

**GRANT OF SHIP CHARTER RIGHTS**

Charter transaction ID No. LVRF2023/CH/1.

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| Charter object: | **Pilot boat DINA** |
| Ship owner: | **SIA LVR Flote, reg. No.** **40103321893** |
| Permitted shipping area:  | A1 shipping area. Latvian territorial waters in harbourage. |
| Ship information: | Certificate of registry (attached)Trade certificate with annex (attached)Vessel GA plan (attached) |
| Charter type: | **BAREBOAT CHARTER**BIMCO STANDARD BAREBOAT CHARTER. BARECON 2001. |

**Essential terms of the charter transaction**:

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|  | **Recipient ensures:** | Place for comments: |
| 1 | Deposit guarantee in the amount of 1 (one) month’s rent and return travel expenses. |  |
| 2 | Use of the vessel up to 3,200 engine hours in a 12-month period (or 1,600 engine hours in a 6-month period). An additional fee of EUR 15 per engine hour is charged for each subsequent engine hour. |  |
| 3 | Use of the vessel in the territorial waters of the European Union without crossing the territorial waters of Russian Federation. |  |
| 4 | Vessel civil liability insurance policy (P&I) throughout the charter period. |  |
| 5 | Vessel hull and machinery insurance policy (H&M). The policy states LVR Flote as the shipowner. The policy is previously agreed with LVR Flote. |  |
| 6 | Fulfils VSIA Latvijas Juras Administracija requirements related to the change of shipping area and covers all related costs. |  |
| 7 | Covers all related costs in case of re-registration (including change of flag, ship register, classification society). |  |
| 8 | Maintenance of the vessel machinery in accordance with the manufacturer’s recommendations, using only original spare parts and materials. |  |
| 9 | In case of necessity to repair the vessel, the scope and place of repairs is agreed with LVR Flote. |  |
| 10 | Goods, materials, equipment, services and/or involved persons are not directly or indirectly used by the persons subjected and/or subject to international, European Union or national sanctions or sanctions affecting significant financial and capital market interests of the European Union or North Atlantic Treaty Organization member states. |  |
| 11 | Covers the broker’s fee for organising the chartering |  |

**Qualification requirements for applicants**:

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| **1** | **Registration** | To be completed by the applicant/broker |
|  | The applicant is registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia or in another register corresponding to the economic activities of the applicant in a member state of the European Union, or in an equivalent register in foreign countries, in accordance with the requirements of the regulatory enactments of the respective country. |  |
| **2** | **Water transportation** | To be completed by the applicant/broker |
|  | The applicant is a merchant recognised in accordance with the procedure provided for in the regulatory enactments with the right to carry out water transportation or one of the main types of activity is water transportation. |  |
| **3** | **Financial indicators** | To be completed by the applicant/broker |
|  | The applicant’s average annual turnover is at least EUR 1,500,000.00 (one million five hundred euros) during the last 3 (three) years. Audited and approved annual reports for 2022, 2021 and 2022 must be submitted in case of selection of the offer. |  |
| **4** | **Experience** | To be completed by the applicant/broker |
|  | The applicant has at least 3 (three) years of experience in the field of water transportation. |  |
| **5** | **Requirements for the crew** | To be completed by the applicant/broker |
|  | The qualifications of the applicant’s crew members meet the requirements of the STCW Convention. |  |
| **6** | **Reputation** | To be completed by the applicant/broker |
|  | The applicant has stainless reputation. LVR Flote will evaluate the publicly available information. |  |

**Exclusion conditions**:

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| **The applicant is excluded from participation, if any of the following circumstances is established:** |
| **1** | **Criminal offences** | Place for comments: |
| 1. | The applicant or a member of its management board or council, a person entitled to represent, a procurator or a person authorised to represent the candidate or applicant in activities related to the branch has been found guilty of any of the following criminal offenses: |  |
| 1.1 | creation, management of a criminal organisation, involvement in it or in an organised group that is part of it, or in another criminal formation, or participation in criminal offenses committed by such organisation; |  |
| 1.2 | taking bribes, giving bribes, embezzlement of bribes, mediation in bribery, unauthorised participation in financial transactions, acceptance of unauthorised benefits, commercial bribery, requesting, accepting or giving illegal benefits, trading with influence; |  |
| 1.3 | fraud, embezzlement or money laundering; |  |
| 1.4 | terrorism, financing of terrorism, creation or organisation of a terrorist group, travelling for the purpose of terrorism, justifying terrorism, calling for terrorism, threats of terrorism or recruiting or training a person to commit terrorist acts; |  |
| 1.5 | human trafficking; |  |
| 1.6 | evasion of payment of taxes or payments equivalent thereto. |  |
| **2** | **Unfulfilled tax commitments** | Place for comments: |
|  | The applicant has outstanding commitments in the field of taxes and duties. |  |
| **3** | **Offshore registration** | Place for comments: |
|  | The applicant is a legal entity or association of persons registered offshore, or the owner or holder of more than 25 percent of the shares in capital (stock) of the applicant registered in Latvia is a legal entity or association of persons registered offshore. |  |
| **4** | **Insolvency, suspension of activities, liquidation** | Place for comments: |
|  | The insolvency proceedings of the applicant have been declared, or economic activities have been suspended, or the applicant is being liquidated. |  |
| **5** | **Violations in the field of employment** | Place for comments: |
| 5. | The applicant has been found guilty of and punished for a violation in any of the following cases: |  |
| 5.1 | employment of one or more persons if they do not have the necessary work permits or if they are not entitled to reside in a member state of the European Union |  |
| 5.2 | employment of a person without an employment contract concluded in writing |  |
| **6** | **Provision of false information** | Place for comments: |
|  | The applicant has provided false information to prove the compliance with the qualification requirements or the terms of the charter transaction or has not provided the information required by LVR Flote |  |
| **7** | **Sanctions** | Place for comments: |
|  | No international or national sanctions or sanctions of a member state of the European Union or the North Atlantic Treaty Organization have been imposed on the applicant, the member of its management board or council, the beneficial owner, the person entitled to represent or the procurator, or the person authorised to represent the applicant in activities related to the branch. |  |

In case of selection of the offer, proofs of compliance with the qualification requirements and non-applicability of the exclusion conditions must be submitted at the request of LVR Flote.

**Offer**:

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| Name of the applicant (recipient) | Port, in which the ship is planned to be used | Charter offer, VAT excl.:  |
| 1 day | 6 months (NOV- MAY) | 12 months | 24 months |
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When submitting an offer, the applicant/broker confirms that all provided information is correct and true.

**Offer selection criterion:** the most beneficial offer with the highest offered rent. LVR Flote reserves the right to not select any offers.

**Decision-making:** the decision on grant of the ship charter right and conclusion of the contract will be made by LVR Flote management board after evaluation of the offers.