND DELIVERING IN FAVOR OF THE COLLATERAL AGENT A JOINDER AGREEMENT OR ANY SIMILAR INSTRUMENT WITH THE SAME EFFECT. UPON THE EXECUTION AND DELIVERY OF A JOINDER AGREEMENT OR ANY SIMILAR INSTRUMENT WITH THE SAME EFFECT BY EACH SUCH NEW SUBSIDIARY, SUCH SUBSIDIARY SHALL BECOME AN ASSIGNOR HEREUNDER WITH THE SAME FORCE AND EFFECT AS IF ORIGINALLY NAMED AS AN ASSIGNOR HEREIN. THE EXECUTION AND DELIVERY OF ANY INSTRUMENT ADDING AN ADDITIONAL ASSIGNOR AS A PARTY TO THIS AGREEMENT SHALL NOT REQUIRE THE CONSENT OF ANY ASSIGNOR HEREUNDER. THE RIGHTS AND OBLIGATIONS OF EACH ASSIGNOR HEREUNDER SHALL REMAIN IN FULL FORCE AND EFFECT NOTWITHSTANDING THE ADDITION OF ANY NEW ASSIGNOR HEREUNDER.

SECTION 8.07 MISCELLANEOUS

THIS AGREEMENT IS A LOAN DOCUMENT. THIS AGREEMENT MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS AND BY THE DIFFERENT PARTIES HERETO ON SEPARATE COUNTERPARTS, EACH OF WHICH WHEN SO EXECUTED AND DELIVERED SHALL BE AN ORIGINAL (INCLUDING IF DELIVERED BY E-MAIL OR FACSIMILE TRANSMISSION), BUT ALL OF WHICH SHALL TOGETHER CONSTITUTE ONE AND THE SAME INSTRUMENT.

NONE OF THE TERMS AND CONDITIONS OF THIS AGREEMENT MAY BE AMENDED, CHANGED, WAIVED, MODIFIED OR VARIED IN ANY MANNER WHATSOEVER EXCEPT IN WRITING DULY SIGNED BY THE PARTIES HERETO.

THIS AGREEMENT IS MADE WITH FULL RECOURSE TO THE ASSIGNORS AND PURSUANT TO AND UPON ALL THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS ON THE PART OF THE ASSIGNORS CONTAINED HEREIN AND IN THE OTHER SECURED DEBT AGREEMENTS AND OTHERWISE IN WRITING IN CONNECTION HEREWITH OR THEREWITH.

IF ANY PROVISIONS OF THIS AGREEMENT IS HELD TO BE ILLEGAL, INVALID OR UNENFORCEABLE: (A) THE LEGALITY, VALIDITY AND ENFORCEABILITY OF THE REMAINING PROVISIONS OF THIS AGREEMENT SHALL NOT BE AFFECTED OR IMPAIRED THEREBY AND (B) THE PARTIES SHALL ENDEAVOR IN GOOD FAITH NEGOTIATIONS TO REPLACE THE ILLEGAL, INVALID OR UNENFORCEABLE PROVISIONS WITH VALID PROVISIONS THE ECONOMIC EFFECT OF WHICH COMES AS CLOSE AS POSSIBLE TO THAT OF THE ILLEGAL, INVALID OR UNENFORCEABLE PROVISIONS; PROVIDED THAT THE LENDERS SHALL CHARGE NO FEE IN CONNECTION WITH ANY SUCH AMENDMENT. THE INVALIDITY OF A PROVISION IN A PARTICULAR JURISDICTION SHALL NOT INVALID OR RENDER UNENFORCEABLE SUCH PROVISION IN ANY OTHER JURISDICTION.

THE HEADINGS OF THE SEVERAL SECTIONS AND SUBSECTIONS OF THIS AGREEMENT ARE INSERTED FOR CONVENIENCE ONLY AND SHALL NOT IN ANY WAY AFFECT THE MEANING OR CONSTRUCTION OF ANY PROVISION OF THIS AGREEMENT.

NEITHER THIS AGREEMENT NOR ANY UNCERTAINTY OR AMBIGUITY HEREIN SHALL BE CONSTRUED AGAINST ANY SECURED PARTY OR ANY ASSIGNOR, WHETHER UNDER ANY RULE OF CONSTRUCTION OR OTHERWISE. THIS AGREEMENT HAS BEEN REVIEWED BY ALL PARTIES AND SHALL BE CONSTRUED AND INTERPRETED ACCORDING TO THE ORDINARY MEANING OF THE WORDS USED SO AS TO ACCOMPLISH FAIRLY THE PURPOSES AND INTENTIONS OF ALL PARTIES HERETO.

THE PRONOUNS USED HEREIN SHALL INCLUDE, WHEN APPROPRIATE, EITHER GENDER AND BOTH SINGULAR AND PLURAL, AND THE GRAMMATICAL CONSTRUCTION OF SENTENCES SHALL CONFORM THERETO.

AS USED HEREIN, (I) THE WORDS "INCLUDE", "INCLUDES" AND "INCLUDING" SHALL BE DEEMED TO BE FOLLOWED BY THE PHRASE "WITHOUT LIMITATION", (II) THE WORD "INCUR" SHALL BE CONSTRUED TO MEAN INCUR, CREATE, ISSUE, ASSUME, BECOME LIABLE IN RESPECT OF OR SUFFER TO EXIST (AND THE WORD "INCURRED" SHALL HAVE CORRELATIVE MEANING), (III) UNLESS THE CONTEXT OTHERWISE REQUIRES, THE WORDS "ASSET" AND "PROPERTY" SHALL BE CONSTRUED TO HAVE THE SAME MEANING AND EFFECT AND TO REFER TO ANY AND ALL TANGIBLE AND INTANGIBLE ASSETS AND PROPERTIES, INCLUDING CASH, EQUITY INTERESTS, SECURITIES, REVENUES, ACCOUNTS, LEASEHOLD INTERESTS AND CONTRACT RIGHTS, (IV) THE WORD "WILL" SHALL BE CONSTRUED TO HAVE THE SAME MEANING AND EFFECT AS THE WORD "SHALL", AND (V) UNLESS THE CONTEXT OTHERWISE REQUIRES, ANY REFERENCE HEREIN (A) TO ANY PERSON SHALL BE CONSTRUED TO INCLUDE SUCH PERSON'S SUCCESSORS AND ASSIGNS AND (B) TO THE BORROWER OR ANY OTHER LOAN PARTY SHALL BE CONSTRUED TO INCLUDE THE BORROWER OR SUCH LOAN PARTY AS DEBTOR AND DEBTOR-IN-POSSESSION AND ANY RECEIVER OR TRUSTEE FOR THE BORROWER OR ANY OTHER LOAN PARTY, AS THE CASE MAY BE, IN ANY INSOLVENCY OR LIQUIDATION PROCEEDING.

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, AND SECTION, SCHEDULE AND EXHIBIT REFERENCES ARE TO THIS AGREEMENT UNLESS OTHERWISE SPECIFIED.

ALL OF THE SCHEDULES AND EXHIBITS ATTACHED TO THIS AGREEMENT SHALL BE DEEMED INCORPORATED HEREIN BY REFERENCE.

SECTION 8.08 RELEASE OF ASSIGNORS. IN THE EVENT ANY ASSIGNOR WHICH IS A SUBSIDIARY OF THE BORROWER IS RELEASED FROM ITS OBLIGATIONS PURSUANT TO THE CREDIT AGREEMENT, SUCH ASSIGNOR SHALL BE RELEASED FROM THIS AGREEMENT AND THIS AGREEMENT SHALL, AS TO SUCH ASSIGNOR ONLY, HAVE NO FURTHER FORCE OR EFFECT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, EACH ASSIGNOR HAS DULY EXECUTED THIS INSTRUMENT ON THE DAY AND YEAR FIRST ABOVE WRITTEN.

INTERNATIONAL SEAWAYS OPERATING CORPORATION

BY:_____
NAME:
TITLE:

[OWNER]

BY:_____
NAME:
TITLE:

[OTHER ASSIGNORS]

BY:_____
NAME:
TITLE:

NORDEA BANK ABP, NEW YORK BRANCH, AS COLLATERAL AGENT

BY:_____
NAME:
TITLE:

BY:_____
NAME:
TITLE:

SCHEDULE 1

LEGAL NAMES; TYPE OF ORGANIZATION; JURISDICTION OF ORGANIZATION; ORGANIZATIONAL IDENTIFICATION NUMBERS; CHIEF EXECUTIVE OFFICE.

EXACT LEGAL NAME	TYPE OF ORGANIZATION	JURISDICTION OF ORGANIZATION	ORGANIZATIONAL IDENTIFICATION NUMBER	ADDRESS OF CHIEF EXECUTIVE OFFICE

SCHEDULE 2

PLEDGED CHARTERS

[NONE.]

EXHIBIT A TO
GENERAL ASSIGNMENT AGREEMENT

TO: [NAME]
[ADDRESS]

FORM OF NOTICE OF ASSIGNMENT OF EARNINGS

THE UNDERSIGNED, INTERNATIONAL SEAWAYS OPERATING CORPORATION, [●] AND **[SHIPOWNER]**, THE OWNER (THE "OWNER" AND TOGETHER WITH [●], THE "ASSIGNORS") OF THE **MARSHALL ISLANDS** FLAG VESSEL "**[VESSEL NAME]**" (THE "VESSEL"), HEREBY GIVES YOU NOTICE THAT BY A GENERAL ASSIGNMENT AGREEMENT DATED [●], 2020 ENTERED INTO BY, *INTER ALIOS*, US WITH NORDEA BANK ABP, NEW YORK BRANCH, IN ITS CAPACITY AS COLLATERAL AGENT FOR THE SECURED PARTIES (HEREINAFTER CALLED THE "ASSIGNEE"), A COPY OF WHICH IS ATTACHED HERETO, THERE HAS BEEN ASSIGNED BY US TO THE ASSIGNEE A CONTINUING, FIRST PRIORITY SECURITY INTEREST IN AND TO ALL OF THE UNDERSIGNED'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER ALL EARNINGS AND ALL OTHER MONEYS WHATSOEVER WHICH ARE NOW, OR LATER BECOME PAYABLE (ACTUALLY OR CONTINGENTLY) TO THE UNDERSIGNED WHICH ARISE OUT OF THE USE OR OPERATION OF THE VESSEL.

AS USED HEREIN, "EARNINGS" MEANS, IN RELATION TO A VESSEL, ALL MONEYS WHATSOEVER WHICH ARE NOW, OR LATER BECOME, PAYABLE (ACTUALLY OR CONTINGENTLY) TO THE OWNER OF SUCH VESSEL WHICH ARISE OUT OF OR IN CONNECTION WITH OR RELATE TO THE OWNERSHIP, USE, OPERATION OR MANAGEMENT OF THAT VESSEL, INCLUDING (BUT NOT LIMITED TO):

THE FOLLOWING, SAVE TO THE EXTENT THAT ANY OF THEM IS POOLED OR SHARED WITH ANY OTHER PERSON, OR WITH THE PRIOR WRITTEN CONSENT OF THE ADMINISTRATIVE AGENT:

THE EARNINGS OF THE VESSEL, INCLUDING, BUT NOT LIMITED TO, ALL FREIGHT, HIRE AND PASSAGE MONEYS, PROCEEDS OF OFF-HIRE INSURANCE, ANY OTHER MONEYS EARNED AND TO BE EARNED, DUE OR TO BECOME DUE, OR PAID OR PAYABLE TO, OR FOR THE ACCOUNT OF, EACH SUCH ASSIGNOR, OF WHATSOEVER NATURE, ARISING OUT OF OR AS A RESULT OF THE OWNERSHIP, USE, OPERATION OR MANAGEMENT BY EACH SUCH ASSIGNOR OR ITS RESPECTIVE AGENTS OF THE VESSEL; AND

ALL MONEYS AND CLAIMS FOR MONEYS DUE IN RESPECT OF DEMURRAGE OR DETENTION

ALL MONEYS AND CLAIMS FOR MONEYS DUE AND TO BECOME DUE TO EACH SUCH ASSIGNOR UNDER AND ALL CLAIMS FOR DAMAGES ARISING OUT OF THE BREACH (OR PAYMENTS FOR VARIATION OR TERMINATION) OF ANY CHARTER, OR CONTRACT RELATING TO OR UNDER WHICH IS EMPLOYED THE VESSEL, ANY AND ALL OTHER PRESENT AND FUTURE CHARTER PARTIES, CONTRACTS OF AFFREIGHTMENT, AND

OPERATIONS OF EVERY KIND WHATSOEVER OF THE VESSEL, AND IN AND TO ANY AND ALL CLAIMS AND CAUSES OF ACTION FOR MONEY, LOSS OR DAMAGES THAT MAY NOW AND HEREAFTER ACCRUE OR BELONG TO EACH SUCH ASSIGNOR, ITS RESPECTIVE SUCCESSORS OR ASSIGNS, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PRESENT OR FUTURE OWNERSHIP, USE, OPERATION OR MANAGEMENT OF THE VESSEL OR ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE VESSEL;

ALL MONEYS AND CLAIMS FOR MONEYS DUE AND TO BECOME DUE TO EACH SUCH ASSIGNOR, AND ALL CLAIMS FOR DAMAGES, IN RESPECT OF THE ACTUAL OR CONSTRUCTIVE TOTAL LOSS OF OR REQUISITION OF USE OF OR TITLE TO THE VESSEL;

ALL MONEYS AND CLAIMS FOR MONEYS DUE IN RESPECT OF DEMURRAGE OR DETENTION; AND

ANY PROCEEDS OF ANY OF THE FOREGOING.

IF AND WHENEVER SUCH VESSEL IS EMPLOYED ON TERMS WHEREBY ANY MONEYS FALLING WITHIN SUB-PARAGRAPHS (I) AND (II) OF PARAGRAPH 0 ABOVE ARE POOLED OR SHARED WITH ANY OTHER PERSON, THAT PROPORTION OF THE NET RECEIPTS OF THE RELEVANT POOLING OR SHARING ARRANGEMENT WHICH IS ATTRIBUTABLE TO SUCH VESSEL.

CAPITALIZED TERMS USED BUT NOT DEFINED HEREIN SHALL HAVE THE MEANING ASSIGNED TO SUCH TERM IN THE GENERAL ASSIGNMENT AGREEMENT OR THE CREDIT AGREEMENT, AS APPLICABLE.

AS FROM THE DATE HEREOF AND SO LONG AS THE ASSIGNMENT IS IN EFFECT, YOU ARE HEREBY IRREVOCABLY AUTHORIZED AND INSTRUCTED TO PAY ALL EARNINGS FROM TIME TO TIME DUE AND PAYABLE TO, OR RECEIVABLE BY, THE UNDERSIGNED TO THE ACCOUNT OF THE OWNER AS FOLLOWS:

BANK: NORDEA BANK ABP, NEW YORK BRANCH
SWIFT CODE:NDEAUS3N
ACCOUNT NO: [●]
ACCOUNT NAME:[●]

OR, IF AN EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, TO SUCH OTHER ACCOUNT AS THE ASSIGNEE MAY DIRECT BY NOTICE IN WRITING TO YOU FROM TIME TO TIME, ALL SUCH PAYMENTS TO BE MADE IN IMMEDIATELY AVAILABLE FUNDS BY WIRE TRANSFER ON THE DAY WHEN SUCH PAYMENT IS DUE.

PLEASE ACKNOWLEDGE RECEIPT OF THIS NOTICE DIRECTLY TO THE ASSIGNEE AT:

NORDEA BANK ABP, NEW YORK BRANCH
1211 AVENUE OF THE AMERICAS, 23RD FLOOR
NEW YORK, NEW YORK 10036
ATTENTION: SHIPPING, OFFSHORE AND OIL SERVICES
TELEPHONE: (212) 318-9344
FACSIMILE: (212) 318-9318

[ASSIGNORS],
AS ASSIGNOR

BY: _____
NAME:
TITLE:

DATED: _____

EXHIBIT B
TO
GENERAL ASSIGNMENT AGREEMENT

TO: [UNDERWRITERS]
[ADDRESS]

FORM OF NOTICE OF ASSIGNMENT OF INSURANCES

EACH OF THE UNDERSIGNED, INTERNATIONAL SEAWAYS OPERATING CORPORATION, [●] AND **[SHIPOWNER]**, THE OWNER (THE "OWNER" AND TOGETHER WITH [●], THE "ASSIGNORS") OF THE **MARSHALL ISLANDS** FLAG VESSEL "**[VESSEL NAME]**" (THE "VESSEL"), HEREBY GIVE YOU NOTICE THAT BY A GENERAL ASSIGNMENT AGREEMENT DATED [●], 2020 ENTERED INTO BY, *INTER ALIOS*, US WITH NORDEA BANK ABP, NEW YORK BRANCH, IN ITS CAPACITY AS COLLATERAL AGENT FOR THE SECURED PARTIES (HEREINAFTER CALLED THE "ASSIGNEE"), THERE HAS BEEN ASSIGNED BY US ON A FIRST PRIORITY BASIS TO THE ASSIGNEE ALL RIGHT, TITLE AND INTEREST IN, TO AND UNDER ALL INSURANCES AND BENEFIT OF INSURANCES EFFECTED AND TO BE EFFECTED IN RESPECT OF THE VESSEL INCLUDING THE INSURANCES CONSTITUTED BY THE POLICY WHEREON THIS NOTICE IS ENDORSED.

THIS NOTICE OF ASSIGNMENT AND THE APPLICABLE LOSS PAYABLE CLAUSES IN THE FORM HERETO ATTACHED AS ANNEX I ARE TO BE ENDORSED ON ALL POLICIES AND CERTIFICATES OF ENTRY EVIDENCING SUCH INSURANCE.

DATED:

[SHIPOWNER], AS OWNER

BY:_____
NAME:
TITLE:

[●]

BY:_____
NAME:
TITLE:

EXHIBIT C TO
GENERAL ASSIGNMENT AGREEMENT

[FORM OF]

NOTICE OF ASSIGNMENT OF CHARTER

TO: [CHARTERER]
[ADDRESS]

THE UNDERSIGNED, [**SHIPOWNER**], THE OWNER (THE "OWNER") OF THE **MARSHALL ISLANDS** FLAG VESSEL "**[VESSEL NAME]**" ("VESSEL"), HEREBY GIVES YOU NOTICE THAT BY A GENERAL ASSIGNMENT AGREEMENT DATED [●], 2020 (THE "AGREEMENT"), ENTERED INTO BY, *INTER ALIA*, US WITH NORDEA BANK ABP, NEW YORK BRANCH IN ITS CAPACITY AS COLLATERAL AGENT FOR THE SECURED PARTIES (HEREINAFTER CALLED THE "ASSIGNEE"), A COPY OF WHICH IS ATTACHED HERETO, THERE HAS BEEN ASSIGNED BY US TO THE ASSIGNEE A CONTINUING, FIRST PRIORITY SECURITY INTEREST IN ALL OF THE UNDERSIGNED'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER A CHARTER DATED [●] (AS THE SAME MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "CHARTER AGREEMENT") BETWEEN THE OWNER AND YOU (THE "CHARTERER") FOR THE VESSEL, INCLUDING:

(I) ALL CLAIMS, RIGHTS, REMEDIES, POWERS AND PRIVILEGES FOR FAILURE OF THE CHARTERER TO MEET ANY OF ITS OBLIGATIONS UNDER THE CHARTER AGREEMENT;

(II) ALL EARNINGS, FREIGHTS AND OTHER RECEIVABLES PAYABLE UNDER THE CHARTER AGREEMENT, AND ALL AMOUNTS DUE TO AN ASSIGNOR UNDER THE CHARTER AGREEMENT; AND

(III) THE RIGHT TO MAKE ANY MATERIAL WAIVERS, CONSENTS AND AGREEMENTS UNDER THE CHARTER AGREEMENT IN A MANNER ADVERSE TO THE ASSIGNEE;

(IV) THE RIGHT TO GIVE AND RECEIVE ALL NOTICES AND OTHER INSTRUMENTS OR COMMUNICATIONS UNDER THE CHARTER AGREEMENT;

(V) THE RIGHT TO TAKE SUCH ACTION, INCLUDING THE COMMENCEMENT, CONDUCT AND CONSUMMATION OF LEGAL, ADMINISTRATIVE OR OTHER PROCEEDINGS, AS SHALL BE PERMITTED BY THE CHARTER AGREEMENT, OR BY LAW; AND

(VI) ANY PROCEEDS OF THE FOREGOING.

AS FROM THE DATE HEREOF AND SO LONG AS THE AGREEMENT IS IN EFFECT, YOU ARE HEREBY IRREVOCABLY AUTHORIZED AND INSTRUCTED TO PAY ALL AMOUNTS FROM TIME TO TIME DUE AND PAYABLE TO, OR RECEIVABLE BY, THE UNDERSIGNED UNDER THE CHARTER AGREEMENT TO OUR ACCOUNT AS FOLLOWS:

BANK: NORDEA BANK ABP, NEW YORK BRANCH
SWIFT CODE:NDEAUS3N
ACCOUNT NO:[●]
ACCOUNT NAME:[●]

OR IF AN EVENT OF DEFAULT (AS DEFINED BY REFERENCE IN THE AGREEMENT) HAS OCCURRED AND IS CONTINUING, TO SUCH OTHER ACCOUNT AS THE ASSIGNEE MAY DIRECT BY NOTICE IN WRITING TO YOU FROM TIME TO TIME, ALL SUCH PAYMENTS TO BE MADE IN IMMEDIATELY AVAILABLE FUNDS BY WIRE TRANSFER ON THE DAY WHEN SUCH PAYMENT IS DUE IN ACCORDANCE WITH THE TERMS OF THE CHARTER.

PLEASE CONFIRM YOUR CONSENT TO THE AGREEMENT BY EXECUTING AND RETURNING THE CONSENT AND AGREEMENT ATTACHED BELOW.

DATED: [●]

[SHIPOWNER], AS OWNER

BY:_____
NAME:
TITLE:

ANNEX I TO
EXHIBIT C TO
GENERAL ASSIGNMENT AGREEMENT

CONSENT AND AGREEMENT

NO. __

[VESSEL NAME]

IMO NUMBER **[NUMBER]**

THE UNDERSIGNED, CHARTERER OF THE **MARSHALL ISLANDS** FLAG VESSEL "**[VESSEL NAME]**" (THE "VESSEL") PURSUANT TO A TIME CHARTER-PARTY DATED **[DATE OF TIME CHARTER PARTY]** (THE "CHARTER"), DOES HEREBY ACKNOWLEDGE NOTICE OF THE ASSIGNMENT (THE "NOTICE") BY THE ASSIGNOR OF ALL THE ASSIGNOR'S RIGHT, TITLE AND INTEREST IN AND TO THE CHARTER TO NORDEA BANK ABP, NEW YORK BRANCH AS COLLATERAL AGENT (THE "ASSIGNEE"), PURSUANT TO THE GENERAL ASSIGNMENT AGREEMENT DATED [●], 2020 (AS THE SAME MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "AGREEMENT").

THE UNDERSIGNED CHARTERER, FOR GOOD AND VALID CONSIDERATION, HEREBY ACKNOWLEDGES RECEIPT OF THE NOTICE, CONSENTS TO SUCH ASSIGNMENT AND THE TERMS THEREOF, AND AGREES THAT IT WILL MAKE PAYMENT OF ALL MONEYS DUE AND TO BECOME DUE UNDER THE CHARTER, WITHOUT SETOFF OR DEDUCTION FOR ANY CLAIM NOT ARISING UNDER THE CHARTER, AND NOTWITHSTANDING THE EXISTENCE OF A DEFAULT OR EVENT OF DEFAULT BY THE ASSIGNOR UNDER THE CHARTER, DIRECT TO THE ACCOUNT SPECIFIED IN THE NOTICE OR SUCH ACCOUNT SPECIFIED BY THE ASSIGNEE AT SUCH ADDRESS AS THE ASSIGNEE SHALL REQUEST THE UNDERSIGNED IN WRITING UNTIL RECEIPT OF WRITTEN NOTICE FROM THE ASSIGNEE THAT ALL OBLIGATIONS OF THE ASSIGNOR TO IT HAVE BEEN PAID IN FULL.

THE UNDERSIGNED AGREES THAT IT SHALL LOOK SOLELY TO THE ASSIGNOR FOR PERFORMANCE OF THE CHARTER AND THAT THE ASSIGNEE SHALL HAVE NO OBLIGATION OR LIABILITY UNDER OR PURSUANT TO THE CHARTER ARISING OUT OF THE AGREEMENT, NOR SHALL THE ASSIGNEE BE REQUIRED OR OBLIGATED IN ANY MANNER TO PERFORM OR FULFILL ANY OBLIGATIONS OF THE ASSIGNOR UNDER OR PURSUANT TO THE CHARTER. NOTWITHSTANDING THE FOREGOING, IF AN EVENT OF DEFAULT UNDER THE CREDIT AGREEMENT (AS DEFINED IN OR BY REFERENCE IN THE AGREEMENT) SHALL HAVE OCCURRED AND BE CONTINUING: (I) THE UNDERSIGNED AGREES THAT THE ASSIGNEE SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO PERFORM ALL OF THE ASSIGNOR'S OBLIGATIONS UNDER THE CHARTER AS THOUGH NAMED THEREIN AS OWNER; AND (II) THE UNDERSIGNED SHALL FULLY COOPERATE WITH THE ASSIGNEE IN EXERCISING RIGHTS AVAILABLE TO THE ASSIGNEE UNDER THE AGREEMENT.

THE UNDERSIGNED AGREES THAT IT SHALL NOT SEEK THE RECOVERY OF ANY PAYMENT ACTUALLY MADE BY IT TO THE ASSIGNEE PURSUANT TO THIS CHARTERER'S CONSENT AND AGREEMENT ONCE SUCH PAYMENT HAS BEEN MADE. THIS PROVISION SHALL NOT BE CONSTRUED TO RELIEVE THE ASSIGNOR OF ANY LIABILITY TO THE CHARTERER.

THE UNDERSIGNED HEREBY WAIVES THE RIGHT TO ASSERT AGAINST THE ASSIGNEE, AS ASSIGNEE OF THE ASSIGNOR, ANY CLAIM, DEFENSE, COUNTERCLAIM OR SETOFF THAT IT COULD ASSERT AGAINST THE ASSIGNOR UNDER THE CHARTER.

THE UNDERSIGNED AGREES TO EXECUTE AND DELIVER, OR CAUSE TO BE EXECUTED AND DELIVERED, UPON THE WRITTEN REQUEST OF THE ASSIGNEE ANY AND ALL SUCH FURTHER INSTRUMENTS AND DOCUMENTS AS THE ASSIGNEE MAY DEEM DESIRABLE FOR THE PURPOSE OF OBTAINING THE FULL BENEFITS OF THIS AGREEMENT AND OF THE RIGHTS AND POWER HEREIN GRANTED.

THE UNDERSIGNED HEREBY CONFIRMS THAT THE CHARTER IS A LEGAL, VALID AND BINDING OBLIGATION, ENFORCEABLE AGAINST IT IN ACCORDANCE WITH ITS TERMS.

DATED: _____

[CHARTERER],
AS CHARTERER

BY: _____
NAME:
TITLE:

EXHIBIT N

[FORM OF]

ASSIGNMENT OF INSURANCES

[ATTACHED]

FORM OF ASSIGNMENT OF INSURANCES

[●], 2020

[COMMERCIAL MANAGER/TECHNICAL MANAGER], THE COMMERCIAL MANAGER AND TECHNICAL MANAGER OF EACH OF THE COLLATERAL VESSELS SET FORTH ON SCHEDULE 1 HERETO (THE "ASSIGNOR"), IN CONSIDERATION OF THE SECURED PARTIES ENTERING INTO THE TRANSACTIONS DESCRIBED IN THE CREDIT AGREEMENT (AS DEFINED BELOW), AND FOR ONE DOLLAR ($1) LAWFUL MONEY OF THE UNITED STATES OF AMERICA, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, HAVE SOLD, ASSIGNED, TRANSFERRED AND SET OVER, AND BY THIS INSTRUMENT DO SELL, ASSIGN, TRANSFER AND SET OVER, UNTO NORDEA BANK ABP, NEW YORK BRANCH, A LIMITED LIABILITY COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF FINLAND, AS COLLATERAL AGENT (HEREINAFTER CALLED THE "ASSIGNEE"), AND UNTO THE ASSIGNEE'S SUCCESSORS AND ASSIGNS, AS SUCH TO IT AND ITS SUCCESSORS' AND ASSIGNS' OWN PROPER USE AND BENEFIT, AND DOES HEREBY GRANT TO THE ASSIGNEE A FIRST PRIORITY SECURITY INTEREST IN, ALL RIGHT, TITLE AND INTEREST OF THE ASSIGNOR UNDER, IN AND TO (I) ALL INSURANCES REQUIRED PURSUANT TO SECTION 5.04 (*INSURANCE*) OF THE CREDIT AGREEMENT IN RESPECT OF THE VESSEL, WHETHER NOW OR HEREAFTER TO BE EFFECTED, AND ALL RENEWALS OF OR REPLACEMENTS FOR THE SAME, (II) ALL CLAIMS, RETURNS OF PREMIUM AND OTHER MONEYS AND CLAIMS FOR MONEYS DUE AND TO BECOME DUE UNDER SAID INSURANCE OR IN RESPECT OF SAID INSURANCE, AND (III) ALL OTHER RIGHTS OF THE ASSIGNOR UNDER OR IN RESPECT OF SAID INSURANCE, INCLUDING PROCEEDS OF ANY OF THE FOREGOING (THE ABOVE CLAUSES (I), (II) AND (III) COLLECTIVELY CALLED THE "INSURANCE COLLATERAL").

TERMS USED HEREIN AND NOT OTHERWISE DEFINED HEREIN ARE USED AS DEFINED IN THE CREDIT AGREEMENT DATED AS OF JANUARY 23, 2020 (AS THE SAME MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "CREDIT AGREEMENT") AMONG (I) INTERNATIONAL SEAWAYS, INC., A MARSHALL ISLANDS CORPORATION ("HOLDINGS"); (II) INTERNATIONAL SEAWAYS OPERATING CORPORATION, A MARSHALL ISLANDS CORPORATION (THE "BORROWER"); (III) THE OTHER GUARANTORS FROM TIME TO TIME PARTY THERETO, (IV) THE FINANCIAL INSTITUTIONS PARTY THERETO, AS LENDERS AND (V) THE ASSIGNEE, AS ADMINISTRATIVE AGENT, COLLATERAL AGENT AND SECURITY TRUSTEE, THE LENDERS AGREED TO MAKE AVAILABLE TO THE BORROWER TERM LOAN FACILITIES IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO THREE HUNDRED FIFTY MILLION DOLLARS ($350,000,000) AND A REVOLVING CREDIT FACILITY IN THE AGGREGATE PRINCIPAL AMOUNT OF FORTY MILLION DOLLARS ($40,000,000).

[THE ASSIGNOR IS A WHOLLY-OWNED INDIRECT SUBSIDIARY OF THE BORROWER.]

THIS ASSIGNMENT OF INSURANCES (THIS "ASSIGNMENT") IS GIVEN AS FIRST PRIORITY SECURITY FOR ALL AMOUNTS DUE AND TO BECOME DUE TO THE SECURED PARTIES UNDER THE CREDIT AGREEMENT.

IT IS EXPRESSLY AGREED THAT, ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, SOLELY AS BETWEEN THE ASSIGNOR AND THE ASSIGNEE, THE ASSIGNOR SHALL REMAIN LIABLE UNDER SAID INSURANCES TO PERFORM ALL OF THE DUTIES AND OBLIGATIONS ASSUMED BY IT THEREUNDER, AND THE ASSIGNEE SHALL HAVE NO OBLIGATION OR LIABILITY UNDER SAID INSURANCES BY REASON OF OR ARISING OUT OF THIS INSTRUMENT OF ASSIGNMENT NOR SHALL THE ASSIGNEE BE REQUIRED OR OBLIGATED IN ANY MANNER TO PERFORM OR FULFILL ANY OBLIGATIONS OF THE ASSIGNOR, IF ANY, UNDER OR PURSUANT TO SAID INSURANCES OR TO MAKE ANY PAYMENT OR TO MAKE ANY INQUIRY AS TO THE NATURE OR SUFFICIENCY OF ANY PAYMENT RECEIVED BY THE ASSIGNEE OR TO PRESENT OR FILE ANY CLAIM, OR TO TAKE ANY OTHER ACTION TO COLLECT OR ENFORCE THE PAYMENT OF ANY AMOUNTS WHICH MAY HAVE BEEN ASSIGNED TO IT OR TO WHICH IT MAY BE ENTITLED HEREUNDER AT ANY TIME

OR TIMES.

THE ASSIGNOR HEREBY APPOINTS THE ASSIGNEE, ITS SUCCESSORS AND ASSIGNS, AS ITS TRUE AND LAWFUL ATTORNEY-IN-FACT, IRREVOCABLY, WITH FULL POWER (IN THE NAME OF THE ASSIGNOR OR OTHERWISE), UPON THE OCCURRENCE AND CONTINUANCE OF AN EVENT OF DEFAULT TO ASK, REQUIRE, DEMAND, RECEIVE, COMPOUND AND GIVE ACQUITTANCE FOR ANY AND ALL MONEYS AND CLAIMS FOR MONEYS DUE AND TO BECOME DUE UNDER OR ARISING OUT OF SAID INSURANCES, TO ENDORSE ANY CHECKS OR OTHER INSTRUMENTS OR ORDERS IN CONNECTION THEREWITH AND TO FILE ANY DOCUMENT AND ANY CLAIMS OR TO TAKE ANY ACTION OR INSTITUTE ANY PROCEEDINGS WHICH THE ASSIGNEE AND ITS SUCCESSORS AND ASSIGNS MAY REASONABLY DEEM TO BE NECESSARY OR ADVISABLE IN THE PREMISES. THE POWERS AND AUTHORITIES GRANTED TO THE ASSIGNEE AND ITS SUCCESSORS OR ASSIGNS HEREIN HAVE BEEN GIVEN FOR VALUABLE CONSIDERATION, ARE COUPLED WITH AN INTEREST AND ARE HEREBY DECLARED TO BE IRREVOCABLE.

THE ASSIGNOR HEREBY COVENANTS AND AGREES TO PROCURE THAT (I) NOTICE OF THIS ASSIGNMENT SHALL BE DULY GIVEN TO ALL INSURANCE BROKERS, UNDERWRITERS AND PROTECTION AND INDEMNITY CLUBS, SUBSTANTIALLY IN THE FORM HERETO ATTACHED AS EXHIBIT A, AND THAT WHERE THE CONSENT OF ANY INSURANCE BROKER, UNDERWRITER OR PROTECTION AND INDEMNITY CLUB IS REQUIRED PURSUANT TO ANY OF THE INSURANCES ASSIGNED HEREBY THAT THE ASSIGNOR SHALL (X) USE COMMERCIALLY REASONABLY EFFORTS TO OBTAIN SUCH CONSENT SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS ANNEX II TO THE FORM OF NOTICE OF ASSIGNMENT ATTACHED HERETO AS EXHIBIT A AND EVIDENCE THEREOF SHALL BE GIVEN TO THE ASSIGNEE, OR (Y) THE ASSIGNOR SHALL OBTAIN, WITH THE ASSIGNEE'S APPROVAL, A LETTER OF UNDERTAKING BY THE UNDERWRITERS AND PROTECTION AND INDEMNITY CLUBS, AND (II) THAT THERE SHALL BE DULY ENDORSED UPON ALL SLIPS, COVER NOTES, POLICIES, CERTIFICATES OF ENTRY OR OTHER INSTRUMENTS ISSUED OR TO BE ISSUED IN CONNECTION WITH THE INSURANCES ASSIGNED HEREBY SUCH NOTICE OF THIS ASSIGNMENT AND CLAUSES AS TO LOSS PAYEES IN THE FORM ATTACHED TO EXHIBIT A OR AS THE ASSIGNEE MAY REQUIRE OR APPROVE IN ITS SOLE DISCRETION. APPROVED FORMS OF LOSS PAYABLE CLAUSES ARE ATTACHED HERETO AS ANNEX I TO THE FORM OF NOTICE OF ASSIGNMENT ATTACHED HERETO AS EXHIBIT A. IN ALL CASES (EXCEPT IN THE CASE OF PROTECTION AND INDEMNITY COVERAGE), UNLESS OTHERWISE AGREED IN WRITING BY THE ASSIGNEE, SUCH SLIPS, COVER NOTES, NOTICES, CERTIFICATES OF ENTRY OR OTHER INSTRUMENTS SHALL PROVIDE THAT THERE WILL BE NO RECOURSE AGAINST THE ASSIGNEE FOR PAYMENT OF PREMIUMS, CALLS OR ASSESSMENTS.

THE ASSIGNOR AGREES THAT AT ANY TIME AND FROM TIME TO TIME, UPON THE WRITTEN REQUEST OF THE ASSIGNEE, IT WILL PROMPTLY AND DULY EXECUTE AND DELIVER ANY AND ALL SUCH FURTHER INSTRUMENTS AND DOCUMENTS AS THE ASSIGNEE MAY REASONABLY DEEM NECESSARY OR APPROPRIATE IN OBTAINING THE FULL BENEFITS OF THIS ASSIGNMENT AND OF THE RIGHTS AND POWERS HEREIN GRANTED.

THE ASSIGNOR DOES HEREBY WARRANT AND REPRESENT THAT IT HAS NOT ASSIGNED OR PLEDGED, AND HEREBY COVENANTS THAT, WITHOUT THE PRIOR WRITTEN CONSENT THERETO OF THE ASSIGNEE, SO LONG AS THIS INSTRUMENT OF ASSIGNMENT SHALL REMAIN IN EFFECT, OTHER THAN IN RESPECT OF PERMITTED LIENS, IT WILL NOT ASSIGN OR PLEDGE THE WHOLE OR ANY PART OF THE RIGHT, TITLE AND INTEREST HEREBY ASSIGNED TO ANYONE OTHER THAN THE ASSIGNEE, ITS SUCCESSORS AND ASSIGNS, AND IT WILL NOT TAKE OR OMIT TO TAKE ANY ACTION, THE TAKING OR OMISSION OF WHICH MIGHT RESULT IN AN ALTERATION OR IMPAIRMENT OF SAID INSURANCES, OF THIS ASSIGNMENT OR OF ANY OF THE RIGHTS CREATED BY SAID INSURANCES OR THIS ASSIGNMENT.

ALL NOTICES OR OTHER COMMUNICATIONS WHICH ARE REQUIRED TO BE MADE TO THE ASSIGNEE HEREUNDER SHALL BE MADE BY POSTAGE PREPAID LETTER OR TELECOPY CONFIRMED BY POSTAGE PREPAID LETTER TO:

NORDEA BANK ABP, NEW YORK BRANCH
1211 AVENUE OF THE AMERICAS, 23RD FLOOR
NEW YORK, NEW YORK 10036
ATTENTION: SHIPPING, OFFSHORE AND OIL SERVICES
TELEPHONE: (212) 318-9344
FACSIMILE: (212) 318-9318

OR AT SUCH OTHER ADDRESS AS MAY HAVE BEEN FURNISHED IN WRITING BY THE ASSIGNEE.

ANY PAYMENTS MADE PURSUANT TO THE TERMS HEREOF SHALL BE MADE TO SUCH ACCOUNT AS MAY, FROM TIME TO TIME, BE DESIGNATED BY THE ASSIGNEE OR AS THE ASSIGNEE MAY OTHERWISE INSTRUCT.

THIS ASSIGNMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS ASSIGNMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY IN THE CITY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND, BY EXECUTION AND DELIVERY OF THIS ASSIGNMENT, THE ASSIGNOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. THE ASSIGNOR HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY CLAIM THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER THE ASSIGNOR, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS ASSIGNMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER THE ASSIGNOR. THE ASSIGNOR HEREBY IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS ASSIGNMENT OR ANY OTHER LOAN DOCUMENT TO WHICH THE ASSIGNOR IS A PARTY BROUGHT IN THE COURTS REFERRED TO ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE PARTIES HERETO HEREBY FURTHER IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, SUIT, CLAIM OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

THIS ASSIGNMENT SHALL NOT BE AMENDED AND/OR VARIED EXCEPT BY AGREEMENT IN WRITING SIGNED BY THE PARTIES HERETO.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, THE ASSIGNOR HAS CAUSED THIS ASSIGNMENT TO BE DULY EXECUTED AS OF THE

DATE FIRST WRITTEN ABOVE.

[COMMERCIAL MANAGER/TECHNICAL MANAGER],
AS ASSIGNOR

BY: _____
NAME:
TITLE:

NORDEA BANK ABP, NEW YORK BRANCH
AS ASSIGNEE

BY: _____
NAME:
TITLE:

BY: _____
NAME:
TITLE:

SCHEDULE 1

SHIPOWNERCOLLATERAL VESSEL
[●][●]

EXHIBIT A
TO ASSIGNMENT OF INSURANCES

FORM OF NOTICE OF ASSIGNMENT OF INSURANCES

[COMMERCIAL MANAGER/TECHNICAL MANAGER], HEREBY GIVES YOU NOTICE THAT BY AN ASSIGNMENT OF INSURANCES DATED [●], 2020 ENTERED INTO BY US WITH THE ASSIGNEE, THERE HAS BEEN ASSIGNED BY US TO THE ASSIGNEE ON A FIRST PRIORITY BASIS ALL RIGHT, TITLE AND INTEREST IN, TO AND UNDER ALL INSURANCES AND BENEFIT OF INSURANCES EFFECTED AND TO BE EFFECTED IN RESPECT OF THE REPUBLIC OF MARSHALL ISLANDS FLAG VESSELS, AS APPLICABLE, LISTED ON SCHEDULE 1, INCLUDING THE INSURANCES CONSTITUTED BY THE POLICY WHEREON THIS NOTICE IS ENDORSED. THIS NOTICE OF ASSIGNMENT AND THE APPLICABLE LOSS PAYABLE CLAUSES IN THE FORM HERETO ATTACHED AS ANNEX I ARE TO BE ENDORSED ON ALL POLICIES AND CERTIFICATES OF ENTRY EVIDENCING SUCH INSURANCE.

DATED:

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[COMMERCIAL MANAGER/TECHNICAL MANAGER],
AS ASSIGNOR

BY _____
NAME:
TITLE:

SCHEDULE 1
NOTICE OF ASSIGNMENT OF INSURANCES

OWNER VESSEL

ANNEX I
NOTICE OF ASSIGNMENT OF INSURANCES

FORM OF LOSS PAYABLE CLAUSES
HULL AND WAR RISKS

LOSS, IF ANY, PAYABLE TO NORDEA BANK ABP, NEW YORK BRANCH, AS COLLATERAL AGENT AND AS SECURITY TRUSTEE (THE "MORTGAGEE"), FOR DISTRIBUTION BY THE MORTGAGEE TO ITSELF AS COLLATERAL AGENT AND TO [COMMERCIAL MANAGER/TECHNICAL MANAGER], AS ASSIGNOR, AS ITS INTERESTS MAY APPEAR, OR ORDER, EXCEPT THAT, UNLESS UNDERWRITERS HAVE BEEN OTHERWISE INSTRUCTED BY NOTICE IN WRITING FROM THE MORTGAGEE FOLLOWING THE OCCURRENCE AND CONTINUATION OF AN EVENT OF DEFAULT (AS DEFINED IN THE CREDIT AGREEMENT), IN THE CASE OF ANY LOSS INVOLVING ANY DAMAGE TO THE VESSEL OR LIABILITY OF THE VESSEL, THE UNDERWRITERS MAY PAY DIRECTLY FOR THE REPAIR, SALVAGE, LIABILITY OR OTHER CHARGES INVOLVED OR, IF THE OWNER OR MANAGER SHALL HAVE FIRST FULLY REPAIRED THE DAMAGE AND PAID THE COST THEREOF, OR DISCHARGED THE LIABILITY OR PAID ALL OF THE SALVAGE OR OTHER CHARGES, THEN THE UNDERWRITERS MAY PAY THE OWNER OR MANAGER AS REIMBURSEMENTS THEREFORE; PROVIDED, HOWEVER, THAT IF SUCH DAMAGE INVOLVES A LOSS IN EXCESS OF U.S.$1,000,000 OR ITS EQUIVALENT THE UNDERWRITERS SHALL NOT MAKE SUCH PAYMENT WITHOUT FIRST OBTAINING THE WRITTEN CONSENT THERETO OF THE MORTGAGEE.

IN THE EVENT OF AN ACTUAL OR CONSTRUCTIVE TOTAL LOSS OR A COMPROMISE OR ARRANGED TOTAL LOSS OR REQUISITION OF TITLE, ALL INSURANCE PAYMENTS THEREFOR SHALL BE PAID TO THE MORTGAGEE, FOR DISTRIBUTION BY IT IN ACCORDANCE WITH THE TERMS OF THE MORTGAGE AND THE CREDIT AGREEMENT FOR THE FINANCING OF THAT VESSEL.

PROTECTION AND INDEMNITY

LOSS, IF ANY, PAYABLE TO NORDEA BANK ABP, NEW YORK BRANCH, AS COLLATERAL AGENT AND AS SECURITY TRUSTEE (THE "MORTGAGEE"), FOR DISTRIBUTION BY THE MORTGAGEE TO ITSELF AS COLLATERAL AGENT AND [COMMERCIAL MANAGER/TECHNICAL MANAGER], AS ASSIGNOR, AS ITS INTERESTS MAY APPEAR, OR ORDER, EXCEPT THAT, UNLESS AND UNTIL THE UNDERWRITERS HAVE BEEN OTHERWISE INSTRUCTED BY NOTICE IN WRITING FROM THE MORTGAGEE FOLLOWING THE OCCURRENCE AND CONTINUATION OF AN EVENT OF DEFAULT (AS DEFINED IN THE CREDIT AGREEMENT), ANY LOSS MAY BE PAID DIRECTLY TO THE PERSON TO WHOM THE LIABILITY COVERED BY THIS INSURANCE HAS BEEN INCURRED, OR TO THE OWNER TO REIMBURSE IT FOR ANY LOSS, DAMAGE OR EXPENSES INCURRED BY IT AND COVERED BY THIS INSURANCE, PROVIDED THE UNDERWRITER, ASSOCIATION OR CLUB SHALL HAVE FIRST RECEIVED EVIDENCE THAT THE LIABILITY INSURED AGAINST HAS BEEN

DISCHARGED.

ANNEX II

CONSENT BY UNDERWRITERS

FORM OF CONSENT BY UNDERWRITERS

DATED: _____ ___, 20_

NORDEA BANK ABP, NEW YORK BRANCH
1211 AVENUE OF THE AMERICAS, 23RD FLOOR
NEW YORK, NEW YORK 10036
ATTN: HEAD OF SHIPPING, OFFSHORE AND OIL SERVICES
FACSIMILE: +212 421 4420

RE: THE VESSELS LISTED ON EXHIBIT A HERETO

LADIES AND GENTLEMEN:

WE HEREBY ACKNOWLEDGE THAT WE HAVE RECEIVED A NOTICE OF THE ASSIGNMENT OF INSURANCES GRANTED BY THE [COMMERCIAL MANAGER/TECHNICAL MANAGER] TO YOU AS COLLATERAL AGENT AND MORTGAGEE, AND THE UNDERSIGNED HEREBY GRANTS ITS CONSENT THERETO. WE FURTHER CONFIRM THAT LOSS PAYABLE CLAUSES IN THE FORM ATTACHED AS EXHIBIT A TO THE NOTICE HAVE BEEN ATTACHED TO ALL POLICIES (OTHER THAN PROTECTION AND INDEMNITY CLUB CERTIFICATES OF ENTRY).

[UNDERWRITERS OR THEIR REPRESENTATIVE]

BY:_____
NAME:
TITLE:

Exhibit 21

SUBSIDIARIES OF INTERNATIONAL SEAWAYS, INC.

The following table lists all subsidiaries of International Seaways, Inc. and all companies in which the registrant directly or indirectly owns at least a 49% interest, except for certain companies and subsidiaries which, if considered in the aggregate as a single entity, would not constitute a significant entity. All of the entities named below are corporations, unless otherwise noted.

Company	Where Incorporated, Organized or Domiciled
Africa Tanker Corporation	Marshall Islands
Alcesmar Limited	Marshall Islands
Alcmar Limited	Marshall Islands
Amalia Product Corporation	Marshall Islands
Ambermar Product Carrier Corporation	Marshall Islands
Andromar Limited	Marshall Islands
Antigmar Limited	Marshall Islands
Ariadmar Limited	Marshall Islands
Atalmar Limited	Marshall Islands
Athens Product Tanker Corporation	Marshall Islands
Aurora Shipping Corporation	Marshall Islands
Batangas Tanker Corporation	Marshall Islands
Cabo Hellas Limited	Marshall Islands
Cabo Sounion Limited	Marshall Islands
Caribbean Tanker Corporation	Marshall Islands
Carl Product Corporation	Marshall Islands
Clean Products International Ltd.	Marshall Islands
Concept Tanker Corporation	Marshall Islands
Delta Aframax Corporation	Marshall Islands
Diamond Chartering, Inc.	Marshall Islands
Diamond Tanker Company LLC	Marshall Islands [3]
Eighth Aframax Tanker Corporation	Marshall Islands
Epsilon Aframax Corporation	Marshall Islands
ERN Holdings Inc.	Panama
First Pacific Corporation	Marshall Islands
First Union Tanker Corporation	Marshall Islands
Front President Inc.	Marshall Islands
Front Tobago Shipping Corporation	Marshall Islands
Gener8 Chiotis LLC	Marshall Islands [3]
Gener8 Strength LLC	Marshall Islands [3]
Gener8 Success LLC	Marshall Islands [3]
Gener8 Supreme LLC	Marshall Islands [3]
Goldmar Limited	Marshall Islands
Guayaquil Tanker Corporation	Marshall Islands
Hatteras Tanker Corporation	Marshall Islands
Hendricks Chartering, Inc.	Marshall Islands
Hendricks Tanker Company LLC	Marshall Islands [3]
Henry Chartering, Inc.	Marshall Islands
INSW Ship Management UK Ltd.	United Kingdom
International Seaways Operating Corporation	Marshall Islands
International Seaways Ship Management LLC	Delaware [1]
Jademar Limited	Marshall Islands
Katsura Tanker Corporation	Marshall Islands
Kimolos Tanker Corporation	Marshall Islands
Kythnos Chartering Corporation	Marshall Islands
Leyte Product Tanker Corporation	Marshall Islands
Liberty Chartering, Inc.	Marshall Islands
Lightering LLC	Liberia [2]
Luxmar Product Tanker Corporation	Marshall Islands

Company	Where Incorporated, Organized or Domiciled
Majestic Tankers Corporation	Marshall Islands
Maple Tanker Corporation	Marshall Islands
Maremar Product Tanker Corporation	Marshall Islands
Milos Product Tanker Corporation	Marshall Islands
Mindanao Tanker Corporation	Marshall Islands
Montauk Tanker Corporation	Marshall Islands
Oak Tanker Corporation	Marshall Islands
Oceania Tanker Corporation	Marshall Islands
OIN Chartering, Inc.	Marshall Islands
OIN Delaware LLC	Delaware [1]
Oleron Tanker S.A.	Panama
OSG Clean Products International, Inc.	Marshall Islands
OSG Ship Management (GR) Ltd.	Marshall Islands
Overseas Shipping (GR) Ltd.	Marshall Islands
Panamax International Ltd.	Marshall Islands
Panamax International Shipping Company Ltd.	Marshall Islands
Pearlmar Limited	Marshall Islands
Petromar Limited	Marshall Islands
Reymar Limited	Marshall Islands
Rich Tanker Corporation	Marshall Islands
Rosalyn Tanker Corporation	Marshall Islands
Rosemar Limited	Marshall Islands
Rubymar Limited	Marshall Islands
Sakura Transport Corp.	Marshall Islands
Samar Product Tanker Corporation	Marshall Islands
Seaways Holding Corporation	Marshall Islands
Seaways Shipping Corporation	Marshall Islands
Seaways Subsidiary VII Inc.	Marshall Islands
Second Katsura Tanker Corporation	Marshall Islands
Serifos Tanker Corporation	Marshall Islands
Seventh Aframax Tanker Corporation	Marshall Islands
Shirley Aframax Corporation	Marshall Islands
Sifnos Tanker Corporation	Marshall Islands
Silvermar Limited	Marshall Islands
Sixth Aframax Tanker Corporation	Marshall Islands
Skopelos Product Tanker Corporation	Marshall Islands
Star Chartering Corporation	Marshall Islands
Third United Shipping Corporation	Marshall Islands
1372 Tanker Corporation	Marshall Islands
TI Africa Limited	Hong Kong
TI Asia Limited	Hong Kong
Tokyo Transport Corp.	Marshall Islands
Triton Chartering, Inc.	Marshall Islands
Tybee Chartering, Inc.	Marshall Islands
Urban Tanker Corporation	Marshall Islands
View Tanker Corporation	Marshall Islands

(1) This entity is a Delaware limited liability company.

(2) This entity is a Liberian limited liability company.

(3) This entity is a Marshall Islands limited liability company.

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:
(1) Registration Statement (Form S-8 No. 333-215174) of International Seaways Inc.,
(2) Registration Statement (Form S-3 No. 333-226946) of International Seaways Inc.,
(3) Registration Statement (Form S-3 No. 333-227915) of International Seaways Inc.,

of our report dated March 3, 2020, with respect to the consolidated financial statements and schedule of International Seaways, Inc. and of our report dated March 3, 2020 with respect to the effectiveness of internal control over financial reporting of International Seaways, Inc., included in this Annual Report (Form 10-K) of International Seaways, Inc. for the year ended December 31, 2019.

/s/ Ernst & Young LLP

New York, NY
March 3, 2020

EXHIBIT 31.1

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, Lois K. Zabrocky, certify that:

1. I have reviewed this annual report on Form 10-K of International Seaways, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 3, 2020

/s/ Lois K. Zabrocky
Lois K. Zabrocky
Chief Executive Officer

EXHIBIT 31.2

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, Jeffrey D. Pribor, certify that:

1. I have reviewed this annual report on Form 10-K of International Seaways, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 3, 2020

/s/ Jeffrey D. Pribor
Jeffrey D. Pribor
Chief Financial Officer

EXHIBIT 32

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of International Seaways, Inc. (the "Company"), hereby certifies, to the best of her/his knowledge and belief, that the Form 10-K of the Company for the annual period ended December 31, 2019 (the "Periodic Report") accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.

Date: March 3, 2020

/s/ Lois K. Zabrocky
Lois K. Zabrocky
Chief Executive Officer

Date: March 3, 2020

/s/ Jeffrey D. Pribor
Jeffrey D. Pribor
Chief Financial Officer