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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2022

OR

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

For the transition period from to

Commission file number 001-34187

Matson, Inc.

(Exact name of registrant as specified in its charter)

Hawaii	**99-0032630**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1411 Sand Island Parkway
Honolulu, HI 96819
(Address of principal executive offices) (Zip code)

(808) 848-1211
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, without par value	MATX	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 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 (§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, a smaller reporting company, or an emerging growth company. See the definition 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

Aggregate market value of Common Stock held by non-affiliates at June 30, 2022:
$2,788,983,218

Number of shares of Common Stock outstanding at February 17, 2023:
36,107,352

Documents Incorporated By Reference

The following document is incorporated by reference in Part III of the Annual Report on Form 10-K to the extent described therein: Proxy statement for the annual meeting of shareholders of Matson, Inc. to be held April 27, 2023.

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MATSON, INC.

FORM 10-K

Annual Report for the Fiscal Year Ended December 31, 2022

PART I

ITEM 1. BUSINESS

A. COMPANY OVERVIEW

Matson, Inc., a holding company incorporated in the State of Hawaii, and its subsidiaries ("Matson" or the "Company"), is a leading provider of ocean transportation and logistics services. The Company consists of two segments, Ocean Transportation and Logistics.

Ocean Transportation: Matson's Ocean Transportation business is conducted through Matson Navigation Company, Inc. ("MatNav"), a wholly-owned subsidiary of Matson, Inc. Founded in 1882, MatNav provides a vital lifeline of ocean freight transportation services to the domestic non-contiguous economies of Hawaii, Alaska and Guam, and to other island economies in Micronesia. MatNav also operates premium, expedited services from China to Long Beach, California, provides services to Okinawa, Japan and various islands in the South Pacific, and operates an international export service from Dutch Harbor, Alaska to Asia. In addition, subsidiaries of MatNav provide stevedoring, refrigerated cargo services, inland transportation and other terminal services for MatNav on the Hawaiian islands of Oahu, Hawaii, Maui and Kauai, and for MatNav and other ocean carriers in Alaska.

Matson has a 35 percent ownership interest in SSA Terminals, LLC, a joint venture between Matson Ventures, Inc., a wholly-owned subsidiary of MatNav, and SSA Ventures, Inc., a subsidiary of Carrix, Inc. ("SSAT"). SSAT currently provides terminal and stevedoring services to various carriers at eight terminal facilities on the U.S. West Coast, including three facilities dedicated for MatNav's use. Matson records its share of income from SSAT in costs and expenses in the Consolidated Statements of Income and Comprehensive Income, and within the Ocean Transportation segment due to the nature of SSAT's operations.

Logistics: Matson's logistics business is conducted through Matson Logistics, Inc. ("Matson Logistics"), a wholly-owned subsidiary of MatNav. Established in 1987, Matson Logistics extends the geographic reach of Matson's transportation network throughout North America and Asia, and is an asset-light business that provides a variety of logistics services to its customers including: (i) multimodal transportation brokerage of domestic and international rail intermodal services, long-haul and regional highway trucking services, specialized hauling, flat-bed and project services, less-than-truckload services, and expedited freight services (collectively, "Transportation Brokerage" services); (ii) less-than-container load ("LCL") consolidation and freight forwarding services (collectively, "Freight Forwarding" services); (iii) warehousing, trans-loading, value-added packaging and distribution services (collectively, "Warehousing" services); and (iv) supply chain management, non-vessel operating common carrier ("NVOCC") freight forwarding and other services.

Our Mission and Vision:

Our mission is to move freight better than anyone. Our vision is to create value for our shareholders by:

- Being our customers' first choice,
- Leveraging our core strengths to drive growth and increase profitability,
- Improving the communities in which we work and live,
- Being an environmental leader in our industry, and
- Being a great place to work.

B. BUSINESS DESCRIPTION

(1) OCEAN TRANSPORTATION SEGMENT

Ocean Transportation Services:

Matson's Ocean Transportation segment provides the following services:

Hawaii Service: Matson's Hawaii service provides ocean carriage (lift-on/lift-off, roll-on/roll-off and conventional services) between the ports of Long Beach and Oakland, California; Tacoma, Washington; and Honolulu, Hawaii. Matson also operates a network of inter-island barges that provide connecting services from its hub at Honolulu to other major Hawaii ports on the islands of Hawaii, Maui and Kauai. Matson is the largest carrier of ocean cargo between the U.S. West Coast and Hawaii.

Westbound cargo carried by Matson to Hawaii includes dry containers of mixed commodities, refrigerated commodities, food and beverages, retail merchandise, building materials, automobiles and household goods. Matson's eastbound cargo from Hawaii includes automobiles, household goods, dry containers of mixed commodities and livestock. The majority of Matson's Hawaii service revenue is derived from the westbound carriage of containerized freight.

China Service: Matson's expedited China-Long Beach Express ("CLX") service is part of an integrated service that carries cargo from Long Beach, California to Honolulu, Hawaii, to Guam, and then to Okinawa, Japan. The vessels continue to Ningbo and Shanghai, China, where they are loaded with cargo to be discharged primarily in Long Beach, California at a Matson-exclusive terminal operated by SSAT. These vessels also carry cargo destined for Hawaii which originated in Guam, Micronesia, Okinawa, China and other Asian countries. Matson provides container transshipment services from many locations in Asia including Hong Kong and Xiamen, China to the United States via the ports of Ningbo and Shanghai, China.

Matson operates a second expedited service to the U.S. West Coast with the China-Long Beach Express Plus ("CLX+") service. The CLX+ service primarily uses chartered vessels and operates weekly from Ningbo and Shanghai, China where they are loaded with cargo to be discharged primarily at Long Beach, California, calling at an SSAT-operated terminal.

Eastbound cargo from China to Long Beach, California consists mainly of garments, e-commerce related goods, consumer electronics, footwear and other merchandise.

Guam Service: Matson's Guam service provides weekly carriage between the U.S. West Coast and Guam, as part of its CLX service. Matson also provides weekly connecting service from Guam to the Commonwealth of the Northern Mariana Islands. Cargo destined to Guam mainly includes dry containers of mixed commodities, refrigerated containers of food, beverages, retail merchandise, building materials, and household goods.

Japan Service: Matson's Japan service provides carriage to the port of Naha in Okinawa, Japan, as part of its CLX service. This service mainly carries general sustenance cargo in both dry and refrigerated containers and household goods supporting the U.S. military.

Micronesia Service: Matson's Micronesia service provides carriage between the U.S. West Coast and the islands of Kwajalein, Ebeye and Majuro in the Republic of the Marshall Islands, the islands of Yap, Pohnpei, Chuuk and Kosrae in the Federated States of Micronesia, and the Republic of Palau. Cargo destined for these locations is transshipped through Guam and consists mainly of general sustenance cargo, building materials, hardware and retail merchandise.

Alaska Service: Matson's Alaska service provides ocean carriage between the port of Tacoma, Washington, and the ports of Anchorage, Kodiak and Dutch Harbor, Alaska. Matson also provides a barge service between Dutch Harbor and Akutan in Alaska, and transportation services to other locations in Alaska including the Kenai Peninsula, Fairbanks and the North Slope.

Northbound cargo to Alaska consists mainly of dry containers of mixed commodities, refrigerated commodities, foods and beverages, retail merchandise, household goods and automobiles. Southbound cargo from Alaska primarily consists of seafood, household goods and automobiles.

Matson's Alaska-Asia Express ("AAX") service provides carriage of dry and frozen seafood from Kodiak and Dutch Harbor, Alaska to many locations in Asia via its transshipment ports of Ningbo and Shanghai, China, and Busan, South Korea. The AAX service utilizes CLX+ vessels on their westbound trip to China.

South Pacific Service: Matson's New Zealand Express ("NZX") service provides carriage of general sustenance cargo between Auckland, New Zealand and select islands in the South Pacific, including Fiji (Suva and Lautoka), Samoa (Apia), American Samoa (Pago Pago), the Cook Islands (Rarotonga and Aitutaki), Tonga (Nukualofa and Vava'u), and Niue. Additionally, Matson provides slot charter arrangements for the transportation of cargo from major ports on the east coast of Australia to ports in the South Pacific islands. The NZX service also distributes and sells domestic bulk fuel to a variety of these islands.

Terminal and Other Related Services:

Matson provides stevedoring, refrigerated cargo services, inland transportation, container equipment maintenance and other terminal services (collectively, "terminal services") at terminals located on the Hawaiian islands of Oahu, Hawaii, Maui and Kauai; and in the Alaska terminal locations of Anchorage, Kodiak and Dutch Harbor.

SSAT currently provides terminal and stevedoring services to various carriers at eight terminal facilities on the U.S. West Coast, including three facilities dedicated for MatNav's use, in Long Beach and Oakland, California and in Tacoma, Washington.

Matson utilizes the services of other third-party terminal operators at all of the other ports where its vessels are served.

Vessel Management Services:

Matson contracts with the U.S. Department of Transportation to provide vessel management services to manage and maintain three Ready Reserve Force vessels on behalf of the U.S. Department of Transportation Maritime Administration.

Vessel Information:

Vessels:

Matson's fleet includes both owned and chartered vessels. Matson's owned vessels represent an investment of approximately $2.3 billion. The majority of Matson's owned vessels are U.S. flagged and Jones Act qualified vessels, and operate in the Hawaii, China, Guam, Japan, Micronesia and Alaska services. Details of Matson's active and reserve vessels as of December 31, 2022 are as follows:

			Usable Cargo Capacity						
			Containers		Vehicles				
Name of Vessels	Year Built	Official Number	TEUs (1)	Reefer Slots	Autos	Length	Vessel Design Speed (Knots) (2)	Approximate Deadweight (Long Tons)	Charter Expiration Date (3)
Vessels-Owned:									
DANIEL K. INOUYE (4)	2018	1274136	3,220	408	—	854' 0"	23.5	51,000	—
KAIMANA HILA (4)	2019	1274135	3,220	408	—	854' 0"	23.5	54,000	—
MANOA (4)(8)	1982	651627	2,824	408	—	860' 2"	23.0	35,000	—
MAHIMAHI (4)(8)	1982	653424	2,824	408	—	860' 2"	23.0	35,000	—
LURLINE (4)	2019	1274143	2,750	432	500	869' 5"	23.0	51,000	—
MATSONIA (4)	2020	1274123	2,750	432	500	869' 5"	23.0	51,000	—
MANULANI (4)(8)	2005	1168529	2,378	284	—	712' 0"	22.5	38,000	—
MAUNAWILI (4)(8)	2004	1153166	2,378	326	—	711' 9"	22.5	37,000	—
MANUKAI (4)(8)	2003	1141163	2,378	326	—	711' 9"	22.5	38,000	—
R.J. PFEIFFER (4)(8)	1992	979814	2,245	300	—	713' 6"	23.0	28,000	—
MOKIHANA (4)	1983	655397	1,994	354	1,323	860' 2"	23.0	30,000	—
MAUNALEI (4)(8)	2006	1181627	1,992	328	—	681' 1"	22.1	33,000	—
MATSON KODIAK (4)(8)	1987	910308	1,668	280	—	710' 0"	20.0	20,000	—
MATSON ANCHORAGE (4)(8)	1987	910306	1,668	280	—	710' 0"	20.0	20,000	—
MATSON TACOMA (4)(8)	1987	910307	1,668	280	—	710' 0"	20.0	20,000	—
KAMOKUIKI (5)	2000	9232979	707	100	—	433' 9"	17.5	8,000	—
OLOMANA (6)	2004	9184225	645	120	—	388' 7"	14.0	8,000	—
IMUA (6)	2004	9184237	645	90	—	388' 6"	15.0	8,000	—
LILOA II (6)	2006	9184249	630	90	—	388' 6"	15.0	8,000	—
PAPA MAU (6)	1999	9141704	521	68	—	381' 5"	14.0	6,000	—
Vessels-Chartered:									
MATSON HAWAII (6)	2009	9386471	4,360	326	—	849' 3"	23.3	52,000	July 2023
MATSON LANAI (6)	2007	9334143	4,253	400	—	855' 2"	24.3	50,000	June 2025
MATSON MAUI (6)	2007	9340764	4,253	400	—	854' 8"	24.5	50,000	March 2026
MATSON KAUAI (6)	2008	9353278	4,218	350	—	841' 4"	24.8	52,000	January 2025
MATSON MOLOKAI (6)	2007	9338084	2,824	586	—	728' 10"	22.0	39,000	May 2025
MATSON NIIHAU (6)	2005	9294159	2,824	586	—	728' 10"	21.0	39,000	March 2023
Barges-Owned:									
MAUNA LOA (4)	2013	1247426	500	78	—	362' 6"	—	13,000	—
HALEAKALA (4)	2022	1324310	620	72	—	362' 6"	—	15,000	—
Barges-Chartered:									
ILIULIUK BAY (4)(7)	2013	1249384	178	—	—	250' 0"	—	4,000	December 2023

(1) Twenty-foot Equivalent Units ("TEU") is a standard measure of cargo volume correlated to a standard 20-foot dry cargo container.
(2) Actual operating speed of the vessel may vary from the Vessel Design Speed.
(3) Charter expiration date represents the approximate earliest month the vessel can be returned to its owner. Some vessel charter agreements include options for the Company to further extend the charter period.
(4) U.S. flagged and Jones Act qualified vessel or barge.
(5) U.S. flagged vessel.
(6) Foreign-flagged vessel.
(7) Lift-on/lift-off barge equipped with a crane.
(8) Vessel installed with exhaust gas cleaning systems (commonly referred to as "scrubbers").

Fleet Renewal Program:

Matson is constructing three new vessels with the following specifications and expected delivery dates:

Class of Vessel	Type of Vessel	Expected Delivery Date	Usable Cargo Capacity Containers		Length	Maximum Speed (Knots)	Maximum Deadweight (Long Tons)
			TEUs	Reefer Slots			
Aloha Class	Containership	Q4 2026	3,620	400	853' 2"	23.5	53,000
Aloha Class	Containership	Q2 2027	3,620	400	853' 2"	23.5	53,000
Aloha Class	Containership	Q4 2027	3,620	400	853' 2"	23.5	53,000

Upon delivery, Matson expects to deploy the three new vessels in the CLX service and redeploy three existing CLX vessels into the Alaska service. The new vessels will have dual-fuel engines and be equipped with tanks, piping and cryogenic equipment designed to operate on liquified natural gas ("LNG") and conventional fuels. The new vessels are also being designed with state-of-the-art green technology features and fuel-efficient hulls. Each new vessel is expected to provide 500 containers of additional capacity per voyage in the CLX service.

The contract cost of the new vessel program is approximately $1.0 billion in total, and milestone payments are expected to be financed with cash currently on deposit in the Company's Capital Construction Fund, cash and cash equivalents on the consolidated balance sheet and through cash flows generated from future operations, borrowings available under the Company's unsecured revolving credit facility or additional debt financings. Actual and future annual vessel construction progress milestone payments based on signed agreements and change orders, excluding owners' items and capitalized interest, are expected to be as follows:

Vessel Construction Obligations (in millions)	Paid	Future Milestone Payments						
	2022	2023	2024	2025	2026	2027	Thereafter	Total
Three Aloha Class Containerships	$ 50.0	$ 50.0	$ 71.0	$ 351.0	$ 307.0	$ 157.0	$ 13.0	$ 999.0

Matson is also installing tanks, piping and cryogenic equipment on existing Aloha Class vessels so that they can operate on LNG and conventional fuels. The LNG installation project on *Daniel K. Inouye* has begun and work on *Kaimana Hila* is currently scheduled to begin during the second quarter of 2024. Each installation is expected to cost approximately $35 million. Additionally, the Company plans to begin reengining *Manukai* to operate on LNG and conventional fuels during the second quarter of 2023 at a total cost of approximately $60 million.

The three new Aloha Class vessels and LNG installation projects are important steps towards achieving Matson's medium-term greenhouse gas ("GHG") emissions goal which is to reduce Scope 1 GHG emissions from our owned fleet by 40% by 2030, using 2016 as a baseline year. Matson has also set a long-term goal to achieve net zero Scope 1 GHG emissions from our owned fleet by 2050. For more information on Matson's environmental stewardship initiatives, including GHG reduction goals, see Matson's Sustainability Report and other information available at https://www.matson.com/sustainability.

Vessel Emission Regulations:

Being a leader in environmental stewardship is one of Matson's core values. Matson's vessels transit through some of the most environmentally sensitive areas in the United States including the Hawaiian Islands and the coasts of California, Oregon, Washington and Alaska. In particular, Matson is focused on reducing transportation emissions, including carbon dioxide, methane, nitrous oxide, particulate matter and sulfur dioxide through improvements in vessel fuel consumption, choice of fuel types and the development of more fuel-efficient transportation solutions. Matson further contributes positively to the environment by testing and deploying leading technologies as the fleet is modernized.

The International Maritime Organization ("IMO"), to which the U.S. and over 100 other countries are signatories, is a specialized agency of the United Nations that sets international environmental standards applicable to vessels operating under the flag of any signatory country. Effective January 1, 2020, the IMO imposed regulations that generally require all vessels to burn fuel oil with a maximum sulfur content of ≤0.5 percent. With respect to North America, all waters, with certain limited exceptions, within 200 nautical miles of U.S. and Canadian coastlines have been designated emission control areas ("ECAs"). Since January 1, 2015, U.S. Environmental Protection Agency regulations have

reduced the fuel oil maximum sulfur content in designated ECAs. In addition, since August 1, 2012, the California Air Resource Board has reduced the fuel oil maximum sulfur content to ≤0.1 percent within 24 miles of the California coastline.

All of Matson's vessels are designed to operate in compliance with IMO and ECA regulations as applicable. Matson also maintains vessels which may operate as dry-dock relief or for emergency activation purposes under an EPA approved ECA permit enabling the use of fuel oil with a maximum sulfur content of ≤0.5 percent within the North America ECA or at any time on IMO compliant fuels.

In June 2021, the IMO adopted new GHG emission requirements applicable to ships. Beginning with a company's first annual, intermediate or renewal survey for an International Air Pollution Prevention ("IAPP") certificate on or after January 1, 2023, all containerships with more than 10,000 dead weight tons will be required to meet specified Energy Efficiency Existing Ship Index ("EEXI") levels. EEXI is a one-time certification measuring a ship's theoretical carbon dioxide (CO_2) emissions per transport work based on its design parameters. Beginning in 2023, containerships with over 5,000 gross tonnage ("GT") will be required to meet annual Carbon Intensity Indicator ("CII") requirements that become increasingly stringent towards 2030. CII measures how efficiently a ship transports goods, and uses actual CO_2 emissions to determine an annual rating from A to E. For ships that achieve a D rating for three consecutive years or an E rating in a single year, a corrective action plan needs to be developed as part of the vessels' Ship Energy Efficiency Management Plan ("SEEMP") and approved. For a discussion on the Company's planned future capital expenditures to comply with these regulations, see Part II, Item 7 of this Form 10-K. For more information on Matson's environmental stewardship initiatives, including GHG emission reduction goals, see Matson's Sustainability Report and other information available at https://www.matson.com/sustainability.

Hawaii Terminal Modernization and Expansion Program:

Matson completed the first phase of its program to modernize and renovate its terminal facility at Sand Island, Honolulu, and is progressing on the second phase. As part of this program, Matson completed the installation of three new 65 long-ton capacity gantry cranes, upgraded and renovated three existing cranes, demolished four outdated cranes, and installed upgrades to the electrical infrastructure at the terminal. In addition, Matson completed the installation, energization and transition to a new redundant main switchgear. Additional projects for the second phase relate to improvements to its existing backup power generators, installation of new above ground fuel storage tanks, a battery energy storage system, and other upgrades at the terminal, and are expected to be completed within the next three years.

The third phase represents a broader and long-term terminal expansion program at the Sand Island terminal facility. Matson expects to expand into Pier 51A and portions of Pier 51B after Pasha Hawaii ("Pasha") relocates to the newly constructed Kapalama container terminal facility planned for 2024. From 2023 to 2024, Matson will be performing surveying, planning and design work in preparation for this expansion.

Ocean Transportation Equipment:

As a complement to its fleet of vessels, Matson owns a variety of equipment including cranes, terminal equipment, containers and chassis, which represents an investment of approximately $0.8 billion as of December 31, 2022. Matson also leases containers, chassis and other equipment under various operating lease agreements.

Operating Costs:

Major components of Matson's Ocean Transportation operating costs are as follows:

Direct Cargo Expense includes terminal handling costs including labor, purchased outside transportation and other related costs.

Vessel Operating Expense includes crew wages and related costs; fuel, pilots, tugs and line related costs; vessel charter expenses; and other vessel operating related expenses. Matson purchases fuel oil, lubricants and gasoline for its operations and pays fuel-related surcharges to other third-party transportation providers.

Operating Overhead includes equipment repair costs, equipment lease and repositioning expenses, vessel repair and maintenance costs, depreciation and dry-docking amortization, insurance, port engineers and other maintenance costs, and other vessel and shoreside related overhead.

Competition:

The following is a summary of major competitors in Matson's Ocean Transportation segment:

Hawaii Service: Matson's Hawaii service has one major U.S. flagged Jones Act competitor, Pasha, which operates container and roll-on/roll-off services between the ports of Long Beach, Oakland and San Diego, California to Hawaii. A U.S. flagged Jones Act barge operator, Aloha Marine Lines, also offers barge service between Seattle, Washington and Hawaii.

Foreign-flagged vessels carrying cargo to Hawaii from non-U.S. locations also provide alternatives for companies shipping to Hawaii. Other competitors in the Hawaii service include proprietary operators and contract carriers of bulk cargo, and airfreight freight carriers.

Matson operates three strings of vessels to Hawaii. These strings provide customers an industry-leading five departures from ports on the U.S. West Coast – two each from Long Beach and Oakland, California and one from Tacoma, Washington, with three arrivals in Honolulu each week. Each of these strings operates on a fixed day-of-the-week schedule. One of the vessel strings continues from Honolulu to China before returning to Long Beach. Matson's frequent sailings and punctuality permit customers to reduce inventory carrying costs. Matson also competes by offering one of the most comprehensive services to customers, including: the only container service to and from the three largest U.S. West Coast ports; the most efficient terminal network on the U.S. West Coast with three exclusive use terminals provided by SSAT; a dedicated inter-island barge network which is integrated with Matson's line haul schedule; roll-on/roll-off service from Long Beach and Oakland; a world-class customer service team; and efficiency and experience in handling cargo of many types.

Alaska Service: Matson's Alaska service has one major U.S. flagged Jones Act competitor, Totem Ocean Trailer Express, Inc., which operates a roll-on/roll off service between Tacoma, Washington and Anchorage, Alaska. There are also two U.S. flagged Jones Act barge operators, Alaska Marine Lines, which mainly provides services from Seattle, Washington to the ports of Anchorage, Dutch Harbor, and other locations in Alaska, and Samson Tug & Barge, which mainly serves Western Alaska and other locations. The barge operators have historically shipped lower value commodities that can accommodate a longer transit time, as well as construction materials and other cargo that are not conducive to movement in containers. Foreign-flagged vessels provide alternatives for companies shipping cargo (mainly seafood) from the Alaska ports of Kodiak and Dutch Harbor to international destinations. Other competition includes air freight carriers and over-the-road trucking services. Matson's AAX service has two major competitors, CMA CGM and Maersk Lines, which provide services between Dutch Harbor, Alaska and Asia.

Matson offers customers twice weekly scheduled service from Tacoma, Washington to Anchorage and Kodiak, Alaska, and a weekly service to Dutch Harbor, Alaska. The Company also provides a barge service between Dutch Harbor and Akutan in Alaska. Matson is the only Jones Act containership operator providing service to Kodiak and Dutch Harbor in Alaska, which are the primary loading ports for southbound seafood. Matson offers dedicated terminal services at the Alaska ports of Anchorage, Kodiak and Dutch Harbor performed by Matson, and at the port of Tacoma, Washington performed by SSAT. Matson's AAX service also offers customers a service from Kodiak and Dutch Harbor, Alaska to Ningbo and Shanghai, China, and Busan, South Korea, with transshipment services from those ports to other locations in Asia.

China Service: Major competitors to Matson's China service include large international transpacific carriers such as CMA CGM, OOCL, ZIM, Evergreen and Maersk. Other competition includes air freight carriers.

Matson's China service (CLX and CLX+) competes by offering fast and reliable service from the ports of Ningbo and Shanghai in China, and feeder services from other Asian ports of origin, to Long Beach and Oakland, California. Matson provides fixed day-of-the-week arrivals and industry leading cargo availability. Matson's service is further differentiated by best-in-class stevedoring services provided by SSAT, Matson dedicated terminal space, access to Shippers Transport Express off-dock container yards for faster truck turn times, Matson-dedicated equipment including chassis to speed cargo availability, one-stop intermodal connections, and world-class customer service. Matson also

provides intermodal services in coordination with Matson Logistics. Matson has offices located in Shanghai, Shenzhen, Xiamen, Ningbo and Hong Kong, and has contracted with terminal operators in Ningbo and Shanghai.

Guam Service: Matson's Guam service has one major competitor, APL, a U.S. flagged subsidiary of CMA CGM, which operates a U.S. flagged container service connecting the U.S. West Coast to Guam and Saipan, via transshipments to U.S. flagged feeder vessels in Yokohama, Japan and Busan, South Korea via a two-ship feeder service. There are also other several foreign carriers that call at Guam from foreign origin ports, and air freight carriers.

Matson offers customers a weekly service to Guam as part of the CLX service from three ports on the U.S. West Coast. Matson's ocean transit time, frequent sailing and reliable on-time performance provides an industry-leading service to its customers.

Japan Service: Matson's Japan service has one major competitor, APL, which operates a U.S. flagged containership service from the U.S. West Coast to the port of Naha in Okinawa, Japan.

Matson offers customers a weekly service to the port of Naha in Okinawa, Japan as part of the CLX service from three ports on the U.S. West Coast.

Micronesia and South Pacific Services: Matson's Micronesia and South Pacific services have competition from a variety of local and international carriers that provide freight services to the area.

Customer Concentration:

Matson serves customers in numerous industries and carries a wide variety of cargo, mitigating its dependence upon any single customer or single type of cargo. The Company's 10 largest Ocean Transportation customers account for approximately 15 percent of the Company's Ocean Transportation revenue. For additional information on Ocean Transportation revenues for the years ended December 31, 2022, 2021 and 2020, see Note 2 to the Consolidated Financial Statements in Item 8 of Part II below.

Seasonality:

Historically, Matson's Ocean Transportation services have typically experienced seasonality in volume, generally following a pattern of increasing volume starting in the second quarter of each year, culminating in a peak season throughout the third quarter, with subsequent decline in demand during the fourth and first quarters. This seasonality trend is amplified in the Alaska service primarily due to winter weather and the timing of southbound seafood trade. As a result, earnings have tended to follow a similar pattern, offset by periodic vessel dry-docking and other episodic cost factors, which can lead to earnings variability. In addition, in the China trade, volume is typically driven primarily by U.S. consumer demand for goods during key retail selling seasons. Freight rates are impacted mainly by macro supply and demand variables.

Matson's typical seasonal trends have been impacted by the global pandemic which resulted in elevated levels of demand experienced in our Ocean Transportation services during the second half of 2020 throughout 2021 and in the first half of 2022. Weakening economic conditions in the U.S., relatively high inflation and the impact of higher interest rates on household discretionary income may affect the demand for consumer goods in our markets, which could impact seasonal variability and demand for the Company's Ocean Transportation services in 2023.

Maritime Laws and the Jones Act:

Maritime Laws: All interstate and intrastate marine commerce within the U.S. falls under the Merchant Marine Act of 1920 (commonly referred to as the Jones Act).

The Jones Act is a long-standing cornerstone of U.S. maritime policy. Under the Jones Act, all vessels transporting cargo between covered U.S. ports must, subject to limited exceptions, be built in the U.S., registered under the U.S. flag, be manned predominantly by U.S. crews, and owned and operated by U.S.-organized companies that are controlled and 75 percent owned by U.S. citizens. U.S. flagged vessels are generally required to be maintained at higher standards than foreign-flagged vessels and are subject to rigorous supervision and inspections by, or on behalf of, the U.S. Coast Guard, which requires appropriate certifications and background checks of the crew members. Under Section 27 of the Jones

Act, the carriage of cargo between the U.S. West Coast, Hawaii and Alaska on foreign-built or foreign-documented vessels is prohibited.

During the years ended December 31, 2022, 2021 and 2020, approximately 39 percent, 41 percent and 62 percent, respectively, of Matson's Ocean Transportation revenues came from the Hawaii and Alaska trades that were subject to the Jones Act. Matson's Hawaii and Alaska trade routes are included within the non-contiguous Jones Act market. The commerce of both Hawaii, as an island economy, and Alaska, due to its geographical location, are dependent on ocean transportation. The Jones Act ensures frequent, reliable, roundtrip service to these locations. Matson's vessels operating in these trade routes are Jones Act qualified and maintained in compliance with such requirements.

Matson is a member of the American Maritime Partnership ("AMP"), which supports the retention of the Jones Act and similar cabotage laws. The Jones Act has broad support from both houses of Congress and the Executive Branch. Matson believes that the geopolitical environment has further solidified political support for U.S. flagged vessels because a vital and dedicated U.S. merchant marine is a cornerstone for a strong homeland defense, as well as a critical source of trained U.S. mariners for wartime support. AMP seeks to inform elected officials and the public about the economic, national security, commercial, safety and environmental benefits of the Jones Act and similar cabotage laws. Repeal of the Jones Act would allow foreign-flagged vessel operators that do not have to abide by all U.S. laws and regulations to sail between U.S. ports in direct competition with Matson and other U.S. domestic operators that must comply with all such laws and regulations.

Other U.S. maritime laws require vessels operating between Guam, a U.S. territory, and U.S. ports to be U.S. flagged and predominantly U.S. crewed, but not U.S. built.

Cabotage laws are not unique to the United States, and similar laws exist around the world in over 90 countries, including regions in which Matson provides ocean transportation services. Any changes in such laws may have an impact on the services provided by Matson in those regions.

Rate Regulations and Fuel-Related Surcharges:

Matson is subject to the jurisdiction of the Surface Transportation Board with respect to its domestic ocean rates. A rate in the non-contiguous domestic trade is presumed reasonable and will not be subject to investigation if the aggregate of increases and decreases is not more than 7.5 percent above, or more than 10 percent below, the rate in effect one year before the effective date of the proposed rate, subject to increase or decrease by the percentage change in the U.S. Producer Price Index. Matson generally seeks to provide a 30-day notice to customers of any increases in general rates and other charges, and passes along decreases as soon as possible.

Matson's Ocean Transportation services engaged in U.S.-foreign commerce are subject to the jurisdiction of the Federal Maritime Commission ("FMC"). The FMC is a federal independent regulatory agency that is responsible for the regulation of international ocean-borne transportation to and from the U.S.

Matson applies a fuel-related surcharge rate to its Ocean Transportation customers. Matson's fuel-related surcharge is correlated to market rates for fuel prices and other factors, and is intended to help Matson recover fuel-related expenses.

Other Environmental Regulations:

In addition to the vessel emission regulations discussed above, Matson's operations are required to comply with other environmental regulations and requirements including the Oil Pollution Act of 1990, the Comprehensive Environmental Response Compensation & Liability Act of 1980, the Rivers and Harbors Act of 1899, the Clean Water Act, the Invasive Species Act and the Clean Air Act. Matson is also subject to state regulations affecting terminal and vessel emissions, such as the requirement to shut down vessel generator engines while at berth at California ports and switch to shore electrical power or achieve equivalent emissions reductions. The Company actively monitors its operations for compliance with these and other regulations.

For more information on Matson's environmental stewardship initiatives, including its environmental goals, see Matson's Sustainability Report and other information available at https://www.matson.com/sustainability.

(2) LOGISTICS SEGMENT

Logistics Services:

Matson Logistics provides the following services:

Transportation Brokerage Services: Matson Logistics provides intermodal rail, highway, and other third-party logistics services for North American customers and international ocean carrier customers, including MatNav. Matson Logistics creates award winning benefits and value for its customers through volume purchases of rail, motor carrier and ocean transportation services, augmented by services such as shipment tracking and tracing, accessibility to its private fleet of 53-foot intermodal containers and single-vendor invoicing. Matson Logistics operates customer service centers and has sales offices throughout North America.

Freight Forwarding Services: Matson Logistics provides LCL consolidation and freight forwarding services primarily to the Alaska market through its wholly-owned subsidiary, Span Intermediate, LLC ("Span Alaska"). Span Alaska's business aggregates LCL freight at its cross-dock facility in Auburn, Washington for consolidation and shipment to its service center in Anchorage and a network of other facilities in Alaska. Span Alaska also provides trucking services to its Auburn cross-dock facility and from its Alaska based cross-dock facilities to final customer destinations in Alaska.

Warehousing and Distribution Services: Matson Logistics operates two warehouses in Georgia and two warehouses in Northern California providing warehousing, trans-loading, value-added packaging and distribution services.

Supply Chain Management and Other Services: Matson Logistics provides customers with a variety of logistics services including purchase order management, booking services, customs brokerage, LCL and full container load NVOCC freight forwarding services. Matson Logistics has supply chain operations in North America, China and other locations.

Operating Costs:

Matson Logistics' operating costs primarily consist of the costs of purchased transportation, leases of warehouses, cross-dock and other facility operating costs, salaries and benefits, and other operating overhead.

Competition:

Matson Logistics competes with hundreds of local, regional, national and international companies that provide transportation and third-party logistics services. The industry is highly fragmented and, therefore, competition varies by geography and areas of service.

Matson Logistics' transportation brokerage services compete most directly with C.H. Robinson Worldwide, Hub Group, RXO and other freight brokers and intermodal marketing companies, and asset-invested market leaders such as J.B. Hunt. Competition is differentiated by the depth, scale and scope of customer relationships; vendor relationships and rates; network capacity; real-time visibility into the movement of customers' goods; and other technology solutions. Additionally, while Matson Logistics primarily provides surface transportation brokerage, it also competes to a lesser degree with other forms of transportation for the movement of cargo.

Matson Logistics' freight forwarding services compete most directly with a variety of freight forwarding companies that operate within Alaska including Carlile, Lynden, American Fast Freight and Alaska Traffic Company.

Customer Concentration:

Matson Logistics serves customers in numerous industries and geographical locations. The Company's 10 largest logistics customers account for approximately 18 percent of the Company's Logistics revenue. For additional information on Logistics revenues for the years ended December 31, 2022, 2021 and 2020, see Note 2 to the Consolidated Financial Statements in Item 8 of Part II below.

Seasonality:

In general, Matson Logistics' services are not significantly impacted by seasonality factors, with the exception of its freight forwarding service to Alaska which may be affected by winter weather and the seasonal nature of the tourism industry. However, the weakening economic conditions in the U.S., relatively high inflation and the impact of higher interest rates on household discretionary income may affect the demand for consumer goods, which could impact Matson's Logistics businesses in 2023.

C. EMPLOYEES AND LABOR RELATIONS

Human Capital Strategy:

In support of Matson's vision to be a great place to work for all employees, the Company focuses on a variety of human capital programs that have been developed to attract, retain and motivate its employee workforce. As a company that operates in various global locations, the Company's human capital programs are designed to reflect the unique market practices in each geographic location. The Company's success depends in part on employing a diverse, talented and engaged workforce that reflects its local communities, supports an environment of high standards and performance, and thrives in the Company's collaborative and respectful culture.

During 2022, Matson had 4,288 employees worldwide, of which 159 employees were based in international locations and 2,994 employees were covered by collective bargaining agreements with unions. These numbers include seagoing personnel who rotate through billets (as described below) and temporary employees, but do not include employees of SSAT or other non-employee affiliates such as agents and contractors. The composition of Matson's workforce by geography is as follows:

Matson's fleet of active vessels requires 331 billets to operate. Each billet corresponds to a position on a vessel that typically is filled by two or more employees because seagoing personnel rotate between active sea-duty and time ashore. These amounts exclude billets related to Matson's foreign-flagged chartered vessels where the vessel owner is responsible for its seagoing personnel. Matson's vessel management services also employed personnel in 32 billets to manage three U.S. government vessels.

Diversity, Equity and Inclusion (DE&I):

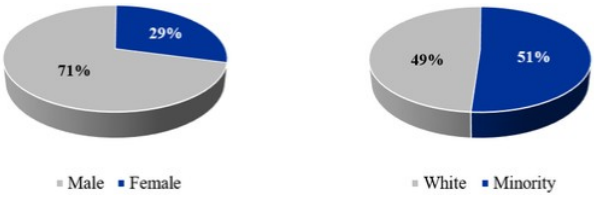
For many years, Matson has been committed to improving diversity, providing equal pay for equal work and creating an inclusive culture. According to the U.S. Bureau of Labor Statistics, traditionally the shipping industry's workforce has been predominately represented by white males. While Matson's workforce is representative of many of the communities where it operates, the Company has taken steps to do more to change the status quo within the Company and industry. In 2022, the Company continued to advance many of its diversity, equity and inclusion efforts. This includes continuing its efforts to analyze pay among various employee groups to confirm pay equity across the Company.

As part of its overall DE&I strategy, Matson continues to focus on developing and promoting diverse individuals into leadership positions. The Company utilizes both internal and external learning and development programs to encourage and promote career opportunities within our diverse employee groups. In 2022, approximately two-thirds of Matson promotions in management roles were women and/or minority individuals.

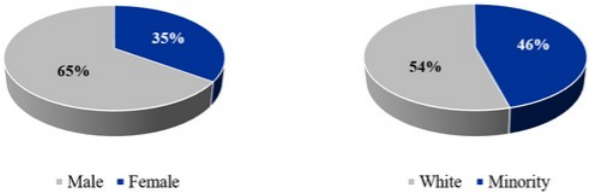
Matson is also focused on supporting a more diverse talent pool over the long-term by encouraging women and minorities to pursue careers in the maritime and logistics sectors. To this end, in 2022 the Company established and awarded sixteen scholarships to diverse, high-achieving students at higher education institutions and maritime academies.

Matson has also worked to enhance employees' understanding and perspective on working with diverse groups of individuals. In 2022, the Company provided two DE&I trainings to deepen employees' understanding and appreciation for ways to improve interactions with others and promote more inclusive relationships. One training focused on ways people communicate that reinforce stereotypes and perpetuate discrimination, often unintentionally, called "microaggressions." The other DE&I training provided a broad overview of general diversity, equity and inclusion principles – the "dos and don'ts" of respectful social interaction. These trainings were completed by more than 1,100 employees during the past year.

The composition of Matson's domestic shoreside workforce by gender and race in 2022 is as follows (data for seagoing personnel is not available to the Company):



The composition of management positions within Matson's domestic shoreside workforce by gender and race in 2022 is as follows (data for seagoing personnel is not available to the Company):



"Minority" in these graphs refers to any employee who self-identifies as such under the categories established by the Equal Employment Opportunity Commission.

Total Rewards Programs:

Matson provides a highly competitive and balanced total rewards program designed to attract, retain and motivate its employees. While factors such as job, location and business unit ultimately determine which plans an employee may be eligible for participation, the Company's total rewards offering includes market competitive base salaries, cash and equity incentives, recognition awards, health and welfare benefits, and employee and employer funded retirement plans. The Company believes that management level positions should have a portion of pay aligned with its short- and long-term business objectives. Accordingly, the Company's total rewards program contains several pay-for-performance components tied to individual, business unit and company performance, as well as Matson stock price performance.

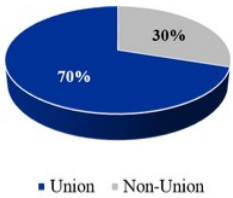
Succession and Career Planning:

Matson's workforce is characterized by uniquely skilled, long-tenured employees. To create career pathways for future leaders while planning for the loss of retiring employees, the Company takes a proactive approach to succession and career planning. The Company focuses on providing the next generation of promising talent with the tools they need to build their own careers at Matson. In 2022, 44 percent of open positions were filled through internal promotions. The Company also provided approximately 3,500 hours of employee training and professional development opportunities, and tuition reimbursement programs, while giving annual performance reviews to its non-union workforce.

For more information on Matson's human capital programs, see our Sustainability Report which is available at www.matson.com/sustainability.

Bargaining Agreements:

Matson's shoreside and seagoing employees are represented by a variety of unions. As shown in the chart below, union employees comprise 70 percent of Matson's global workforce.



Matson has collective bargaining agreements with these unions that expire at various dates in the future, including as early as 2023. Matson and SSAT are also members of the Pacific Maritime Association ("PMA"), which on behalf of its members negotiates collective bargaining agreements with the International Longshore and Warehouse Union ("ILWU") on the U.S. West Coast. The PMA/ILWU collective bargaining agreements cover substantially all U.S. West Coast longshore labor. The ILWU collective bargaining agreement with the PMA expired on July 1, 2022. While Matson believes that it will be able to renegotiate these collective bargaining agreements as they expire without any significant impact on its operations, including the PMA/ILWU collective bargaining agreement, no assurance can be given that such agreements will be reached on a timely basis or at all without slow-downs, strikes, lockouts or other disruptions that may adversely impact Matson's operations.

Multi-employer Pension and Post-retirement Plans:

Matson contributes to several multi-employer pension and post-retirement plans. Matson has no present intention of withdrawing from and does not anticipate the termination of any of the multi-employer pension plans to which it contributes (see Notes 11 and 12 to the Consolidated Financial Statements in Item 8 of Part II below for a discussion of withdrawal liabilities under certain multi-employer pension plans).

D. AVAILABLE INFORMATION

Matson makes available, free of charge on or through its Internet website, Matson's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after it electronically files such material with, or furnishes them to, the U.S. Securities and Exchange Commission ("SEC"). The address of Matson's Internet website is www.matson.com. This website and other websites included in this document are provided for convenience only, and the contents of such websites do not constitute a part of and are not incorporated by reference into this Form 10-K.

The SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding Matson and other issuers that file electronically with the SEC. The address of the SEC's Internet website is www.sec.gov.

ITEM 1A. RISK FACTORS

The following material factors, events and uncertainties may make an investment in the Company speculative or risky and should be reviewed carefully. The Company's business faces the material risks set forth below; however, these risk factors do not identify all risks the Company faces, and additional risks or uncertainties that are currently unknown or are not currently believed to be material may occur or become material. The occurrence of these or the events and uncertainties described below may, in ways the Company may not be able to accurately predict, recognize or control, adversely affect the Company's business, financial condition, operating results, cash flows, liquidity, demand, revenue, growth, prospects, reputation or stock price. All forward-looking statements made by the Company or on the Company's behalf are qualified by the risks described below.

Risks Related to the Jones Act

Repeal, substantial amendment, or waiver of the Jones Act or its application would have an adverse effect on the Company's business.

The Merchant Marine Act of 1920 (commonly referred to as the Jones Act) regulates all interstate and intrastate marine commerce within the U.S. If the Jones Act were repealed, substantially amended or waived and, as a consequence, competitors were to enter the Hawaii or Alaska markets with lower operating costs by utilizing their ability to acquire and operate foreign-flagged and foreign-built vessels and/or being exempt from other U.S. regulations, the Company's business would be adversely affected. In addition, the Company's position as a U.S. citizen operator of Jones Act vessels would be negatively impacted if periodic efforts and attempts by foreign interests to circumvent certain aspects of the Jones Act were successful. If maritime cabotage services were included in the General Agreement on Trade in Services, the United States-Mexico-Canada Agreement, or other international trade agreements, or if the restrictions contained in the Jones Act were otherwise altered, the shipping of cargo between covered U.S. ports could be opened to foreign-flagged or foreign-built vessels and could have other adverse impacts to our business.

The Company's business would be adversely affected if the Company were determined not to be a U.S. citizen under the Jones Act.

Certain provisions of the Company's articles of incorporation protect the Company's ability to maintain its status as a U.S. citizen under the Jones Act. If non-U.S. citizens were able to defeat such articles of incorporation restrictions and own in the aggregate more than 25 percent of the Company's common stock, the Company would no longer be considered a U.S. citizen under the Jones Act. Such an event could result in the Company's ineligibility to engage in coastwise trade and the imposition of substantial penalties against it, including seizure or forfeiture of its vessels.

Risks Related to the Company's Operations

Changes in macroeconomic conditions, geopolitical developments, or governmental policies, including from the COVID-19 pandemic, have affected and could in the future affect the Company.

The transportation industry in which the Company operates has been impacted by fluctuations, volatility, downturns, inflation, recessions and other economic shifts or market instabilities, as well as the development of and changes in governmental policies and relations and geopolitical developments, across the jurisdictions in which it operates. For example, there have been increases in geopolitical and trade tensions among a number of the world's major economies. These tensions have resulted in the implementation of tariffs, non-tariff trade barriers and sanctions, including the use of export control restrictions and sanctions against certain countries and individual companies, which have, and may continue to have, an adverse economic impact in the markets in which the Company operates.

These adverse economic conditions may also impact customers' business levels and needs. Within the U.S., a weakening of economic drivers in Hawaii, Alaska and Guam, which include tourism, military spending, construction, personal income growth and employment, the weakening of consumer confidence, market demand, and the economy in the U.S. Mainland, inflation, rising interest rates, recessionary fears and the effect of a change in the strength of the U.S. dollar against other foreign currencies may reduce the demand for goods, adversely affecting inland and ocean transportation volumes or rates. In addition, overcapacity in the global or transpacific ocean transportation markets, a change in the cost of goods or currency exchange rates, pressure from U.S. or foreign governments, imposition of tariffs

and uncertainties regarding tariff rates or a change in international trade policies could adversely affect freight volumes and rates in the Company's CLX and CLX+ services.

Fluctuations in the price of oil could further impact the Alaskan economy, which in turn could impact the Company's business. In addition, the global macroeconomic effects of the pandemic and related impacts on the Company's customers' business operations, including financial difficulties or bankruptcies, may persist for an indefinite period, even as the pandemic subsides.

As the COVID-19 pandemic subsides, supply and demand trends normalize, and supply chain congestion eases, the high volumes and rates the Company previously experienced in its China service have declined, but the Company cannot predict the size and duration of such decline. These declines have reduced and are expected to continue to reduce revenues, but certain fixed costs remain. For example, the Company cannot terminate leases early for chartered vessels in the CLX+ service absent a breach by vessel owners.

The Company's operations may be further impacted if its employees, including mariners aboard our vessels, are otherwise restricted from or unable to perform their duties, the Company's or SSAT's terminals are temporarily closed, or there are outbreaks aboard the Company's vessels that cause the Company to miss port calls, due to a COVID-19 outbreak. Some vessel dry-dockings could also be delayed or become more expensive if shipyards are unable to accommodate demand or obtain parts in a timely manner or if necessary personnel are not allowed to travel to the shipyards.

As the COVID-19 pandemic reaches endemic stages, the future impact on the Company's business, financial condition, operating results or cash flows remains difficult to predict at this time. Additional or unforeseen effects from COVID-19, including resurgences or mutations of the virus and the actions taken in response to the virus, may give rise to additional risks or instigate or amplify the other risks described throughout these Risk Factors.

The shipping industry is competitive, and the Company has been impacted by new or increased competition.

The Company may face new competition by established or start-up shipping operators that enter the Company's markets. The shipping industry is competitive with limited barriers to entry, especially in international tradelanes. Ocean carriers can shift vessels in and out of tradelanes or charter vessels to manage capacity and meet customer demands. The entry of a new competitor or the addition of new vessels or capacity by existing competition on any of the Company's routes could result in a significant increase in available shipping capacity that could have an adverse effect on the Company's volumes and rates.

The loss of or damage to key customer or agent relationships may adversely affect the Company's business.

The Company's businesses are dependent on their relationships with customers and agents, and derive a significant portion of their revenues from the Company's largest customers. The Company's business relies on its relationships with the U.S. military, freight forwarders and non-vessel owning common carriers, large retailers and consumer goods manufacturers, as well as other larger customers. For more information regarding the Company's significant customers, see the discussion in Part I, Item 1 of this Annual Report.

The Company could also be adversely affected by any changes in the services, or changes to the costs of services, provided by third-party vendors such as railroads, truckers, terminals, agents and shipping companies, including charter vessel owners. Service structures and relationships with these parties are important in the Company's intermodal business, as well as in the China, Guam, Micronesia, Japan, Alaska export and South Pacific services.

The loss of or damage to any of these key relationships may adversely affect the Company's business and revenue.

The Company is dependent upon key vendors and third parties for equipment, capacity, facilities, infrastructure and services essential to operate its business, and if the Company fails to secure sufficient third-party services, its business could be adversely affected.

The Company's businesses are dependent upon key vendors who provide terminal, rail, truck, and ocean transportation services. If the Company cannot secure sufficient transportation equipment, capacity or services from these third parties at reasonable prices or rates to meet its or its customers' needs and schedules, customers may seek to have their

transportation and logistics needs met by others on a temporary or permanent basis. If this were to occur, the Company's business, results of operations and financial condition could be adversely affected.

An increase in fuel prices, changes in the Company's ability to collect fuel-related surcharges, and/or the cost or limited availability of required fuels on the U.S. West Coast may adversely affect the Company's profits.

Fuel is a significant operating expense for the Company's Ocean Transportation business. The price and supply of fuel are unpredictable and fluctuate based on events beyond the Company's control, including impacts from global macroeconomic conditions and geopolitical events. Increases in the price of fuel may adversely affect the Company's results of operations. Increases in fuel costs also can lead to increases in other expenses, such as energy costs and costs to purchase outside transportation services. In the Company's Ocean Transportation and Logistics services segments, the Company utilizes fuel-related surcharges, although increases in the fuel-related surcharge may adversely affect the Company's competitive position and may not correspond exactly with the timing of increases in fuel expense. Changes in the Company's ability to collect fuel-related surcharges, including recovery of all or most fuel-related expenses, also may adversely affect its results of operations.

Evolving stakeholder expectations related to environmental, social and governance ("ESG") matters exposes the Company to heightened scrutiny, additional costs, operational challenges and a number of risks.

Investors, advisory firms, employees, customers, suppliers, governments and other stakeholders are increasingly focused on, and establishing expectations for, ESG matters and related corporate practices, disclosures and initiatives. These evolving expectations may impact the Company's reputation, business and attractiveness as an investment, employer or business partner to the extent the Company – including its initiatives, goals and reporting – meets or is perceived to meet those expectations, including as a result of any third-party rating or assessment. The adoption and expansion of ESG-related legislation and regulation have also resulted and may again result in increased capital expenditures and compliance, operational and other costs to the Company.

The Company's public disclosures on its climate, sustainability, human capital and other ESG initiatives include its goals or expectations with respect to those matters, including GHG emission reduction targets. These disclosures are aspirational and based on standards and frameworks for presenting and measuring progress that are not harmonized and are still developing, assumptions that may change, and disclosure controls and procedures that continue to evolve. The Company's initiatives and goals may not be favored by certain stakeholders and could impact the attraction and retention of investors, customers and employees, as well as the Company's willingness to do business with other companies or customers or their willingness to do business with us. Efforts to achieve the Company's initiatives and goals face numerous risks and may be unsuccessful, result in additional costs or experience delays, and as a result may have an adverse impact on the Company, including its brand, reputation and stock price.

The Company may not be timely or successful in completing its fleet upgrade initiatives, which may result in significant costs and adversely impact the Company's ability to meet its climate goals.

The Company's four new Aloha and Kanaloa class vessels include dual fuel capable engines that can run on low sulfur fuel oil or LNG. The Company has announced plans to install tanks, piping and cryogenic equipment on *Daniel K. Inouye* and *Kaimana Hila*, and re-engine *Manukai* to operate on LNG. In addition, the Company has announced plans to construct three new LNG-ready Aloha Class vessels. The Company anticipates making significant capital expenditures in connection with these fleet initiatives. These initiatives may be hindered by substantial delays and long lead times for necessary equipment, including as a result of ongoing supply chain congestion, other residual impacts from the COVID-19 pandemic, increased demand across the industry for LNG installations and conversions, and new ship-building. Additional operating costs may be incurred to the extent additional ships are needed to maintain schedule integrity while such updates and installations are performed. Once completed, operation of these vessels may be slowed to the extent they present new maintenance requirements or unforeseen complications.

Use of LNG fuel may not result in anticipated GHG emission reductions, and the Company's investments in LNG-ready vessels, whether on their own or in addition to other Company initiatives, may be insufficient to meet the Company's previously announced GHG emission reduction goals on a timely basis or at all. There is no guarantee that the Company will be able to secure LNG via bunker barges or other methods on the U.S. West Coast or in China in sufficient amounts to fuel its vessels or at a reasonable cost, as increased demand for LNG could decrease available supply of LNG and

increase prices. Governments have in the past and may again in the future impose tariffs on LNG that also may increase supply costs. As a result of these risks, the Company may not fully realize the benefits of these investments.

The Company's vessel construction agreements with Philly Shipyard subject the Company to risks.

On November 1, 2022, MatNav and Philly Shipyard entered into vessel construction agreements pursuant to which Philly Shipyard will construct three new 3,600-TEU Aloha Class dual-fuel capable containerships, with expected delivery dates during the fourth quarter of 2026 and subsequent deliveries currently expected in the second and fourth quarters of 2027. Failure of any party to the vessel construction agreements to fulfill its obligations under the agreements could have an adverse effect on the Company's financial position and results of operations. Such a failure could happen for a variety of reasons, including but not limited to (i) delivery delays, (ii) delivery of vessels that fail to meet any of the required operating specifications (for example, capacity, fuel efficiency or speed), (iii) events in South Korea that prevent one or more significant subcontractors to Philly Shipyard from performing, (iv) loss of key personnel at either Philly Shipyard or any of its subcontractors, (v) work stoppages or other labor disruptions that may occur as a result of the failure of Philly Shipyard to negotiate collective bargaining agreements with its unions, or (vi) the insolvency of, or the refusal or inability to perform for any reason, by Philly Shipyard or any of its subcontractors. Significant delays in the delivery of the new vessels could limit our ability to replace aging vessels in the Alaska service without substantial modifications, which could also have an adverse impact on our business plans, financial condition and results of operations.

The Company's operations are susceptible to weather, natural disasters, maritime accidents, spill events and other physical and operating risks, including those arising from climate change.

As a maritime transportation company, the Company's operations are vulnerable to disruption as a result of weather, natural disasters and other climate-driven events, such as rising temperatures, sea levels and storm severity, bad weather at sea, hurricanes, typhoons, tsunamis, floods and earthquakes, as well as a maritime accident, oil or other spill, or other environmental mishap. Climate change has increased and may continue to increase the frequency, severity and uncertainty of such events. Such events interfere with the Company's ability to provide on-time scheduled service, resulting in increased expenses and potential loss of business associated with such events. In addition, severe weather and natural disasters can result in interference with the Company's terminal operations and may cause serious damage to its vessels and cranes. These impacts could be particularly acute in ports such as Dutch Harbor and Kodiak, Alaska where the Company is dependent on a single crane. The Company's vessels and their cargoes are also subject to operating risks such as mechanical failure, collisions and human error.

The occurrence of any of these events may result in damage to or loss of terminals, port facilities and infrastructure, vessels, containers, cargo and other equipment, increased maintenance expense, loss of life or physical injury to its employees or people, pollution, or the slow down or suspension of operations. These events can expose the Company to reputational harm and liability for resulting damages and possible penalties that, pursuant to typical maritime industry policies, it must pay and then seek reimbursement from its insurer. Affected vessels may also be removed from service and thus would be unavailable for income-generating activity. Furthermore, the Port of Alaska requires upgrades to its port facilities and infrastructure to improve operational safety and efficiency, accommodate modern shipping operations and improve resiliency, as well as to mitigate the risk of failure due to corrosion or loss of load-bearing capacity. As a result, there is an increased risk that an earthquake or other natural disaster could damage or render inoperable, in whole or in part, port facilities and infrastructure at the Port of Alaska. This, in turn, could adversely affect transportation volumes or rates in Alaska and adversely impact the Company's Ocean Transportation business and Span Alaska's freight forwarding business, particularly given the Alaskan economy's dependence on this port for ocean cargo.

The Company's casualty and liability insurance policies are generally subject to large retentions and deductibles and may not cover all losses the Company may incur. Some types of losses, such as losses resulting from a port blockage, generally are not insured. In some cases, the Company retains the entire risk of loss because it is not economically prudent to purchase insurance coverage or because of the perceived remoteness of the risk. Other risks are uninsured because insurance coverage may not be commercially available. Finally, the Company retains all risk of loss that exceeds the limits of its insurance.

The Company may be impacted by transitional and other risks arising from climate change.

The Company may be impacted by transitional and other risks arising from climate change and the global shift toward a low carbon future. Organizational, industrial and governmental shifts in operations as well as legal and regulatory requirements to reduce or eliminate emissions and/or increase efficiency may require the Company to increase expenditures, make changes to existing infrastructure, vessels and equipment and shift its business model. For example, the maritime industry is moving toward deployment of clean energy technologies and use of electricity powered by renewable energy sources to power terminal operations as a way to reduce shoreside GHG emissions. As the Company and SSAT increase their reliance on the power grid at terminals, including for cold-ironing and ground service fleets, the Company may experience increased risks related to power outages, brown outs or black outs. The likelihood of these risks is compounded by uncertainties regarding the reliability of renewable energy sources as well as any increased frequency of extreme weather events that may disrupt the generation or transmission of electricity. In addition, compliance with new climate change requirements or regulations such as the IMO's requirements related to EEXI and CII may create schedule disruptions and could require Matson's fleet to slow down if efficiency improvements or transitions to alternative fuels together are not enough to reduce GHG emissions sufficiently, thus impacting Matson's expedited business model and competitive advantage. New environmental requirements for vessel performance and operation could also require the Company to accelerate the building of new vessels, increase the construction costs for new vessels and equipment to accommodate even newer technology as it emerges while today's technology becomes obsolete, initiate unexpected retrofit projects for existing vessels, retire older vessels earlier than expected, or render reserve vessels unusable. If these outcomes were to occur, the Company's business, results of operations, cash flows and financial condition could be adversely affected.

The Company faces risks related to actual or threatened health epidemics, pandemics or other major health crises, such as the COVID-19 pandemic, which could significantly disrupt the Company's business.

The Company's business could be impacted adversely by the effects of public health epidemics, pandemics or other major heath crises (which the Company refers to collectively as public health crises). Actual or threatened public health crises may have a number of adverse impacts, including volatility in the global economy, impacts to the Company's customers' business operations, reduced tourism in the markets the Company serves, potential restrictions on employee travel, or significant disruptions in ocean-borne transportation of goods, logistics demand and supply chain activity, caused by a variety of factors such as quarantines, factory and office closures, port closures, or other government-imposed restrictions, any of which could adversely impact the Company's business, financial condition, operating results and cash flows.

The Company's significant operating agreements and leases could be replaced on less favorable terms or may not be replaced on acceptable terms.

The significant operating agreements and leases entered into by the Company in its businesses, including those related to terminals, chartered vessels and warehouses as well as those with SSAT, expire at various points in time and may not be replaced with comparable assets with the specifications necessary for the Company's or SSAT's businesses or could be replaced on less favorable terms, thereby adversely affecting the Company's future financial position, results of operations and cash flows.

The Company may face unexpected dry-docking or repair costs for its vessels.

The Company routinely engage shipyards to dry-dock its vessels for regulatory compliance and to provide repair and maintenance. Vessels may also have to be dry-docked or repaired at sea in the event of accidents or other unforeseen damage. Unexpected dry-dockings or repairs could require the Company to activate a reserve vessel, purchase additional fuel and operate a less-efficient, smaller vessel for a period of time. The Company also operates a number of older active and reserve vessels that may require more frequent and extensive maintenance. The cost of repairs is difficult to predict with certainty and can be substantial. 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 out of service may be longer than anticipated, which could adversely affect the Company's business, financial condition, results of operations and cash flows.

The Company is involved in a joint venture and is subject to risks associated with joint venture relationships.

The Company is involved in a terminal joint venture with SSAT (and through SSAT, other joint ventures at various U.S. West Coast terminals), and may initiate future joint venture projects. A joint venture involves certain risks for the Company such as:

- The Company's lack of voting control over the joint venture, including the risk that the joint venture takes actions resulting in reputational harm to the Company;
- Misalignment or inconsistency of interests between the Company and the joint venture partner;
- Reliance on the joint venture partner to fund its share of capital or fulfill its other commitments, including the risk that the joint venture partner could become bankrupt; and
- Operating difficulties and financial losses at the joint venture, which may lead to the Company writing down assets or incurring impairment charges.

In addition, the Company relies on SSAT for its stevedoring services at the ports of Long Beach and Oakland, California and Tacoma, Washington on the U.S. West Coast. The Company could be adversely affected by any changes in the services provided or to the costs of such services provided by SSAT. Furthermore, the Company's results of operations have been and may continue to be impacted by lower contributions from SSAT, including as a result of declines in detention and demurrage revenue and lift volumes due to reduced carrier volumes into U.S. West Coast ports.

The Company is subject to risks associated with conducting business in foreign shipping markets.

Matson's China, Alaska export, Micronesia, Japan and South Pacific services are subject to risks associated with conducting business in a foreign shipping market, which include:

- Challenges associated with operating in foreign countries and developing relationships with foreign companies, business associates and governments, including as a result of cultural differences;
- Difficulties in staffing and managing foreign operations, including dynamic employment and immigration laws;
- The Company's ability to comply with U.S. and foreign legal and regulatory restrictions, including anti-corruption laws such as the Foreign Corrupt Practices Act;
- Not having continued access to existing port facilities or feeder vessels;
- The Company's ability to manage changes in the cost of goods or currency exchange rate fluctuations;
- Geopolitical and economic instability;
- Economic downturns or slower growth in the local markets or geographic areas in which we conduct business; and
- Dynamics involving U.S. trade relations with other countries, including the imposition of or uncertainty associated with the level of tariffs, non-tariff trade barriers or sanctions, including the use of export control restrictions and sanctions against certain countries and individual companies, or other governmental actions.

The Company's terminals in Hawaii and Alaska require modernization.

The Company has completed the first phase of renovating and modernizing its Sand Island terminal in Honolulu Harbor. Significant additional upgrades and projects remain. The Company is also continuing discussions with state and local authorities regarding a port modernization program for the Port of Alaska. Significant upgrades to the terminal and port facilities are needed to improve operational safety and efficiency, accommodate modern shipping operations, and improve resiliency. For example, the aging docks of the port are increasingly exposed to the risk of failure due to corrosion and the loss of load-bearing capacity particularly in the event of extreme seismic events or other natural disasters. Regulatory, construction or other delays or cost overruns related to the expansion and modernization of the terminals could have an adverse impact on the Company's business plans, financial condition and results of operations. In addition, the terminal modernization programs may not result in improved operational productivity or generate expected returns.

Heightened security measures, war, actual or threatened terrorist attacks, efforts to combat terrorism and other acts of violence may adversely impact the Company's operations and profitability.

War, including the war in Ukraine, terrorist attacks and other acts of violence may cause consumer confidence and spending to decrease, or may affect the ability or willingness of tourists to travel to Hawaii, Guam or Alaska, thereby adversely affecting those economies and the Company. Wars or terrorism could impact global supply chains due to changes in vessel routing, product sourcing decisions, or governmental sanctions or restrictions. Additionally, acts of war and future terrorist attacks could increase volatility in the U.S. and worldwide financial markets. Acts of war or terrorism may also be directed at the Company's shipping operations or may cause the U.S. government to take control of Matson's vessels for military operation. Heightened security measures, including customs inspections and related procedures in countries of origin and destination, potentially slow the movement and increase the cost of freight through U.S. or foreign ports, across borders or on U.S. or foreign railroads or highways.

Acquisitions may have an adverse effect on the Company's business.

The Company's growth strategy includes expansion through acquisitions, including, for example, the Company's acquisitions of Horizon Lines, Inc. ("Horizon") in 2015 and Span Alaska in 2016. There is no assurance that the Company will be successful in identifying, negotiating, or consummating any future acquisitions. Even if suitable candidates are identified, such transactions may result in difficulties in assimilating acquired assets or companies, and may result in the diversion of the Company's capital and its management attention from other business issues and opportunities. The Company may not be able to integrate companies that it acquires successfully, including their personnel, financial systems, distribution, operations and general operating procedures. The Company may also encounter challenges in achieving appropriate internal control over financial reporting in connection with the integration of an acquired company. The Company may pay a premium for an acquisition, resulting in goodwill that may later be determined to be impaired.

Risks Related to Employees

Work stoppages or other labor disruptions caused by the Company's unionized workers and other workers or their unions in related industries could adversely affect the Company's operations.

A significant portion of Matson's employees are covered by collective bargaining agreements. Furthermore, the Company relies on the services of third parties, including SSAT, which employ persons covered by collective bargaining agreements. For additional information on collective bargaining agreements with unions, see Item 1.C. Employees and Labor Relations of Part I of this Annual Report.

The Company has been adversely affected by actions taken by employees of the Company or other companies in related industries against efforts by management of the Company or other companies to control labor costs, restrain wage or benefit increases or modify work practices. In the past, strikes, slow-downs and disruptions have occurred as a result of the failure of Matson or other companies in its industry to negotiate collective bargaining agreements with such unions successfully.

Matson and SSAT are members of the PMA, which on behalf of its members negotiates collective bargaining agreements with the ILWU on the U.S. West Coast. The PMA/ILWU collective bargaining agreements that cover substantially all U.S. West Coast longshore labor expired on July 1, 2022. These collective bargaining agreements are being negotiated, but if such agreements are not renewed, Matson and SSAT could be subject to future slow-downs, strikes, lock-outs or other disruptions that may adversely impact Matson's or SSAT's operations.

In addition, any slow-downs, strikes, lock-outs or other disruptions, including limits on the availability of labor through trade union hiring halls, have had and in the future, particularly in years when collective bargaining agreements are being negotiated, could have an adverse impact on Matson's or SSAT's operations.

Loss of the Company's key personnel or failure to adequately manage human capital could adversely affect its business.

The Company's future success will depend, in significant part, upon the continued services of its key personnel and skilled employees, including its senior management, as well as key personnel at its joint venture partners. The permanent or temporary loss of the services of key personnel could adversely affect the Company's future operating results because of such employees' experience with and knowledge of the Company's business and customer relationships. If key personnel and skilled employees depart or are unable or unwilling to work, the Company's ability to execute its business model could be impaired to the extent it cannot replace such personnel or sufficiently train new personnel in a timely manner. In addition, the Company may incur significant costs to replace these employees. Whether the Company can meet its labor needs is subject to a variety of pressures, including market compensation and benefit levels, which may be impacted by pressure within the industry to increase wages, including due to the threat of a labor strike; the availability of labor, which may be impacted by national and global labor trends including higher-than-normal levels of individuals leaving the workforce and industry trends including aging workforces that may reduce the available pool of skilled workers; a mismatch of skills or experience to support the evolving needs of the Company's business; and employee expectations or desire for changes in the work environment. In addition, the Company's workforce is aging, and within the next few years an increasing number of employees will be eligible to retire, which may result in a period of higher turnover rates than we have historically experienced and could amplify these challenges. The Company does not maintain key person insurance on any of its key personnel.

The Company's investments in and efforts to manage its human capital and maintain a desirable workplace culture, including to create a safe and healthy work environment, improve diversity and create a respectful, responsive and inclusive culture, and foster a rewarding workplace for employee development and advancement, may not be successful in identifying, attracting, developing, motivating, retaining, competing for or replacing qualified personnel. These efforts and the Company's reputation may also be impacted by any failure or perceived failure to meet or timely progress on publicly disclosed human capital-related goals and initiatives, including with respect to diversity, equity and inclusion, or to compare favorably with the progress or goals of its industry or peers.

Risks Related to Information Technology

If the Company is not able to use its information technology and communications systems effectively, the Company's ability to conduct business might be negatively impacted.

The Company is highly dependent on the proper functioning of its information technology systems to enable operations and compete effectively. The Company regularly updates its information technology systems or implements new systems, which could cause substantial business interruption. There is no assurance that the systems upgrades or new systems will meet the Company's current or future business needs, or that they will operate as designed.

The Company's information technology systems also rely on third-party service providers for access to the Internet, satellite-based communications systems, the electric grid, database storage facilities and telecommunications providers. The Company has no control over the operations of these third-party service providers. In the past, disruptions in the Company's third-party service providers have impacted the Company's operations, including the Company's ability to book and manage freight, stow vessels, and process customs declarations. In the past, some of the Company's employees worked from home or remotely, increasing the Company's dependence on its information technology systems and third-party providers during those times. If the Company's information technology and communications systems experience reliability issues, integration or compatibility concerns or if the Company's third-party providers are unable to perform effectively or experience disruptions or failures, there could be an adverse impact on the availability and functioning of the Company's information technology and communications systems, which could lead to business disruption or inefficiencies, reputational harm or loss of customers.

The Company's information technology systems have in the past and may in the future be exposed to cybersecurity risks and other disruptions that could impair the Company's ability to operate and adversely affect its business.

The shipping industry is a more frequent target of cyber attacks than some other industries because of the essential nature of these services. The Company relies extensively on its information technology systems and third-party service providers in many aspects of its business, including cloud services for accounting, billing, disbursement, cargo booking and tracking, vessel scheduling and stowage, equipment tracking, customer service, banking, payroll and employee communication systems. The Company also collects, stores and transmits sensitive data, including its proprietary business information and that of its customers, and personally identifiable information of its customers and employees. Despite the Company's continuous efforts to make investments in the Company's information technology systems and system-wide data security program, the implementation of security measures to protect the Company's data and infrastructure against breaches and other cyber threats, and the Company's use of internal processes and controls designed to protect the security and availability of the Company's systems, the Company has in the past experienced and may in the future experience cybersecurity incidents, such as computer viruses, hacking, malware, denial of service attacks, cyber terrorism, ransomware, circumvention of security systems, malfeasance, breaches due to employee error, natural disasters, telecommunications failure, or other catastrophic events at the Company's facilities, aboard its vessels or at third-party locations.

Any failure, breach or unauthorized access to the Company's systems or those of third parties on which the Company relies could result in the loss of confidential, sensitive or proprietary information, interruptions in its service or production or otherwise impact the Company's ability to conduct business operations, and could result in potential reductions in revenue and profits, damage to its reputation or liability.

Risks Related to Financial Matters

A deterioration of the Company's credit profile, disruptions of the credit markets or higher interest rates could restrict its ability to access the debt capital markets or increase the cost of debt.

Deterioration in the Company's credit profile may have an adverse effect on the Company's ability to access the private or public debt markets and also may increase its borrowing costs. If the Company's credit profile deteriorates significantly, its access to the debt capital markets or its ability to renew its committed lines of credit may become restricted, or the Company may not be able to refinance debt at the same levels or on the same terms. Because the Company relies on its ability to draw on its revolving credit facility to support its operations when required, any volatility in the credit and financial markets that prevents the Company from accessing funds (for example, a lender that does not fulfill its lending obligation) could have an adverse effect on the Company's financial condition and cash flows. Additionally, the Company's credit agreements generally include an increase in borrowing rates if the Company's credit profile deteriorates. Furthermore, the Company incurs interest under its revolving credit facility based on floating rates. Floating rate debt creates higher debt service requirements if market interest rates increase, as has been the case in connection with the U.S. Federal Reserve's interest rate increases in 2022, which could adversely affect the Company's cash flow and results of operations. Disruptions to the credit markets as a result of macroeconomic, geopolitical, or financial market developments could increase the Company's cost of capital and limit the Company's access to capital.

Failure to comply with certain restrictive financial covenants contained in the Company's credit facilities could preclude the payment of dividends, impose restrictions on the Company's business segments, capital resources or other activities or otherwise adversely affect the Company.

The Company's credit facilities contain certain restrictive financial covenants, the most restrictive of which include a maximum ratio of debt to earnings before interest, taxes, depreciation and amortization ("EBITDA"), a minimum ratio of EBITDA to interest expense, certain prohibitions on additional priority debt and the maintenance of minimum shareholders' equity. If the Company does not maintain these and other required covenants, and a breach of such covenants is not cured timely or waived by the lenders, resulting in a default, the Company's access to credit may be limited or terminated, dividends may be suspended, and the lenders could declare any outstanding amounts due and payable. The Company's continued ability to borrow under its credit facilities is subject to compliance with these financial and other non-financial covenants.

The Company's effective income tax rate may vary.

Various internal and external factors may have favorable or unfavorable material or immaterial effects on the Company's effective income tax rate and, therefore, impact the Company's net income and earnings per share. These factors include, but are not limited to changes in tax rates; changes in tax laws, regulations, and rulings; changes in interpretations of existing tax laws, regulations and rulings; changes in the evaluation of the Company's ability to realize deferred tax assets, and changes in uncertain tax positions; changes in accounting principles; changes in current pre-tax income as well as changes in forecasted pre-tax income; changes in the level of Capital Construction Fund ("CCF") deductions, non-deductible expenses, and expenses eligible for tax credits; changes in the mix of earnings among countries with varying tax rates; changes to the allowable amounts of foreign derived intangible income deductions; and acquisitions and changes in the Company's corporate structure. These factors may result in periodic revisions to the Company's effective income tax rate, which could affect the Company's cash flow and results of operations.

Changes in the value of pension assets, or a change in pension law or key assumptions, may adversely affect the Company's financial performance.

The amount of the Company's employee pension and post-retirement benefit costs and obligations is calculated on assumptions used in the relevant actuarial calculations. Adverse changes in any of these assumptions due to economic or other factors, changes in discount rates, higher health care costs, or lower actual or expected returns on plan assets, may adversely affect the Company's operating results, cash flows, and financial condition. In addition, a change in federal law, including changes to the Employee Retirement Income Security Act or Pension Benefit Guaranty Corporation premiums, may adversely affect the Company's single-employer and multi-employer pension plans and plan funding. These factors, as well as a decline in the fair value of pension plan assets, may put upward pressure on the cost of providing pension and medical benefits and may increase future pension expense and required funding contributions. There can be no assurance that the Company will be successful in limiting future cost and expense increases, and continued upward pressure in costs and expenses could further reduce the profitability of the Company's businesses.

The Company may have exposure under its multi-employer pension and post-retirement plans in which it participates that extends beyond its funding obligation with respect to the Company's employees.

The Company contributes to various multi-employer pension plans. In the event of a partial or complete withdrawal by the Company from any plan that is underfunded, the Company would be liable for a proportionate share of such plan's unfunded vested benefits (see Note 11 to the Consolidated Financial Statements in Item 8 of Part II of this Annual Report). Based on the limited information available from plan administrators, which the Company cannot independently validate, the Company believes that its portion of the contingent liability in the case of a full withdrawal or termination may be material to its financial position and results of operations. If any other contributing employer withdraws from any plan that is underfunded, and such employer (or any member of its controlled group) cannot satisfy its obligations under the plan at the time of withdrawal, then the Company, along with the other remaining contributing employers, would be liable for its proportionate share of such plan's unfunded vested benefits. In addition, if any of the multi-employer plans to which the Company contributes fails to satisfy the minimum funding requirements, the Internal Revenue Service will impose certain penalties and taxes on the Company and other contributing employers.

Risks Related to Legal, Regulatory and Compliance Matters

As an ocean transportation and logistics services company, the Company is subject to numerous safety, environmental, and other laws and regulations that impact the Company's operations, are costly to comply with and expose us to liability.

The Company, including its vessels and terminals, is subject to numerous federal, state and local laws and regulations, including those related to safety, cabotage, equipment standards and government rates. In addition, the Company is subject to environmental laws and regulations, including those relating to air quality initiatives at port locations; air emissions; use of shore power at California ports; wastewater discharges; management of storm water; the transportation, handling and disposal of solid and hazardous materials, oil and oil related products, hazardous substances and wastes; the investigation and remediation of contamination; health, safety and the protection of the environment and natural resources; and climate change, including any regulations, mandates or restrictions related to GHG emissions, such as a "cap and trade" system of allowances and credits, and energy use. Any changes in applicable laws and regulations, including their enforcement, interpretation or implementation that results in more stringent requirements

than currently anticipated, as well as any new laws and regulations that are adopted could impose significant additional costs and limitations on the Company's ability to operate. Mitigation strategies or contingency plans to remain in compliance with applicable laws and regulations may be unsuccessful, result in additional costs or experience delays. Such costs may not be recoverable through increased payments from customers. For a discussion of specific laws and regulations, see Part I, Item 1 of this Annual Report.

Federal, state and local laws and regulations require us to obtain certificates of financial responsibility and to adopt procedures for oil and hazardous substance spill prevention, response and clean up, among other requirements impacting the Company's business. In complying with applicable laws and regulations, the Company has incurred expenses and may incur material future costs and expenses related to vessel and equipment modifications, new equipment, higher-priced fuel, changes in operating practices and procedures, tracking emissions, changing routes, adopting or modifying energy sources and undergoing additional oversight inspections, all of which could adversely affect the Company's business and financial condition. For example, Matson's vessels operate within emissions control areas, and the Company's U.S. flagged vessels generally must be maintained "in class" and are subject to periodic inspections by the American Bureau of Shipping or similar classification societies. They also must be periodically inspected by, or on behalf of, the United States Coast Guard. The Company's vessels' operating certificates and licenses are renewed periodically during the required annual surveys of the vessels, but there is no assurance that the Company's programs and policies will be sufficient to have such certificates and licenses renewed. The EPA also requires vessels to obtain coverage under a general permit and to comply with inspection, monitoring, discharge, recordkeeping and reporting requirements.

These laws and regulations provide for substantial fines, as well as criminal and civil penalties, in the event of any violations of, or non-compliance with, their requirements (including any waivers, permits or recordkeeping and other reporting requirements). Any vessel-generated pollution from incidents in U.S. waters within three nautical miles, and in some cases, within the 200-mile exclusive economic zone, for example, could expose us to such fines or penalties.

The Company is subject to, and may in the future be subject to, disputes, legal or other proceedings, and government inquiries or investigations that could have an adverse effect on the Company.

The nature of the Company's business exposes it to the potential for disputes, legal or other proceedings, and government inquiries or investigations relating to antitrust matters, labor and employment matters, personal injury and property damage, environmental, shore power and other matters, as discussed in the other risk factors disclosed in this section or in other Company filings with the SEC. For example, Matson is a common carrier, whose tariffs, rates, rules and practices in dealing with its customers are governed by extensive and complex foreign, federal, state and local regulations, which may be the subject of disputes or administrative or judicial proceedings. If these disputes develop into proceedings, these proceedings, individually or collectively, could involve or result in significant expenditures or losses by the Company, or result in significant changes to Matson's tariffs, rates, rules and practices in dealing with its customers.

The Company may continue to be exposed to risks and unknown liabilities related to the Horizon acquisition.

The Company acquired Horizon subject to all of the liabilities and obligations of its non-Hawaii business, including any remaining liabilities and obligations associated with its Puerto Rico operations, which Horizon ceased during the first quarter of 2015. The disposition of these liabilities, and any other obligations that are unknown to the Company, including contingent liabilities, could have an adverse effect on the Company's financial condition and results of operations.

Pasha acquired Horizon's former Hawaii business immediately before the Company acquired Horizon, and Pasha assumed substantially all liabilities and obligations related to Horizon's Hawaii business and agreed to perform various covenants. In some cases, however, Horizon, as the original contracting party, may remain primarily responsible for such assumed Hawaii liabilities and obligations. The Company may incur losses related to such assumed Hawaii liabilities and obligations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Matson leases terminal facilities including berth, yard, office and storage spaces. Material terminal facilities used by the Company's Ocean Transportation segment include the following locations:

Terminal Location	Acreage
Honolulu, Hawaii	105
Anchorage, Alaska	38
Dutch Harbor, Alaska	18
Kodiak, Alaska	6
Tacoma, Washington	15
Polaris Point, Guam	30

The Company's other primary terminal facilities located at the ports of Oakland and Long Beach, California, and Tacoma, Washington are leased by SSAT.

Other material facilities used by both of the Company's segments include the following:

Other Material Facilities	Description of Facility	Square Footage
Pooler, Georgia	Warehouse	710,844
Oakland, California	Warehouse	406,463
Pooler, Georgia	Warehouse	324,832
Oakland, California	Warehouse	132,000
Anchorage, Alaska	Office / Cross-dock	54,000
Auburn, Washington	Office / Cross-dock	51,250

ITEM 3. LEGAL PROCEEDINGS

Environmental Matters: The Company's Ocean Transportation segment has certain risks that could result in expenditures for environmental remediation. Except as described below, the Company believes that based on all information available to it, the Company is currently in compliance, in all material respects, with applicable environmental laws and regulations.

In accordance with SEC rules, with respect to administrative or judicial proceedings involving the environment, the Company has determined that it will disclose any such proceeding if it reasonably believes such proceeding will result in monetary sanctions, exclusive of interest and costs, at or in excess of $1 million. The Company believes that such threshold is reasonably designed to result in disclosure of environmental proceedings that are material to its business or financial condition.

On November 10, 2021, the California Air Resources Board ("CARB") issued a Notice of Violation (the "NOV") to Matson for alleged violations of the Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port pursuant to California Code of Regulations, title 17, section 93118.3. CARB regulations require that a company's fleet plug into shore power for at least 80 percent of visits at California ports and reduce auxiliary engine power generation by at least 80 percent. The NOV alleges that Matson's fleet did not meet the 80 percent thresholds during visits to the Port of Long Beach in 2020. The violations were alleged to have been incurred by chartered vessels in the CLX+ service. These chartered vessels were not outfitted with alternative maritime power ("AMP") capability which would have allowed them to plug into the shore power grid and shut down the vessel diesel generators when at dock. The Company has presented mitigating factors for consideration in settlement discussions with CARB as well as plans to achieve compliance. Although potential penalties for 2020, 2021 and 2022 violations could, in the aggregate, reasonably be expected to exceed $1 million, they are not expected to be material to the Company's financial condition, results of operations, or cash flows.

Other Matters: The Company and its subsidiaries are parties to, or may be contingently liable in connection with, other legal actions arising in the normal course of their businesses, the outcomes of which, in the opinion of management after consultation with counsel, would not have a material effect on the Company's financial condition, results of operations, or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

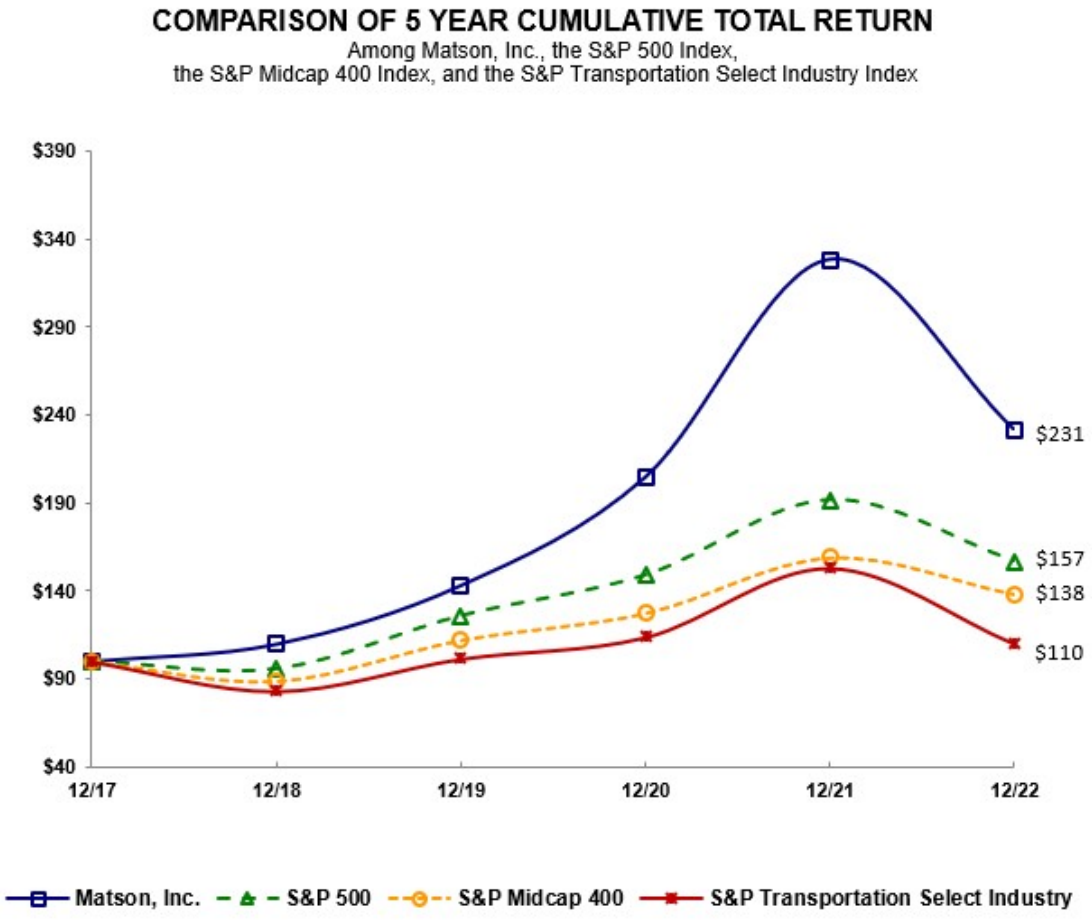
PART II

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

General Information: Matson's common stock is traded on the New York Stock Exchange under the ticker symbol "MATX". As of February 17, 2023, there were 2,021 shareholders of record of Matson common stock.

Stockholder Return Performance Graph and Trading Information: The following information in this Item 5 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

The cumulative total return listed below assumed an initial investment of $100 and reinvestment of dividends at each fiscal end and measures the performance of this investment as of the last trading day in the month of December for each of the five years ended December 31, 2022. The graph is a historical representation of past performance only and is not necessarily indicative of future performance.



* $100 invested on December 31, 2017 in stock or index, including reinvestment of dividends.

Trading volume averaged 431,336 shares a day in 2022, compared with 291,899 shares a day in 2021 and 234,930 shares a day in 2020, as reported by the New York Stock Exchange.

Dividends: Dividends declared per share of common stock by the Company for each fiscal quarter during 2022, 2021 and 2020 were as follows:

Dividends Declared	2022	2021	2020
First Quarter	$ 0.30	$ 0.23	$ 0.22
Second Quarter	$ 0.30	$ 0.23	$ 0.22
Third Quarter	$ 0.31	$ 0.30	$ 0.23
Fourth Quarter	$ 0.31	$ 0.30	$ 0.23
Total	$ 1.22	$ 1.06	$ 0.90

Matson's Board of Directors also declared a cash dividend of $0.31 per share for the first quarter 2023, payable on March 2, 2023 to shareholders of record on February 9, 2023. Although Matson expects to continue paying quarterly cash dividends on its common stock, the declaration and payment of dividends are subject to the discretion of the Board of Directors and will depend upon Matson's financial condition, results of operations, cash requirements and other factors deemed relevant by the Board of Directors.

Share Repurchases: The following is a summary of Matson common stock repurchased by the Company during the three months ended December 31, 2022:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Be Purchased Under the Plans or Programs
October 1 – 31, 2022	768,161	$ 68.80	768,161	2,291,571
November 1 – 30, 2022	406,200	$ 66.85	406,200	1,885,371
December 1 – 31, 2022	352,000	$ 62.05	352,000	1,533,371
Total	1,526,361	$ 66.72	1,526,361	

(1) On June 24, 2021, the Company announced that Matson's Board of Directors had approved a share repurchase program of up to 3.0 million shares of common stock from August 3, 2021 through August 2, 2024. On January 27, 2022, the Company's Board of Directors approved an addition of 3.0 million shares to the Company's existing share repurchase program. On August 23, 2022, the Company's Board of Directors approved an addition of 3.0 million shares to the Company's existing share repurchase program. Shares will be repurchased in the open market from time to time, and may be made pursuant to a trading plan in accordance with Rule 10b5-1 of the Security Exchange Act of 1934.

ITEM 6. REMOVED AND RESERVED

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

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

The Company, from time to time, may make or may have made certain forward-looking statements, whether orally or in writing, such as forecasts and projections of the Company's future performance or statements of management's plans and objectives. These statements are "forward-looking" statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be contained in, among other things, SEC filings such as Forms 10-K, 10-Q and 8-K, the Annual Report to Shareholders, press releases made by the Company, the Company's Internet websites (including websites of its subsidiaries), and oral statements made by the officers of the Company. Except for historical information contained in these written or oral communications, such communications contain forward-looking statements. These include, for example, all references to 2023 or future years. New risk factors emerge from time to time and it is not possible for the Company to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, forward-looking statements cannot be relied upon as a guarantee of future results and involve a number of risks and uncertainties that could cause actual results to differ materially from those projected in the statements, including but not limited to the factors that are described in Part I, Item 1A under the caption of "Risk Factors" of this Form 10-K, which section is incorporated herein by reference. The Company is not required, and undertakes no obligation, to revise or update forward-looking statements or any factors that may affect actual results, whether as a result of new information, future events, or circumstances occurring after the date of this report.

OVERVIEW

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a discussion of the Company's financial condition, results of operations, liquidity and certain other factors that may affect its future results from the perspective of management. The discussion that follows is intended to provide information that will assist in understanding the changes in the Company's Consolidated Financial Statements from year to year, the primary factors that accounted for those changes, and how certain accounting principles, policies and estimates affect the Company's Consolidated Financial Statements. MD&A is provided as a supplement to the Consolidated Financial Statements and the accompanying notes to the Consolidated Financial Statements in Item 8 of Part II below, and should be read in conjunction with the Company's Annual Reports on Form 10-K and other reports on Forms 10-Q and 8-K, and other publicly available information. Discussion and analysis of the financial condition and results of operations of Matson for the years ended December 31, 2021 and 2020 can be found in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 25, 2022.

MD&A is presented in the following sections:

- Historical Financial Information
- Fourth Quarter 2022 Discussion and Update on Business Conditions
- Consolidated Results of Operations
- Analysis of Operating Revenue and Income by Segment
- Liquidity and Capital Resources
- Commitments, Contingencies and Off-Balance Sheet Arrangements
- Critical Accounting Estimates

HISTORICAL FINANCIAL INFORMATION

The comparative selected financial information of the Company is presented for each of the five years in the period ended December 31, 2022. The information should be read in conjunction with Item 8, "Financial Statements and Supplementary Data." All fiscal years include 52 weeks, except for the year ended December 31, 2021 which includes 53 weeks (a description of the Company's fiscal year is included in Note 2 to the Consolidated Financial Statements in Item 8 of Part II below):

(In millions, except per share amounts)	2022	2021	2020	2019	2018
Operating Revenue:					
Ocean Transportation	$ 3,544.6	$ 3,132.8	$ 1,853.9	$ 1,666.6	$ 1,641.3
Logistics	798.4	792.5	529.4	536.5	581.5
Total Operating Revenue	$ 4,343.0	$ 3,925.3	$ 2,383.3	$ 2,203.1	$ 2,222.8
Operating and Net Income:					
Ocean Transportation (1)	$ 1,281.2	$ 1,137.7	$ 244.8	$ 90.8	$ 131.1
Logistics	72.4	49.8	35.5	38.3	32.7
Total Operating Income	1,353.6	1,187.5	280.3	129.1	163.8
Interest income	8.2	—	—	—	—
Interest expense	(18.0)	(22.6)	(27.4)	(22.5)	(18.7)
Other income (expense), net	8.5	6.4	6.1	1.2	2.6
Income before Taxes	1,352.3	1,171.3	259.0	107.8	147.7
Income taxes (2)	(288.4)	(243.9)	(65.9)	(25.1)	(38.7)
Net Income	$ 1,063.9	$ 927.4	$ 193.1	$ 82.7	$ 109.0
Capital Expenditures:					
Ocean Transportation	$ 190.9	$ 322.4	$ 190.0	$ 294.5	$ 385.4
Logistics	18.4	2.9	2.3	15.8	15.8
Total Capital Expenditures	$ 209.3	$ 325.3	$ 192.3	$ 310.3	$ 401.2
Depreciation and Amortization:					
Ocean Transportation	$ 133.2	$ 128.6	$ 107.4	$ 93.6	$ 87.0
Logistics	8.1	7.3	7.5	6.8	7.4
	141.3	135.9	114.9	100.4	94.4
Deferred Dry-docking Amortization — Ocean Transportation	24.9	24.3	25.1	34.3	37.4
Total Depreciation and Amortization	$ 166.2	$ 160.2	$ 140.0	$ 134.7	$ 131.8
Earnings Per Share in Net Income:					
Basic	$ 27.28	$ 21.67	$ 4.48	$ 1.93	$ 2.55
Diluted	$ 27.07	$ 21.47	$ 4.44	$ 1.91	$ 2.53
Cash dividends per share declared	$ 1.22	$ 1.06	$ 0.90	$ 0.86	$ 0.82
As of December 31:					
Cash and cash equivalents	$ 249.8	$ 282.4	$ 14.4	$ 21.2	$ 19.6
Capital Construction Fund (3)	$ 518.2	$ —	$ —	$ —	$ —
Total Debt (before deferred loan fees deduction) (4)	$ 517.5	$ 629.0	$ 760.1	$ 958.4	$ 856.4
Total Shareholders' equity	$ 2,296.9	$ 1,667.4	$ 961.2	$ 805.7	$ 755.3
Shares outstanding	36.3	41.0	43.2	42.9	42.7

(1) The Ocean Transportation segment includes $83.1 million, $56.3 million, $26.3 million, $20.8 million and $36.8 million of equity in income from the Company's investment in SSAT for 2022, 2021, 2020, 2019 and 2018, respectively.
(2) Income taxes for the years ended December 31, 2019 and 2018 include a non-cash income tax (expense)/benefit of $2.9 million and $(2.9) million, respectively, related to the remeasurement of the Company's deferred assets and liabilities and other discrete adjustments as a result of applying the Tax Cut and Jobs Act of 2017.
(3) The Company's Capital Construction Fund is described in Note 7 to the Consolidated Financial Statements in Item 8 of Part II.
(4) The Company's debt is described in Note 8 to the Consolidated Financial Statements in Item 8 of Part II.

FOURTH QUARTER 2022 DISCUSSION AND UPDATE ON BUSINESS CONDITIONS

Ocean Transportation: The Company's container volume in the Hawaii service in the fourth quarter 2022 was 13.0 percent lower year-over-year. The decrease was primarily due to (i) lower retail- and hospitality-related demand compared to elevated pandemic levels in the year ago period and (ii) one less week. During the quarter, the Company saw retail customers continue to manage inventories to weaker consumer demand levels despite continued improvement in the Hawaii economy supported by a low unemployment rate and relatively strong tourist arrivals, including a modest improvement in international tourist trends. In the near-term, Matson expects economic growth in Hawaii supported by continued strength in tourism and a low unemployment rate, but there are negative trends as a result of higher inflation, higher interest rates and the end of the pandemic-era stimulus helping personal income that creates uncertainty in the economic growth trajectory.

In China, the Company's container volume in the fourth quarter 2022 decreased 47.2 percent year-over-year. The decrease was primarily due to (i) lower demand for the CLX and CLX+ services, (ii) the discontinuation of the CCX service in the third quarter 2022 and (iii) one less week. Matson continued to realize a significant rate premium over the Shanghai Containerized Freight Index ("SCFI") in the fourth quarter 2022 but achieved average freight rates that were lower than in the year ago period. Currently in the Transpacific marketplace, business conditions remain challenging as retailers continue to right-size inventories amid weakening consumer demand, increasing interest rates and economic uncertainty. As such, the Company expects its CLX and CLX+ services in the first quarter and first half of the year to reflect freight demand levels below normalized conditions with lower year-over-year volumes and a lower rate environment. Absent an economic "hard landing" in the U.S., Matson expects improved trade dynamics in the second half of 2023 as the Transpacific marketplace transitions to a more normalized level of demand. Regardless of the economic environment, Matson operates the two fastest and most reliable ocean services and, as a result, the Company expects to continue to earn a significant rate premium to the SCFI.

In Guam, the Company's container volume in the fourth quarter 2022 decreased 14.0 percent year-over-year primarily due to lower retail-related demand. In the near-term, the Company expects continued improvement in the Guam economy with increasing tourism and a low unemployment rate, but there are negative trends as a result of higher inflation, higher interest rates and the end of the pandemic-era stimulus helping personal income that creates uncertainty in the economic growth trajectory.

In Alaska, the Company's container volume for the fourth quarter 2022 decreased 7.7 percent year-over-year due to (i) lower northbound volume primarily due to one less sailing and one less week and (ii) lower southbound volume primarily due to lower domestic seafood volume and one less week, partially offset by higher export seafood volume from Alaska-Asia Express ("AAX"). In the near-term, the Company expects the Alaska economy to benefit from low unemployment and increased energy-related exploration and production activity as a result of elevated oil prices, but there are negative trends as a result of higher inflation, higher interest rates and the end of the pandemic-era stimulus helping personal income that creates uncertainty in the economic growth trajectory.

The contribution in the fourth quarter 2022 from the Company's SSAT joint venture investment was $1.0 million, or $20.3 million lower than the fourth quarter 2021. The decrease was primarily driven by lower other terminal revenue, lower lift volume and higher operating costs.

Logistics: In the fourth quarter 2022, operating income for the Company's Logistics segment was $12.8 million, or $2.0 million lower compared to the level achieved in the fourth quarter 2021. The decrease was primarily due to a lower contribution from supply chain management consistent with lower demand in the Transpacific tradelane.

CONSOLIDATED RESULTS OF OPERATIONS

The following analysis of the financial results of operations of Matson for the years ended December 31, 2022 and 2021 should be read in conjunction with the Consolidated Financial Statements in Item 8 of Part II below.

Consolidated Results: 2022 compared with 2021:

	Years Ended December 31,			
(Dollars in millions, except per share amounts)	**2022**	**2021**	**Change**	
Operating revenue	$ 4,343.0	$ 3,925.3	$ 417.7	10.6 %
Operating costs and expenses	(2,989.4)	(2,737.8)	(251.6)	9.2 %
Operating income	1,353.6	1,187.5	166.1	14.0 %
Interest income	8.2	—	8.2	100.0 %
Interest expense	(18.0)	(22.6)	4.6	(20.4)%
Other income (expense), net	8.5	6.4	2.1	32.8 %
Income before taxes	1,352.3	1,171.3	181.0	15.5 %
Income taxes	(288.4)	(243.9)	(44.5)	18.2 %
Net income	$ 1,063.9	$ 927.4	$ 136.5	14.7 %
Basic earnings per share	$ 27.28	$ 21.67	$ 5.61	25.9 %
Diluted earnings per share	$ 27.07	$ 21.47	$ 5.60	26.1 %

Fiscal Year: Fiscal years ended December 31, 2022 and 2021 include 52 and 53 weeks, respectively.

Consolidated Operating Revenue for the year ended December 31, 2022 increased $417.7 million, or 10.6 percent, compared to the prior year. The increase was due to an increase in Ocean Transportation revenue of $411.8 million and an increase in Logistics revenue of $5.9 million.

Operating Costs and Expenses for the year ended December 31, 2022 increased $251.6 million, or 9.2 percent, compared to the prior year. The increase was due to an increase in Ocean Transportation operating costs and expenses of $268.3 million, partially offset by a decrease in Logistics operating costs and expenses of $16.7 million.

Operating Income for the year ended December 31, 2022 increased $166.1 million, or 14.0 percent, compared to the prior year. The increase was due to an increase in Ocean Transportation operating income of $143.5 million and an increase in Logistics operating income of $22.6 million.

The reasons for changes in operating revenue, operating costs and expenses, and operating income are described below, by business segment, in “Analysis of Operating Revenue and Income by Segment.”

Interest Income was $8.2 million for the year ended December 31, 2022 and was due to amounts on deposit in cash and cash equivalent accounts, and cash on deposit within the Capital Construction Fund that were invested in interest bearing accounts during the year ended December 31, 2022. Interest income for the year ended December 31, 2021 was nominal.

Interest Expense was $18.0 million for the year ended December 31, 2022, compared to $22.6 million in the prior year. The decrease in interest expense was due to lower outstanding debt during the year ended December 31, 2022, compared to the prior year.

Other Income (Expense), net was $8.5 million for the year ended December 31, 2022, compared to $6.4 million in the prior year, and relates to the amortization of certain components of net periodic benefit costs or gains related to the Company’s pension and post-retirement plans. The increase in Other income (expense) was due to favorable adjustments reflected in the Company’s pension and post-retirement plan liabilities during the year ended December 31, 2021.

Income Taxes for the year ended December 31, 2022 were $288.4 million, or 21.3 percent of income before income taxes, compared to $243.9 million, or 20.8 percent of income before income taxes in the prior year. The 2021 income tax rate benefited from certain discrete tax adjustments that lowered the effective tax rate in the prior year.

Net Income during the year ended December 31, 2022 increased $136.5 million, or 14.7 percent, to $1,063.9 million for the year ended December 31, 2022, compared to the prior year.

ANALYSIS OF OPERATING REVENUE AND INCOME BY SEGMENT

The following analysis of operating revenue and income by segment for the years ended December 31, 2022 and 2021 should be read in conjunction with the Company's reportable segments information included in Note 3 to the Consolidated Financial Statements in Item 8 of Part II.

Ocean Transportation: 2022 compared with 2021:

	Years Ended December 31,			
(Dollars in millions)	**2022**	**2021**	**Change**	
Ocean Transportation revenue	$ 3,544.6	$ 3,132.8	$ 411.8	13.1 %
Operating costs and expenses	(2,263.4)	(1,995.1)	(268.3)	13.4 %
Operating income	$ 1,281.2	$ 1,137.7	$ 143.5	12.6 %
Operating income margin	36.1 %	36.3 %		
Volume (Forty-foot equivalent units (FEU), except for automobiles) (1)				
Hawaii containers	148,500	157,600	(9,100)	(5.8)%
Hawaii automobiles	41,300	46,600	(5,300)	(11.4)%
Alaska containers	84,900	78,200	6,700	8.6 %
China containers	163,100	184,800	(21,700)	(11.7)%
Guam containers	21,100	21,900	(800)	(3.7)%
Other containers (2)	22,500	20,200	2,300	11.4 %

(1) Approximate volumes included for the period are based on the voyage departure date, but revenue and operating income are adjusted to reflect the percentage of revenue and operating income earned during the reporting period for voyages in transit at the end of each reporting period.
(2) Includes containers from services in various islands in Micronesia and the South Pacific, and Okinawa, Japan.

Ocean Transportation revenue increased $411.8 million, or 13.1 percent, during the year ended December 31, 2022, compared with the year ended December 31, 2021. The increase was primarily due to higher average freight rates in China, higher fuel-related surcharge revenue and higher volume in Alaska, partially offset by lower volume in China and Hawaii.

On a year-over-year FEU basis, Hawaii container volume decreased 5.8 percent primarily due to lower retail-related demand and one less week; Alaska volume increased 8.6 percent due to (i) higher export seafood volume from AAX, (ii) higher northbound volume primarily due to higher retail-related demand and volume related to a competitor's dry-docking, partially offset by one less week and (iii) higher southbound volume primarily due to higher domestic seafood volume; China volume was 11.7 percent lower primarily due to (a) lower demand for the CLX and CLX+ services and (b) one less week, partially offset by incremental volume on the CCX service; Guam volume decreased 3.7 percent primarily due to lower retail-related volume; and Other containers volume increased 11.4 percent.

Ocean Transportation operating income increased $143.5 million during the year ended December 31, 2022, compared with the year ended December 31, 2021. The increase was primarily due to higher freight rates in China and a higher contribution from SSAT, partially offset by lower volume in China, higher operating costs and expenses (including fuel-related expenses) primarily due to the CLX+ service and higher terminal handling costs.

The Company's SSAT terminal joint venture investment contributed $83.1 million during the year ended December 31, 2022, compared to a contribution of $56.3 million during the year ended December 31, 2021. The increase was primarily driven by higher other terminal revenue.

Logistics: 2022 compared with 2021:

	Years Ended December 31,			
(Dollars in millions)	**2022**	**2021**	**Change**	
Logistics revenue	$ 798.4	$ 792.5	$ 5.9	0.7 %
Operating costs and expenses	(726.0)	(742.7)	16.7	(2.2)%
Operating income	$ 72.4	$ 49.8	$ 22.6	45.4 %
Operating income margin	9.1 %	6.3 %		

Logistics revenue increased $5.9 million, or 0.7 percent, during the year ended December 31, 2022, compared with the year ended December 31, 2021. The increase was primarily due to higher revenue in freight forwarding, supply chain management and warehousing, partially offset by lower transportation brokerage revenue.

Logistics operating income increased $22.6 million, or 45.4 percent, during the year ended December 31, 2022, compared with the year ended December 31, 2021. The increase was primarily due to higher contributions from transportation brokerage and freight forwarding.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of liquidity are its cash flows generated from operating activities and its debt. Sources of liquidity available to the Company as of December 31, 2022 compared to December 31, 2021, were as follows:

***Cash and Cash Equivalents, Restricted Cash and Accounts Receivable*:** Cash and cash equivalents, restricted cash and accounts receivable, net, as of December 31, 2022 and 2021 were as follows:

	As of December 31,		
(In millions)	2022	2021	Change
Cash and cash equivalents	$ 249.8	$ 282.4	$ (32.6)
Restricted cash	$ 3.9	$ 5.3	$ (1.4)
Accounts receivable, net (1)	$ 268.5	$ 343.7	$ (75.2)

(1) Eligible accounts receivable of $9.9 million and $9.8 million at December 31, 2022 and 2021, respectively, were assigned to the CCF. For additional information on the CCF, see Note 7 to the Consolidated Financial Statements.

Changes in the Company's cash, cash equivalents and restricted cash for the years ended December 31, 2022, 2021 and 2020 were as follows:

	As of December 31,			Change	
(In millions)	2022	2021	2020	2022-2021	2021-2020
Net cash provided by operating activities (1)	$ 1,271.9	$ 984.1	$ 429.8	$ 287.8	$ 554.3
Net cash used in investing activities (2)	(729.3)	(323.4)	(177.0)	(405.9)	(146.4)
Net cash used in financing activities (3)	(576.6)	(392.7)	(261.5)	(183.9)	(131.2)
Net (decrease) increase in cash, cash equivalents and restricted cash	(34.0)	268.0	(8.7)	(302.0)	276.7
Cash, cash equivalents and restricted cash, beginning of the period	287.7	19.7	28.4	268.0	(8.7)
Cash, cash equivalents and restricted cash, end of the period	$ 253.7	$ 287.7	$ 19.7	$ (34.0)	$ 268.0

(1) *Changes in Net Cash Provided by Operating Activities:* Changes in net cash provided by operating activities for the years ended December 31, 2022, 2021 and 2020 were as follows:

	Change	
(In millions)	2022-2021	2021-2020
Net income	$ 136.5	$ 734.3
Non-cash depreciation and amortization	5.4	21.0
Deferred income taxes	57.0	(18.9)
Other non-cash related changes, net	(1.7)	(3.1)
Income and distributions from SSAT, net	(26.4)	(38.5)
Accounts receivable, net	164.9	(42.3)
Prepaid expenses and other assets	2.9	(70.0)
Accounts payable, accruals and other liabilities	(71.3)	(5.2)
Operating lease liabilities	(54.4)	(23.8)
Non-cash amortization of operating lease right of use assets	49.7	28.5
Deferred dry-docking payments	10.6	(19.5)
Non-cash deferred dry-docking amortization	0.6	(0.8)
Other long-term liabilities	14.0	(7.4)
Total	$ 287.8	$ 554.3

Income from SSAT was $83.1 million for the year ended December 31, 2022, compared to $56.3 million in the prior year. The increase in income from SSAT was primarily due to higher operating profits generated by SSAT during the year ended December 31, 2022, compared to the prior year. Cash distributions from SSAT were $47.3 million for the

year ended December 31, 2022, compared to $46.9 million in the prior year. Cash distributions from SSAT are dependent on the level of cash available for distribution after SSAT's operational and capital needs. Changes in accounts receivable were primarily due to lower accounts receivables outstanding at the end of December 31, 2022, due to lower revenue at the end of the year as compared to prior year, and the timing of collections associated with those receivables. Changes in prepaid expenses and other assets were primarily due to increased prepaid fuel, insurance and other operating related costs, primarily due to an increase in the cost for such expenses, and prepaid income taxes primarily due to the use of the CCF fund during the year ended December 31, 2022, compared to the prior year. Changes in accounts payable, accruals and other liabilities were primarily due to a decrease in operating activity resulting in a reduction of operating costs and the timing of payments associated with those liabilities. Changes in operating lease liabilities were primarily due to new operating lease additions partially offset by operating leases that expired during the year ended December 31, 2022. Deferred dry-docking payments were $25.7 million for the year ended December 31, 2022, compared to $36.3 million in the prior year. The decrease in deferred dry-docking payments was due to a decrease in vessel dry-dock related activities during the year ended December 31, 2022, compared to the prior year.

(2) *Changes in Net Cash Used in Investing Activities:* Changes in net cash used in investing activities for the years ended December 31, 2022, 2021 and 2020 were as follows:

	Change	
(In millions)	**2022-2021**	**2021-2020**
Cash deposits into CCF	$ (551.6)	$ 101.2
Withdrawals from CCF	33.4	(101.2)
Capitalized vessel construction expenditures	(47.5)	72.9
Other capital expenditures	163.5	(205.9)
Proceeds from disposal of property and equipment, net, and other	(3.7)	(13.4)
Total	$ (405.9)	$ (146.4)

Capitalized vessel construction expenditures was $62.4 million for the year ended December 31, 2022, compared to $14.9 million in the prior year. The increase in capitalized vessel construction expenditures (including cash and interest deposited into the CCF less cash withdrawals from the CCF which are used for vessel construction related payments) was due to the commencement of the Company's new fleet renewal program in 2022. Capitalized vessel construction expenditures incurred in 2022 related to milestone payments on the construction of three new vessels and the construction of a new flat-deck barge. Other capital expenditures (excluding capitalized vessel construction expenditures) was $146.9 million for the year ended December 31, 2022, compared to $310.4 million for the prior year. Other capital expenditures during the year ended December 31, 2021 included the purchase of additional containers, chassis and other terminal equipment to support the increase in the Company's operational activities, and the repurchase of *Maunalei* vessel for $95.8 million.

(3) *Changes in Net Cash Used in Financing Activities:* Changes in net cash used in financing activities for the years ended December 31, 2022, 2021 and 2020 were as follows:

	Change	
(In millions)	**2022-2021**	**2021-2020**
Repurchase of Matson common stock	$ (198.7)	$ (198.3)
Proceeds received from issuance of fixed interest debt	—	(325.5)
Repayments of fixed interest debt	(52.2)	157.2
Repayments and borrowings under revolving credit facility, net	71.8	235.5
Withholding tax related to net share settlements of restricted stock units	(5.7)	(8.8)
Payment of financing costs	3.0	15.5
Dividends paid	(2.1)	(6.7)
Change in other payments, net	—	(0.1)
Total	$ (183.9)	$ (131.2)

The Company paid $397.0 million to repurchase common stock during the year ended December 31, 2022, compared to $198.3 million in the prior year. The Company did not issue any new fixed interest debt during the years ended December 31, 2022 and 2021. The Company paid $111.5 million of prepaid and scheduled fixed interest debt principal payments, compared to $59.3 million of scheduled principal payments paid during the prior year. During the year ended December 31, 2021, the Company paid $71.8 million, net to fully repay the Company's revolving credit facility. There were no borrowings under the revolving credit facility during the year ended December 31, 2022.

Capital Construction Fund: The Company utilizes its CCF to fund milestone payments for the construction of new vessels. The Company's CCF is described in Note 7 to the Consolidated Financial Statements. Cash on deposit in the CCF and assigned accounts receivable as of December 31, 2022 and 2021 is as follows:

	As of December 31,	
(In millions)	2022	2021
Capital Construction Fund:		
Cash on deposit	$ 518.2	$ —
Assigned accounts receivables	$ 9.9	$ 9.8

During the years ended December 31, 2022 and 2021, the Company deposited $582.8 million and $31.2 million into the CCF, respectively. During the years ended December 31, 2022 and 2021, the Company made withdrawals of $64.6 million and $31.2 million out of the CCF, respectively, which were used to make milestone payments for the construction of new vessels. Cash on deposit in the CCF is held in short term U.S. Treasury Obligation Funds and classified as a long-term asset in the Company's Consolidated Balance Sheets, as the Company intends to use qualified cash withdrawals from the CCF to fund long-term investments in the construction of new vessels. Assigned accounts receivable in the CCF are classified as part of accounts receivable in the Consolidated Balance Sheets due to the nature of the assignment.

On February 17, 2023, the Company pledged an additional $200.0 million of eligible accounts receivables to the CCF, and deposited an additional $100.0 million of cash into the CCF.

Debt: The Company utilizes a mix of fixed and variable debt for liquidity and to fund the Company's operations. Total debt as of December 31, 2022 and 2021 is as follows:

	As of December 31,		
(In millions)	2022	2021	Change
Fixed interest debt	$ 517.5	$ 629.0	$ (111.5)
Total Debt	$ 517.5	$ 629.0	$ (111.5)

Total debt decreased by $111.5 million during the year ended December 31, 2022 compared to the prior year. The decrease in fixed interest debt was due to the prepayment of $50.4 million of outstanding principal of private placement term loans and scheduled debt repayments of private placement term loans and Title XI debt made during the year ended December 31, 2022.

As of December 31, 2022, the Company had $642.1 million of unused capacity under the revolving credit facility, with a maturity date of March 31, 2026. The Company's debt is described in Note 8 to the Consolidated Financial Statements in Item 8 of Part II.

On January 27, 2023, the Company prepaid $14.3 million of outstanding principal on the *Maunawili* Title XI Bonds representing all of the remaining outstanding principal for this bond. The Company is also expecting to prepay the outstanding principal of approximately $12.1 million *Manukai* Title XI Bonds in March 2023, representing all of the estimated outstanding principal for this bond. The Company's Title XI Bonds are described in Note 8 to the Consolidated Financial Statements in Item 8 of Part II below.

Working Capital: The Company had a working capital surplus of $178.0 million at December 31, 2022, compared to a working capital surplus of $92.1 million at December 31, 2021. Working capital is primarily impacted by the amount of net cash provided by operating activities, the amount of capital expenditures, the amount and timing of collections associated with accounts receivable, prepaid expenses and other assets, and by the amount and timing of payments associated with accounts payable, accruals, income taxes, debt and other liabilities. The increase in the Company's working capital surplus during the year ended December 31, 2022 was due to the increase in cash provided by operating activities.

Capital Expenditures: The Company expects to make the following capital expenditures during the years ending December 31, 2023, 2024 and 2025:

Expected Capital Expenditures (in millions)	2023	2024	2025
New vessel construction milestone payments and related costs	$55	$75	$360
LNG installations and reengining on existing vessels	$60 - $65	$50 - $55	-
Maintenance and other capital expenditures	$80 - $90	$80 - $90	$80 - $90
Total Estimated Capital Expenditures	$195 - $210	$205 - $220	$440 - $450

New vessel construction milestone payments and related costs are for the Company's new vessel program for the construction of three new vessels at a cost of approximately $1.0 billion with expected delivery dates during the fourth quarter of 2026, the second quarter of 2027 and the fourth quarter of 2027. Future milestone payments are expected to be financed with cash currently on deposit in the Company's CCF, cash and cash equivalents on the Consolidated Balance Sheets and through cash flows generated from future operations, borrowings available under the Company's unsecured revolving credit facility or additional debt financings.

LNG installations on existing vessels includes capital expenditures for the installation of tanks, piping and cryogenic equipment on existing Aloha Class vessels so that they can operate on LNG and conventional fuels. The LNG installation project on *Daniel K. Inouye* has begun and work on *Kaimana Hila* is currently scheduled to begin during the second quarter of 2024. Each installation is expected to cost approximately $35 million. Additionally, the Company plans to begin reengining *Manukai* to operate on LNG and conventional fuels during the second quarter of 2023 at a total cost of approximately $60 million.

Maintenance and other capital expenditures include amounts that the Company expects to spend on various capital projects including capital expenditures related to the second and third phase of its program to modernize and renovate its terminal facility at Sand Island, Honolulu, Hawaii, repurchases of leased equipment, vessel maintenance and annual equipment purchases to support the Company's operations.

Repurchase of Shares: During the year ended December 31, 2022, the Company repurchased approximately 5.0 million shares for a total cost of $397.0 million. The maximum remaining number of shares that may be repurchased under the Company's stock repurchase program was 1,533,371 shares at December 31, 2022.

COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Commitments and Contingencies: A description of other commitments and contingencies is set forth in Note 9, Note 11 and Note 17 to the Consolidated Financial Statements in Item 8 of Part II below, and is incorporated herein by reference.

Off-balance sheet Arrangements: The Company is not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, results of operations or cash flows.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are described in Note 2 to the Consolidated Financial Statements in Item 8 of Part II below. The preparation of Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America, upon which the Company's Management Discussion and Analysis of Financial Condition and Results of Operations is based, requires that management exercise judgment when making accounting estimates about future events that may affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Future events and their effects cannot be determined with certainty and actual results will, inevitably, differ from those accounting estimates. These differences could be material.

The Company considers an accounting estimate to be critical if (i)(a) the accounting estimate requires the Company to make assumptions that are difficult or subjective about matters that were highly uncertain at the time that the accounting estimate was made, (b) changes in the estimate are reasonably likely to occur in periods after the period in which the estimate was made, or (c) use of different estimates by the Company could have been used; and (ii) changes in those accounting estimates would have had a material impact on the financial condition or results of operations of the

Company. The critical accounting policies and estimates inherent in the preparation of the Company's Consolidated Financial Statements are described below. Management has discussed the development and selection of these critical accounting estimates with the Audit Committee of our Board of Directors.

Long-Lived Assets, Intangible Assets and Goodwill: The Company evaluates its long-lived assets, intangible assets and goodwill for possible impairment in the fourth quarter, or whenever events or changes in circumstances indicate that it is more likely than not that the fair value is less than its carrying amount. The Company has reporting units within the Ocean Transportation and Logistics reportable segments.

Long-lived Assets and Finite-lived Intangible Assets: Long-lived assets and finite-lived intangible assets are grouped at the lowest level for which identifiable cash flows are available. In evaluating for impairment, the estimated future undiscounted cash flows generated by each of these asset groups are compared with the carrying value recorded for each asset group to determine if its carrying value is recoverable. If this review determines that the amount recorded will not be recovered, the amount recorded for the asset group is reduced to its estimated fair value. These asset impairment analyses are highly subjective because they require management to make assumptions and apply considerable judgments to, among other things, estimates of the timing and amount of future cash flows, expected useful lives of the assets, potential impact of future events, including changes in economic conditions and operating performance, and future costs of maintenance and improvements of the assets. If management uses different assumptions or if different conditions occur in future periods, the Company's financial condition or its future operating results could be materially impacted. The Company has evaluated its long-lived assets and finite-lived intangible assets for impairment and determined that there was no impairment for the years ended December 31, 2022, 2021 and 2020.

Indefinite-life Intangible Assets and Goodwill: The Company's intangible assets include goodwill, customer relationships and a trade name, and are grouped at the lowest level reporting unit for which identifiable cash flows are available. In estimating the fair value of a reporting unit, the Company uses a combination of a discounted cash flow model and fair value based on market multiples of earnings before interest, income taxes, depreciation and amortization ("EBITDA"). The discounted cash flow approach requires the Company to use a number of assumptions, including market factors specific to the business, the amount and timing of estimated future cash flows generated by the business over an extended period of time, long-term growth rates for the business, and a discount rate that considers the risks related to the amount and timing of the cash flows. Although the assumptions used by the Company in its discounted cash flow model are consistent with the assumptions the Company used to generate its internal strategic plans and forecasts, significant judgment is required to estimate the amount and timing of future cash flows from the reporting unit and the risk of achieving those cash flows. When using market multiples of EBITDA, the Company makes judgments about the comparability of multiples in closed and proposed transactions. Accordingly, changes in assumptions and estimates, including, but not limited to, changes driven by external factors, such as industry and economic trends, and those driven by internal factors, such as changes in the Company's business strategy and its internal forecasts, could have a material effect on the Company's financial condition or its future operating results. The Company has evaluated its indefinite-life intangible assets and goodwill for impairment and determined that there was no impairment for the years ended December 31, 2022, 2021 and 2020.

Insurance Related Liabilities: The Company is uninsured for certain risks but when feasible, many of these risks are mitigated by insurance. The Company purchases insurance with deductibles or self-insured retentions. Such insurance includes, but is not limited to, employee health, workers' compensation, marine liability, cybersecurity, auto liability and physical damage to property and equipment. For certain risks, the Company elects to not purchase insurance because of the excessive cost of such insurance or the perceived remoteness of the risk. In addition, the Company retains all risk of loss that exceeds the limits of the Company's insurance policies, or for other risks where insurance is not commercially available.

When estimating its reserves for retained risks and related liabilities, the Company considers a number of factors, including historical claims experience, demographic factors, current trends, and analyses provided by independent third parties. Periodically, management reviews its assumptions and estimates used to determine the adequacy of the Company's reserves for retained risks and other related liabilities. The Company's retained risks and other related liabilities contain uncertainties because management is required to apply judgment and make long-term assumptions to estimate the ultimate cost to settle reported claims, and of claims incurred but not reported, as of the balance sheet date. Insurance related liabilities were $45.4 million and $35.9 million at December 31, 2022 and 2021, respectively. The Company's estimate of insurance related liabilities could change if management uses different assumptions or if

different conditions occur in future periods, however the Company does not expect any such change would have a material impact on the Company's financial condition and results of operations.

Pension and Post-Retirement Plans: The estimation of the Company's pension and post-retirement benefit expenses and liabilities requires the Company to make various assumptions. These assumptions include factors such as discount rates, expected long-term rate of return on pension plan assets, salary growth, health care cost trend rates, inflation, retirement rates, mortality rates and expected contributions. Actual results that differ from the assumptions made could materially affect the Company's financial condition or its future operating results. The effects of changing assumptions are included in unamortized net gains and losses, which directly affect accumulated other comprehensive income (loss). Additionally, these unamortized gains and losses are amortized and reclassified to income (loss) over future periods.

Additional information about the Company's pension and post-retirement plans and assumptions used is included in Note 11 to the Consolidated Financial Statements in Item 8 of Part II below.

Income Taxes: The Company's income tax expense requires the Company to make various estimates and judgments. These estimates and judgments are applied in the calculation of taxable income, tax credits, tax benefits and deductions, and in the calculation of certain deferred tax assets and liabilities, which arise from differences in the timing of recognition of revenue, costs and expenses for tax purposes. The calculation of deferred tax assets and liabilities may be impacted by various factors including but not limited to changes in tax rates; changes in tax laws, regulations, and rulings; changes in interpretations of existing tax laws, regulations and rulings; and changes in the evaluation of the Company's ability to realize deferred tax assets including operating loss and tax credit carryforwards. Deferred tax assets and liabilities are adjusted to the extent necessary to reflect tax rates expected to be in effect when the temporary differences reverse. Significant changes to these estimates may result in an increase or decrease to the Company's income taxes in a subsequent period.

The Company records a valuation allowance if, based on the weight of available evidence, management believes that it is more likely than not that some portion or all of a recorded deferred tax asset would not be realized in future periods.

Additional information about the Company's income taxes is included in Note 10 to the Consolidated Financial Statements in Item 8 of Part II below.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Debt and Interest Rate Risks: The Company is exposed to changes in interest rates, primarily as a result of its borrowing and investing activities used to maintain liquidity and to fund business operations, including borrowings under its revolving credit facility, private placement term loans and Title XI debt. In order to manage its exposure to changes in interest rates, the Company utilizes a balanced mix of both fixed-rate and variable-rate debt with various maturity dates. The nature and amount of the Company's outstanding debt are expected to fluctuate as a result of future business requirements, market conditions and other factors.

Other than in certain events of default, the Company is not obligated to prepay its variable and fixed rate debt prior to maturity. For fixed rate debt, changes in market interest rates would not affect the Company's financial condition or results of operations.

Interest on certain borrowings under the Company's revolving credit facility is calculated using the London Interbank Offered Rate ("LIBOR"). LIBOR will be discontinued as a benchmark interest rate by mid-2023. The discontinuation of LIBOR will require the Company and its lenders to transition from LIBOR to a new benchmark interest rate, the Secured Overnight Financing Rate ("SOFR"). The Company believes that the transition to SOFR will not have a material impact on the Company's financial condition and results of operations.

Additional information about the Company's debt is included in Note 8 to the Consolidated Financial Statements in Item 8 of Part II below.

Investment Risks: The Company invests excess cash in short-term money market funds that purchase government securities or corporate debt securities, or in other deposit products allowed under the Company's Cash Investment Policy. These money market funds and deposits maintain a weighted average maturity of less than 90 days, and

accordingly, a one percent change in interest rates is not expected to have a material impact on the fair value of these investments or on interest income.

The Company may invest funds on deposit in the CCF in money market funds, U.S. Treasury Obligation Funds or other eligible investments.

Foreign Currency Risks: The Company has no material exposure to foreign currency risks, although it is indirectly affected by changes in currency rates to the extent that changes in rates affect tourism in Hawaii, Guam, Alaska and other locations. Transactions related to the Company's China and Japan services are primarily denominated in U.S. dollars, and therefore, a one percent change in the Chinese Yuan or Japanese Yen exchange rate would not have a material effect on the Company's results of operations. Transactions related to the Company's South Pacific service are primarily denominated in New Zealand dollars. However, a one percent change in the New Zealand dollar exchange rate is not expected to have a material effect on the Company's results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Matson, Inc. and subsidiaries (the "Company") has the responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting only provides reasonable assurance with respect to financial statement presentation and preparation. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*. Based on its assessment, management believes that, as of December 31, 2022, the Company's internal control over financial reporting is effective. The Company's independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the Company's internal control over financial reporting.

/s/ Matthew J. Cox	/s/ Joel M. Wine
Matthew J. Cox	Joel M. Wine
Chairman and Chief Executive Officer	Executive Vice President and Chief Financial Officer
February 24, 2023	February 24, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and the shareholders of Matson, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting
We have audited the accompanying consolidated balance sheets of Matson, Inc. and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of income and comprehensive income, shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

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

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

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

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

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

Critical Audit Matter
The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that

are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill – Span Alaska Reporting Unit — Refer to Notes 2 and 6 to the financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. In estimating the fair value of a reporting unit, the Company uses a combination of a discounted cash flow model and fair value based on market multiples of earnings before interest, taxes, depreciation and amortization ("EBITDA"). The discounted cash flow approach requires the Company to make several business assumptions, including, but not limited to, the discount rate. Changes in assumptions and estimates could have a material effect on either the fair value, the amount of any goodwill impairment charge, or both. The goodwill balance was $327.8 million as of December 31, 2022, of which $78.6 million is allocated to a reporting unit in the Logistics reportable segment, resulting from the acquisition of Span Intermediate, LLC ("Span Alaska") in fiscal year 2016. The Company has evaluated its goodwill for impairment as part of its annual assessment in fiscal year 2022 and determined that the fair value of the Span Alaska reporting unit exceeded the carrying amount as of the date of the impairment review.

We identified goodwill related to Span Alaska as a critical audit matter because of the significant estimates and assumptions management made to estimate the fair value of Span Alaska. Specifically, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the selection of the discount rate required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the selection of the discount rate for Span Alaska included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the selection of the discount rate.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rate, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rate selected by management.

/s/ Deloitte & Touche LLP
Honolulu, Hawaii
February 24, 2023

We have served as the Company's auditor since at least 1976; however, an earlier year could not be reliably determined.

MATSON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(In millions, except per share amounts)	Years Ended December 31, 2022	2021	2020
Operating Revenue:			
Ocean Transportation	$ 3,544.6	$ 3,132.8	$ 1,853.9
Logistics	798.4	792.5	529.4
Total Operating Revenue	4,343.0	3,925.3	2,383.3
Costs and Expenses:			
Operating costs	(2,811.5)	(2,557.6)	(1,904.3)
Income from SSAT	83.1	56.3	26.3
Selling, general and administrative	(261.0)	(236.5)	(225.0)
Total Costs and Expenses	(2,989.4)	(2,737.8)	(2,103.0)
Operating Income	1,353.6	1,187.5	280.3
Interest income	8.2	—	—
Interest expense	(18.0)	(22.6)	(27.4)
Other income (expense), net	8.5	6.4	6.1
Income before Taxes	1,352.3	1,171.3	259.0
Income taxes	(288.4)	(243.9)	(65.9)
Net Income	$ 1,063.9	$ 927.4	$ 193.1
Other Comprehensive Income (Loss), Net of Income Taxes:			
Net Income	$ 1,063.9	$ 927.4	$ 193.1
Other Comprehensive Income (Loss):			
Amortization of prior service cost	(3.5)	(4.6)	(4.7)
Amortization of net loss (gain)	27.3	25.0	(9.4)
Other adjustments	0.2	(0.5)	0.2
Total Other Comprehensive Income (Loss)	24.0	19.9	(13.9)
Comprehensive Income	$ 1,087.9	$ 947.3	$ 179.2
Basic Earnings Per Share	$ 27.28	$ 21.67	$ 4.48
Diluted Earnings Per Share	$ 27.07	$ 21.47	$ 4.44
Weighted Average Number of Shares Outstanding:			
Basic	39.0	42.8	43.1
Diluted	39.3	43.2	43.5

See Notes to Consolidated Financial Statements.

MATSON, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In millions)	As of December 31, 2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 249.8	$ 282.4
Accounts receivable, net of allowance for credit losses of $13.0 million and $10.1 million, respectively	268.5	343.7
Prepaid expenses and other assets	241.3	78.4
Total current assets	759.6	704.5
Long-term Assets:		
Investment in SSAT	81.2	58.7
Property and equipment, net	1,962.5	1,878.3
Operating lease right of use assets	396.9	434.6
Goodwill	327.8	327.8
Intangible assets, net	174.9	181.1
Capital Construction Fund	518.2	—
Deferred dry-docking costs, net	55.3	68.7
Other long-term assets	53.6	39.4
Total long-term assets	3,570.4	2,988.6
Total Assets	$ 4,330.0	$ 3,693.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of debt	$ 76.9	$ 65.0
Accounts payable and accruals	255.6	308.4
Operating lease liabilities	143.6	137.6
Other liabilities	105.5	101.4
Total current liabilities	581.6	612.4
Long-term Liabilities:		
Long-term debt, net of deferred loan fees	427.7	549.7
Long-term operating lease liabilities	262.5	307.4
Deferred income taxes	646.5	425.2
Other long-term liabilities	114.8	131.0
Total long-term liabilities	1,451.5	1,413.3
Commitments and Contingencies (see Note 17)		
Shareholders' Equity:		
Common stock - common stock without par value; authorized, 150 million shares ($0.75 stated value per share); outstanding, 36.3 million shares in 2022 and 41.0 million shares in 2021	27.2	30.7
Additional paid in capital	290.4	314.1
Accumulated other comprehensive loss, net	(6.9)	(30.9)
Retained earnings	1,986.2	1,353.5
Total shareholders' equity	2,296.9	1,667.4
Total Liabilities and Shareholders' Equity	$ 4,330.0	$ 3,693.1

See Notes to Consolidated Financial Statements.

MATSON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Years Ended December 31, 2022	2021	2020
Cash Flows From Operating Activities:			
Net income	$ 1,063.9	$ 927.4	$ 193.1
Reconciling adjustments:			
Depreciation and amortization	141.3	135.9	114.9
Amortization of operating lease right of use assets	153.0	103.3	74.8
Deferred income taxes	90.2	33.2	52.1
(Gain) Loss on disposal of property and equipment	(1.5)	(0.8)	2.8
Share-based compensation expense	18.3	19.3	18.8
Income from SSAT	(83.1)	(56.3)	(26.3)
Distributions from SSAT	47.3	46.9	55.4
Changes in assets and liabilities:			
Accounts receivable, net	74.6	(90.3)	(48.0)
Deferred dry-docking payments	(25.7)	(36.3)	(16.8)
Deferred dry-docking amortization	24.9	24.3	25.1
Prepaid expenses and other assets	(45.2)	(48.1)	21.9
Accounts payable, accruals and other liabilities	(31.7)	39.6	44.8
Operating lease liabilities	(154.1)	(99.7)	(75.9)
Other long-term liabilities	(0.3)	(14.3)	(6.9)
Net cash provided by operating activities	1,271.9	984.1	429.8
Cash Flows From Investing Activities:			
Capitalized vessel construction expenditures	(62.4)	(14.9)	(87.8)
Other capital expenditures	(146.9)	(310.4)	(104.5)
Proceeds from disposal of property and equipment, and other	(1.8)	1.9	15.3
Cash and interest deposits into Capital Construction Fund	(582.8)	(31.2)	(132.4)
Withdrawals from Capital Construction Fund	64.6	31.2	132.4
Net cash used in investing activities	(729.3)	(323.4)	(177.0)
Cash Flows From Financing Activities:			
Proceeds from issuance of debt	—	—	325.5
Repayments of debt	(111.5)	(59.3)	(216.5)
Proceeds from revolving credit facility	—	304.3	648.0
Repayments of revolving credit facility	—	(376.1)	(955.3)
Payment of financing costs	—	(3.0)	(18.5)
Proceeds from issuance of common stock	—	—	0.1
Dividends paid	(48.0)	(45.9)	(39.2)
Repurchase of Matson common stock	(397.0)	(198.3)	—
Tax withholding related to net share settlements of restricted stock units	(20.1)	(14.4)	(5.6)
Net cash used in financing activities	(576.6)	(392.7)	(261.5)
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	(34.0)	268.0	(8.7)
Cash, Cash Equivalents and Restricted Cash, Beginning of the Year	287.7	19.7	28.4
Cash, Cash Equivalents and Restricted Cash, End of the Year	$ 253.7	$ 287.7	$ 19.7
Reconciliation of Cash, Cash Equivalents, and Restricted Cash, at End of the Year:			
Cash and Cash Equivalents	$ 249.8	$ 282.4	$ 14.4
Restricted Cash	3.9	5.3	5.3
Total Cash, Cash Equivalents and Restricted Cash, End of the Year	$ 253.7	$ 287.7	$ 19.7
Supplemental Cash Flow Information:			
Interest paid, net of capitalized interest	$ 16.2	$ 19.3	$ 26.2
Income tax paid, net of income tax refunds	$ 215.2	$ 241.6	$ (16.1)
Non-cash Information:			
Capital expenditures included in accounts payable, accruals and other liabilities	$ 5.5	$ 6.4	$ 24.7

See Notes to Consolidated Financial Statements.

MATSON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE THREE YEARS ENDED DECEMBER 31, 2022

(In millions, except per share amounts)	Common Stock Shares	Common Stock Stated Value	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance at December 31, 2019	42.9	$ 32.2	$ 306.2	$ (36.9)	$ 504.2	$ 805.7
Net income	—	—	—	—	193.1	193.1
Other comprehensive income (loss), net of tax	—	—	—	(13.9)	—	(13.9)
Share-based compensation	—	—	18.8	—	—	18.8
Shares issued, net of shares withheld for employee taxes	0.3	0.2	(3.5)	—	(2.2)	(5.5)
Equity interest in SSAT	—	—	—	—	2.2	2.2
Dividends ($0.90 per share)	—	—	—	—	(39.2)	(39.2)
Balance at December 31, 2020	43.2	32.4	321.5	(50.8)	658.1	961.2
Net income	—	—	—	—	927.4	927.4
Other comprehensive income (loss), net of tax	—	—	—	19.9	—	19.9
Share-based compensation	—	—	19.3	—	—	19.3
Shares issued, net of shares withheld for employee taxes	0.3	0.2	(14.7)	—	0.1	(14.4)
Share repurchase	(2.5)	(1.9)	(12.0)	—	(186.2)	(200.1)
Dividends ($1.06 per share)	—	—	—	—	(45.9)	(45.9)
Balance at December 31, 2021	41.0	30.7	314.1	(30.9)	1,353.5	1,667.4
Net income	—	—	—	—	1,063.9	1,063.9
Other comprehensive income (loss), net of tax	—	—	—	24.0	—	24.0
Share-based compensation	—	—	18.3	—	—	18.3
Shares issued, net of shares withheld for employee taxes	0.3	0.2	(20.3)	—	—	(20.1)
Share repurchase	(5.0)	(3.7)	(21.7)	—	(371.6)	(397.0)
Equity interest in SSAT	—	—	—	—	(11.6)	(11.6)
Dividends ($1.22 per share)	—	—	—	—	(48.0)	(48.0)
Balance at December 31, 2022	36.3	$ 27.2	$ 290.4	$ (6.9)	$ 1,986.2	$ 2,296.9

See Notes to Consolidated Financial Statements.

MATSON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Matson, Inc., a holding company incorporated in the State of Hawaii, and its subsidiaries ("Matson" or the "Company"), is a leading provider of ocean transportation and logistics services. The Company consists of two segments, Ocean Transportation and Logistics. For financial information on the Company's reportable segments for the three years ended December 31, 2022, see Note 3.

Ocean Transportation: Matson's Ocean Transportation business is conducted through Matson Navigation Company, Inc. ("MatNav"), a wholly-owned subsidiary of Matson, Inc. Founded in 1882, MatNav provides a vital lifeline of ocean freight transportation services to the domestic non-contiguous economies of Hawaii, Alaska and Guam, and to other island economies in Micronesia. MatNav also operates premium, expedited services from China to Long Beach, California, provides services to Okinawa, Japan and various islands in the South Pacific, and operates an international export service from Dutch Harbor, Alaska to Asia. In addition, subsidiaries of MatNav provide stevedoring, refrigerated cargo services, inland transportation and other terminal services for MatNav on the Hawaiian islands of Oahu, Hawaii, Maui and Kauai, and for MatNav and other ocean carriers in Alaska.

Matson has a 35 percent ownership interest in SSA Terminals, LLC, a joint venture between Matson Ventures, Inc., a wholly-owned subsidiary of MatNav, and SSA Ventures, Inc., a subsidiary of Carrix, Inc. ("SSAT"). SSAT currently provides terminal and stevedoring services to various carriers at eight terminal facilities on the U.S. West Coast, including three facilities dedicated for MatNav's use. Matson records its share of income from SSAT in costs and expenses in the Consolidated Statements of Income and Comprehensive Income, and within the Ocean Transportation segment due to the nature of SSAT's operations (see Note 4).

Logistics: Matson's Logistics business is conducted through Matson Logistics, Inc. ("Matson Logistics"), a wholly-owned subsidiary of MatNav. Established in 1987, Matson Logistics extends the geographic reach of Matson's transportation network throughout North America and Asia, and is an asset-light business that provides a variety of logistics services to its customers including: (i) multimodal transportation brokerage of domestic and international rail intermodal services, long-haul and regional highway trucking services, specialized hauling, flat-bed and project services, less-than-truckload services, and expedited freight services (collectively, "Transportation Brokerage" services); (ii) less-than-container load ("LCL") consolidation and freight forwarding services (collectively, "Freight Forwarding" services); (iii) warehousing, trans-loading, value-added packaging and distribution services (collectively, "Warehousing" services); and (iv) supply chain management, non-vessel operating common carrier ("NVOCC") freight forwarding and other services.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The Consolidated Financial Statements include the accounts of Matson, Inc. and all wholly-owned subsidiaries, after elimination of intercompany amounts and transactions. Significant investments in businesses, partnerships, and limited liability companies in which the Company does not have a controlling financial interest, but has the ability to exercise significant influence, are accounted for under the equity method. The Company accounts for its investment in SSAT using the equity method of accounting (see Note 4).

Fiscal Year: The year end for Matson is December 31. The period end for MatNav occurred on the last Friday in December, except for certain Company subsidiaries whose period closed on December 31. Included in these Consolidated Financial Statements are 53 weeks in the 2021 and 52 weeks in the 2022 and 2020 fiscal years for MatNav.

Foreign Currency Transactions: The United States (U.S.) dollar is the functional currency for substantially all of the financial statements of the Company's foreign subsidiaries. Foreign currency denominated assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars at exchange rates existing at the respective balance sheet dates. Translation adjustments resulting from fluctuations in exchange rates are recorded as a component of accumulated other comprehensive loss (gain) within shareholders' equity. The Company translates the result of operations of its foreign subsidiaries at the average exchange rate during the respective periods. Gains and losses

resulting from foreign currency transactions are included in Costs and Expenses in the Consolidated Statements of Income and Comprehensive Income.

Use of Estimates: The preparation of the Consolidated Financial Statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the amounts reported. Estimates and assumptions are used for, but not limited to: impairment of investments; impairment of long-lived assets, intangible assets and goodwill; capitalized interest; allowance for doubtful accounts and other receivables; legal contingencies; insurance reserves and other related liabilities; accrual estimates; pension and post-retirement estimates; multi-employer withdrawal liabilities; operating lease assets and liabilities; income from SSAT; and income taxes. Future results could be materially affected if actual results differ from these estimates and assumptions.

Cash, Cash Equivalents and Restricted Cash: Cash equivalents consist of highly-liquid investments with original maturities of three months or less. The Company carries these investments at cost, which approximates fair value. Restricted cash relates to amounts that are subject to contractual restrictions and are not readily available. Restricted cash was $3.9 million and $5.3 million at December 31, 2022 and 2021, respectively, and are included in prepaid expenses and other assets in the Consolidated Balance Sheets.

Accounts Receivable, net: Accounts receivable represent amounts due from trade customers arising in the normal course of business. Accounts receivable are shown net of allowance for doubtful accounts receivable in the Consolidated Balance Sheets. Allowance for doubtful accounts receivable is established by management based on estimates of collectability. Estimates of collectability are principally based on an evaluation of the current financial condition of the customer and the potential risks to collection, the customer's payment history, expected future credit losses and other factors which are regularly monitored by the Company.

Changes in the allowance for doubtful accounts receivable for the three years ended December 31, 2022, 2021 and 2020 were as follows:

Year (in millions)	Balance at Beginning of Year	Expense (1)	Write-offs and Other	Balance at End of Year
2022	$ 10.1	$ 3.2	$ (0.3)	$ 13.0
2021	$ 6.3	$ 4.2	$ (0.4)	$ 10.1
2020	$ 4.3	$ 2.9	$ (0.9)	$ 6.3

(1) Expense is shown net of amounts recovered from previously reserved doubtful accounts.

Prepaid Expenses and Other Assets: Prepaid expenses and other assets consist of the following at December 31, 2022 and 2021:

Prepaid Expenses and Other Assets (in millions)	As of December 31, 2022	2021
Income tax receivables	$ 170.8	$ 23.1
Prepaid fuel	26.3	22.6
Prepaid insurance and insurance related receivables	17.4	10.1
Restricted cash - vessel construction obligations	3.9	5.3
Other	22.9	17.3
Total	$ 241.3	$ 78.4

Income tax receivables include a federal income tax refund related to the Company's 2021 federal tax return, overpayments of federal and state taxes paid during the year ended December 31, 2022, and other income tax receivables.

Deferred Loan Fees: The Company records deferred loan fees, excluding those related to the revolving credit facility, as a reduction to Total Debt in the Company's Consolidated Balance Sheets in accordance with Accounting Standards Update ("ASU") 2015-03, Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs ("ASU 2015-03"). These costs are being amortized over the life of the related debt using the effective interest method (see Note 8).

Deferred loan fees related to the Company's revolving credit facility are recorded in other long-term assets in the Company's Consolidated Balance Sheets and are amortized using the straight-line method as the difference between that and the use of the effective interest method is not material.

Other Long-Term Assets: Other long-term assets consist of the following at December 31, 2022 and 2021:

Other Long-Term Assets (in millions)	As of December 31, 2022	2021
Vessel and equipment spare parts	$ 13.2	$ 12.8
Pension plan assets	18.9	1.3
Insurance related receivables	12.1	10.4
Other	9.4	14.9
Total	$ 53.6	$ 39.4

Property and Equipment: Property and equipment is stated at cost. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of property and equipment range up to the following maximum life:

Classification	Life
Vessels	40 years
Machinery and equipment	30 years
Terminal facilities	35 years

Capitalized Interest: The Company capitalizes interest costs during the period the qualified assets are being readied for their intended use. The Company determined that the vessel construction costs are considered qualifying assets for the purposes of capitalizing interest on these assets. The amount of capitalized interest is calculated based on the amount of payments incurred related to the construction of these vessels using a weighted average interest rate. The weighted average interest rate is determined using the Company's average borrowings outstanding during the period. Capitalized interest is included in vessel construction in progress in property and equipment in the Company's Consolidated Balance Sheets (see Note 5). During the years ended December 31, 2022, 2021 and 2020, the Company capitalized $0.7 million, $0.2 million and $7.4 million of interest related to the construction of new vessels, respectively.

Leases: Accounting Standards Codification ("ASC") 842, *Leases* ("ASC 842") requires lessees to record leases on their balance sheets but recognize the expenses in their income statements. ASC 842 states that a lessee would recognize a lease liability for the obligation to make lease payments, and a right-of-use asset for the underlying leased asset for the period of the lease term. Refer to Note 9 for additional information on the Company's lease related disclosures.

Deferred Dry-docking Costs: U.S. flagged vessels must meet specified seaworthiness standards established by U.S. Coast Guard rules and classification society rules. These standards require U.S. flagged vessels to undergo two dry-docking inspections within a five-year period, with a maximum of 36 months between them. However, U.S. flagged vessels that are enrolled in the U.S. Coast Guard's Underwater Survey in lieu of Dry-docking ("UWILD") program are allowed to have their Intermediate Survey dry-docking requirement met with a less costly underwater inspection. Non-U.S. flagged vessels are required to meet applicable classification society rules and their own local standards for seaworthiness, which also mandate vessels to undergo two dry-docking inspections every five years.

The Company is responsible for maintaining its vessels in compliance with U.S. and international standards. As costs associated with dry-docking inspections provide future economic benefits to the Company through continued operation of the vessels, the costs are deferred and amortized until the scheduled date of the next required dry-docking, which is usually over a two to five-year period. Amortization of deferred dry-docking costs are charged to operating expenses of the Ocean Transportation segment in the Consolidated Statements of Income and Comprehensive Income. Routine vessel maintenance and repairs are charged to expense as incurred.

Goodwill and Intangible Assets: Goodwill and intangible assets arise as a result of acquisitions made by the Company (see Note 6). Intangible assets consist of customer relationships which are being amortized using the straight-line method over the expected useful lives ranging up to 21 years, and a trade name that has an indefinite life.

Impairment Evaluation of Long-Lived Assets, Intangible Assets and Goodwill: The Company evaluates its long-lived assets, intangible assets and goodwill for possible impairment in the fourth quarter, or whenever events or changes in circumstances indicate that it is more likely than not that the fair value is less than its carrying amount. The Company has reporting units within the Ocean Transportation and Logistics reportable segments.

Long-lived assets and finite-lived intangible assets are grouped at the lowest level reporting unit for which identifiable cash flows are available. In evaluating for impairment, the estimated future undiscounted cash flows generated by each

of these asset groups are compared with the carrying value recorded for each asset group to determine if its carrying value is recoverable. If this review determines that the amount recorded will not be recovered, the amount recorded for the asset group is reduced to its estimated fair value. No impairment charges of long-lived assets and finite-lived intangible assets were recorded for the years ended December 31, 2022, 2021 and 2020.

Indefinite-life intangible assets and goodwill are grouped at the lowest level reporting unit for which identifiable cash flows are available. In estimating the fair value of a reporting unit, the Company uses a combination of a discounted cash flow model and fair value based on market multiples of earnings before interest, taxes, depreciation and amortization. Based upon the Company's evaluation of its indefinite-life intangible assets and goodwill for impairment, the Company determined that the fair value of each reporting unit exceeds book value. No impairment charges of indefinite-life intangible assets and goodwill were recorded for the years ended December 31, 2022, 2021 and 2020.

Impairment Evaluation of SSAT: The Company's investment in SSAT, a related party, is evaluated for impairment whenever there is evidence of impairment during the reporting period. If any impairment is identified, the Company evaluates if the decrease in the fair value of the investment below its carrying value is other-than-temporary. No impairment was identified during the years ended December 31, 2022, 2021 and 2020.

Other Liabilities: Other liabilities consist of the following at December 31, 2022 and 2021:

	As of December 31,	
Other Liabilities (in millions)	**2022**	**2021**
Payroll and vacation	$ 34.7	$ 35.8
Employee incentives and other benefits	33.2	32.2
Insurance reserves and other related liabilities - short term	15.6	9.0
Multi-employer withdrawal liabilities - short term (see Note 12)	4.1	4.1
Income tax and other tax related liabilities	2.2	3.1
Other short-term liabilities	15.7	17.2
Total	$ 105.5	$ 101.4

Other Long-Term Liabilities: Other long-term liabilities consist of the following at December 31, 2022 and 2021:

	As of December 31,	
Other Long-Term Liabilities (in millions)	**2022**	**2021**
Multi-employer withdrawal liability (see Note 12)	$ 48.6	$ 50.8
Pension and post-retirement liabilities (see Note 11)	17.8	43.3
Insurance reserves and other related liabilities	29.8	26.9
Other long-term liabilities	18.6	10.0
Total	$ 114.8	$ 131.0

Pension and Post-Retirement Plans: The Company is a member of the Pacific Maritime Association ("PMA") and the Hawaii Stevedoring Industry Committee, which negotiate multi-employer pension plans covering certain shoreside bargaining unit personnel. The Company directly negotiates multi-employer pension plans covering other bargaining unit personnel. Pension costs are accrued in accordance with contribution rates established by the PMA, the parties to a plan or the trustees of a plan. Several trusteed, non-contributory, single-employer defined benefit plans and defined contribution plans cover substantially all other employees.

The estimation of the Company's pension and post-retirement benefit expenses and liabilities requires that the Company make various assumptions. These assumptions include factors such as discount rates, expected long-term rates of return on pension plan assets, salary growth, health care cost trend rates, inflation, retirement rates, mortality rates, and expected contributions. Actual results that differ from the assumptions made could materially affect the Company's financial condition or its future operating results. Additional information about the Company's pension and post-retirement plans is included in Note 11.

Insurance Related Liabilities: The Company is uninsured for certain risks but when feasible, many of these risks are mitigated by insurance. The Company purchases insurance with deductibles or self-insured retentions. Such insurance includes, but is not limited to, employee health, workers' compensation, marine liability, cybersecurity, auto liability and physical damage to property and equipment. For certain risks, the Company elects to not purchase insurance because of the excessive cost of insurance or the perceived remoteness of the risk. In addition, the Company retains all risk of loss

that exceeds the limits of the Company's insurance policies, or for other risks where insurance is not commercially available.

When estimating its reserves for retained risks and related liabilities, the Company considers a number of factors, including historical claims experience, demographic factors, current trends, and analyses provided by independent third parties. Periodically, management reviews its assumptions and estimates used to determine the adequacy of the Company's reserves for retained risks and other related liabilities.

Recognition of Revenues and Expenses: Revenue in the Company's Consolidated Financial Statements is presented net of elimination of intercompany transactions. The following is a description of the Company's principal revenue generating activities by segment, and the Company's revenue recognition policy for each activity for the periods presented:

	Years Ended December 31,		
Ocean Transportation (in millions) (1)	**2022**	**2021**	**2020**
Ocean Transportation services	$ 3,508.0	$ 3,101.9	$ 1,821.7
Terminal and other related services	18.5	16.0	19.1
Fuel sales	11.3	7.2	7.3
Vessel management and related services	6.8	7.7	5.8
Total	$ 3,544.6	$ 3,132.8	$ 1,853.9

(1) Ocean Transportation revenue transactions are primarily denominated in U.S. dollars except for less than 3 percent of Ocean Transportation services revenue and fuel sales revenue categories which are denominated in foreign currencies.

- Ocean Transportation services revenue is recognized ratably over the duration of a voyage based on the relative transit time completed in each reporting period. Vessel operating costs and other ocean transportation operating costs, such as terminal operating overhead and selling, general and administrative expenses, are charged to operating costs as incurred.
- Terminal and other related services revenue is recognized as the services are performed. Related costs are recognized as incurred.
- Fuel sales revenue and related costs are recognized when the Company has completed delivery of the product to the customer in accordance with the terms and conditions of the contract.
- Vessel management and related services revenue is recognized in proportion to the services completed. Related costs are recognized as incurred.

	Years Ended December 31,		
Logistics (in millions) (1)	**2022**	**2021**	**2020**
Transportation Brokerage and Freight Forwarding services	$ 695.1	$ 707.4	$ 477.0
Warehousing and distribution services	53.5	44.7	36.2
Supply chain management and other services	49.8	40.4	16.2
Total	$ 798.4	$ 792.5	$ 529.4

(1) Logistics revenue transactions are primarily denominated in U.S. dollars except for less than 3 percent of transportation brokerage and freight forwarding services revenue, and supply chain management and other services revenue categories which are denominated in foreign currencies.

- Transportation Brokerage and Freight Forwarding services revenue consists of amounts billed to customers for services provided. The primary costs include third-party purchased transportation services, agent commissions, labor and equipment. Revenue and the related purchased third-party transportation costs are recognized over the duration of a delivery based upon the relative transit time completed in each reporting period. Labor, agent commissions, and other operating costs are expensed as incurred. The Company reports revenue on a gross basis as the Company serves as the principal in these transactions because it is responsible for fulfilling the contractual arrangements with the customer and has latitude in establishing prices.
- Warehousing and distribution services revenue consist of amounts billed to customers for storage, handling, and value-added packaging of customer merchandise. Storage revenue is recognized in the month the service is provided to the customer. Storage related costs are recognized as incurred. Other warehousing and distribution services revenue and related costs are recognized in proportion to the services performed.
- Supply chain management and other services revenue, and related costs are recognized in proportion to the services performed.

The Company generally invoices its customers at the commencement of the voyage or the transportation service being provided, or as other services are being performed. Revenue is deferred when services are invoiced in advance to the

customer. The Company's receivables are classified as short-term as collection terms are for periods of less than one year. The Company expenses sales commissions and contract acquisition costs as incurred because the amounts are generally immaterial. These expenses are included in selling, general and administration expenses in the Consolidated Statements of Income and Comprehensive Income.

Customer Concentration: The Ocean Transportation segment serves customers in numerous industries and carries a wide variety of cargo, mitigating its dependence upon any single customer or single type of cargo. In 2022, the Company's 10 largest Ocean Transportation customers accounted for approximately 15 percent of the Company's Ocean Transportation operating revenue.

The Logistics segment serves customers in numerous industries and geographical locations. In 2022, the Company's 10 largest Logistics customers accounted for approximately 18 percent of the Company's Logistics operating revenue.

Dividends: The Company recognizes dividends as a liability when approved by the Board of Directors.

Repurchase of Shares: During the years ended December 31, 2022 and 2021, the Company repurchased approximately 5.0 million and 2.5 million shares for a total cost of $397.0 million and $200.1 million, respectively. The Company did not repurchase any shares during the year ended December 31, 2019. As of December 31, 2022, the maximum number of remaining shares that may be repurchased under the Company's share repurchase program was approximately 1.5 million shares.

Share-Based Compensation: The Company records compensation expense for all share-based awards made to employees and directors. The Company's various stock-based compensation plans are more fully described in Note 15.

Income Taxes: The estimate of the Company's income tax expense requires the Company to make various estimates and judgments. These estimates and judgments are applied in the calculation of taxable income, tax credits, tax benefits and deductions, and in the calculation of certain deferred tax assets and liabilities, which arise from differences in the timing of recognition of revenue, costs and expenses for tax purposes. Deferred tax assets and liabilities are adjusted to the extent necessary to reflect tax rates expected to be in effect when the temporary differences reverse.

The Company records a valuation allowance if, based on the weight of available evidence, management believes that it is more likely than not that some portion or all of a recorded deferred tax asset would not be realized in future periods. The Company's income taxes are more fully described in Note 10.

Rounding: Amounts in the Consolidated Financial Statements and Notes to the Consolidated Financial Statements are rounded to millions, except for per share calculations and percentages which were determined based on amounts before rounding. Accordingly, a recalculation of some per-share amounts and percentages, if based on the reported data, may be slightly different.

3. REPORTABLE SEGMENTS

Reportable segments are components of an enterprise that engage in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company's chief operating decision maker is its Chief Executive Officer.

The Company consists of two reportable segments, Ocean Transportation and Logistics, which are further described in Note 1. Reportable segments are measured based on operating income. In arrangements where the customer purchases ocean transportation and logistics services, the revenues are allocated to each reportable segment based upon the contractual amounts for each type of service. The Company's SSAT segment has been aggregated into the Company's Ocean Transportation segment due to the operations of SSAT being an integral part of the Company's Ocean Transportation business (see Note 4).

The Company's Ocean Transportation segment provides ocean transportation services to the Logistics segment, and the Logistics segment provides logistics services to the Ocean Transportation segment in certain transactions. Accordingly, inter-segment revenue of $270.9 million, $213.8 million and $115.5 million for the years ended December 31, 2022, 2021 and 2020, respectively, have been eliminated from operating revenues in the table below.

Reportable segment financial information for the years ended December 31, 2022, 2021 and 2020, are as follows:

(In millions)	Years Ended December 31, 2022	2021	2020
Operating Revenue:			
Ocean Transportation (1)	$ 3,544.6	$ 3,132.8	$ 1,853.9
Logistics (2)	798.4	792.5	529.4
Total Operating Revenue	$ 4,343.0	$ 3,925.3	$ 2,383.3
Operating Income:			
Ocean Transportation (3)	$ 1,281.2	$ 1,137.7	$ 244.8
Logistics	72.4	49.8	35.5
Total Operating Income	1,353.6	1,187.5	280.3
Interest income	8.2	—	—
Interest expense	(18.0)	(22.6)	(27.4)
Other income (expense), net	8.5	6.4	6.1
Income before Taxes	1,352.3	1,171.3	259.0
Income taxes	(288.4)	(243.9)	(65.9)
Net Income	$ 1,063.9	$ 927.4	$ 193.1
Capital Expenditures:			
Ocean Transportation	$ 190.9	$ 322.4	$ 190.0
Logistics	18.4	2.9	2.3
Total Capital Expenditures	$ 209.3	$ 325.3	$ 192.3
Depreciation and Amortization:			
Ocean Transportation	$ 133.2	$ 128.6	$ 107.4
Logistics	8.1	7.3	7.5
	141.3	135.9	114.9
Deferred dry-docking amortization - Ocean Transportation	24.9	24.3	25.1
Total Depreciation and Amortization	$ 166.2	$ 160.2	$ 140.0

(1) Ocean Transportation operating revenue excludes inter-segment revenue of $93.6 million, $81.0 million and $59.1 million for the years ended December 31, 2022, 2021 and 2020, respectively.
(2) Logistics operating revenue excludes inter-segment revenue of $177.3 million, $132.8 million and $56.4 million for the years ended December 31, 2022, 2021 and 2020, respectively.
(3) Ocean Transportation segment information includes $83.1 million, $56.3 million, and $26.3 million of equity in income from the Company's equity investment in SSAT for the years ended December 31, 2022, 2021 and 2020, respectively.

(In millions)	As of December 31, 2022	2021
Identifiable Assets:		
Ocean Transportation (1)	$ 3,705.2	$ 3,096.6
Logistics	624.8	596.5
Total Assets	$ 4,330.0	$ 3,693.1

(1) The Ocean Transportation segment includes $81.2 million and $58.7 million related to the Company's equity investment in SSAT as of December 31, 2022 and 2021, respectively.

4. INVESTMENT IN SSAT

The Company accounts for its 35 percent ownership interest in SSAT using the equity method of accounting. The Company records its share of income from SSAT in costs and expenses within the Ocean Transportation segment due to operations of SSAT being an integral part of the Company's Ocean Transportation business. The Company's investment in SSAT was $81.2 million and $58.7 million at December 31, 2022 and 2021, respectively. On September 16, 2022, SSAT completed the purchase of a 20 percent equity interest in SSAT Terminals (Oakland), LLC ("SSAT Oakland") from a third-party company. After completion of this transaction, SSAT Oakland became a wholly owned subsidiary of SSAT. The operating results of SSAT Oakland consolidate into the operating results of SSAT. As a result of this transaction, the Company recorded a decrease of $15.5 million in its investment in SSAT, an increase in deferred tax assets of $3.9 million, and a corresponding decrease in retained earnings of $11.6 million during the year ended

December 31, 2022. During the year ended December 31, 2020, the Company recorded an increase of $2.2 million in its investment in SSAT and a corresponding increase in retained earnings related to the formation of a new subsidiary of SSAT, whose controlling interest is retained by SSAT.

The Company's share of income recorded in the Consolidated Statements of Income and Comprehensive Income and dividends received by the Company during the years ended December 31, 2022, 2021 and 2020 are as follows:

	Years Ended December 31,		
(In millions)	2022	2021	2020
Company's share of net income	$ 83.1	$ 56.3	$ 26.3
Distributions received	$ 47.3	$ 46.9	$ 55.4

The Company's Ocean Transportation segment operating costs include $308.3 million, $284.9 million and $251.6 million for the years ended December 31, 2022, 2021 and 2020, respectively, for terminal services provided by SSAT. Accounts payable and accrued liabilities in the Consolidated Balance Sheets include $43.6 million and $38.8 million for terminal services payable to SSAT at December 31, 2022 and 2021, respectively.

A summary of the condensed balance sheets of SSAT at December 31, 2022 and 2021 are as follows:

	As of December 31,	
Condensed Balance Sheets (in millions)	2022	2021
Current assets	$ 324.7	$ 343.4
Non-current assets	1,436.0	1,239.7
Total Assets	$ 1,760.7	$ 1,583.1
Current liabilities	$ 342.1	$ 302.7
Non-current liabilities	1,199.5	1,125.5
Equity	219.1	154.9
Total Liabilities and Equity	$ 1,760.7	$ 1,583.1

A summary of the condensed statements of operating income and net income of SSAT for years ended December 31, 2022, 2021 and 2020 are as follows:

	Years Ended December 31,		
Condensed Statements of Operating Income and Net Income (in millions)	2022	2021	2020
Operating revenue	$ 1,466.9	$ 1,297.5	$ 1,091.6
Operating costs and expenses	1,168.8	1,113.8	1,003.2
Operating income	298.1	183.7	88.4
Net Income (1)	$ 249.6	$ 161.7	$ 76.6

(1) Includes earnings from equity method investments held by SSAT less earnings allocated to non-controlling interests.

5. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 and 2021, and depreciation expense for the years ended December 31, 2022, 2021 and 2020 are as follows:

	As of December 31, 2022			As of December 31, 2021		
(In millions)	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Vessels	$ 2,278.6	$ 838.8	$ 1,439.8	$ 2,243.8	$ 760.5	$ 1,483.3
Containers and equipment	762.7	433.8	328.9	680.9	399.4	281.5
Terminal facilities and other property	131.5	53.6	77.9	128.3	49.2	79.1
Vessel construction in progress	50.2	—	50.2	14.9	—	14.9
Other construction in progress	65.7	—	65.7	19.5	—	19.5
Total	$ 3,288.7	$ 1,326.2	$ 1,962.5	$ 3,087.4	$ 1,209.1	$ 1,878.3

Vessel construction in progress at December 31, 2022 includes milestone progress payments and capitalized interest related to the construction of three new Jones Act vessels. Delivery of the first vessel is currently anticipated to be in the fourth quarter of 2026, with subsequent deliveries in the second and fourth quarters of 2027.

(In millions)	Years Ended December 31, 2022	2021	2020
Depreciation expense	$ 123.5	$ 117.1	$ 97.1

6. GOODWILL AND INTANGIBLE ASSETS

Goodwill by segment consists of the following as of December 31, 2022 and 2021:

(In millions)	Ocean Transportation	Logistics	Total
Goodwill	$ 222.6	$ 105.2	$ 327.8

Logistics goodwill of $105.2 million includes $78.6 million acquired as part of the acquisition of Span Intermediate, LLC ("Span Alaska") in August 2016 that was allocated to the Span Alaska reporting unit, and $26.6 million relates to other Logistics acquisitions that were allocated to the Logistics reporting unit.

Intangible assets by segment consist of the following as of December 31, 2022 and 2021:

	As of December 31, 2022			As of December 31, 2021		
(In millions)	Gross Amount	Accumulated Amortization	Net Book Value	Gross Amount	Accumulated Amortization	Net Book Value
Ocean Transportation - Customer relationships	$ 140.6	$ 51.2	$ 89.4	$ 140.6	$ 44.6	$ 96.0
Logistics:						
Customer relationships	95.3	37.1	58.2	90.1	32.3	57.8
Trade name	27.3	—	27.3	27.3	—	27.3
Total Logistics	122.6	37.1	85.5	117.4	32.3	85.1
Total	$ 263.2	$ 88.3	$ 174.9	$ 258.0	$ 76.9	$ 181.1

Ocean Transportation intangible assets of $140.6 million relate to customer relationships acquired as part of the acquisition of Horizon Lines, Inc. ("Horizon") on May 29, 2015, and are being amortized over 21 years. Logistics intangible assets include $79.3 million of customer relationships which are being amortized over 20 years, and $27.3 million of an indefinite life trade name, both acquired as part of the Span Alaska acquisition. The remaining Logistics customer relationships of $16.0 million are being amortized over a period of 3 to 13 years.

Intangible assets related amortization expense for 2022, 2021 and 2020, are as follows:

(In millions)	Years Ended December 31, 2022	2021	2020
Amortization expense	$ 11.4	$ 10.9	$ 10.9

As of December 31, 2022, estimated amortization expense related to customer relationship intangible assets during the next five years and thereafter are as follows:

Year (in millions)	Customer Relationships
2023	$ 12.4
2024	12.4
2025	11.5
2026	10.7
2027	10.7
Thereafter	89.9
Total	$ 147.6

7. CAPITAL CONSTRUCTION FUND

The Company is party to an agreement with the U.S. Department of Transportation, Maritime Administration ("MARAD") that established a Capital Construction Fund ("CCF") program under provisions of the Merchant Marine

Act of 1936, as amended (the "Merchant Marine Act"). The CCF program was created to assist owners and operators of U.S. flagged vessels in raising capital necessary for the modernization and expansion of the U.S. merchant marine fleet. CCF funds may be used for the acquisition, construction, or reconstruction of vessels, and for repayment of existing vessel indebtedness through the deferment of federal income taxes on certain deposits of monies and other property placed into the CCF. Qualified withdrawals from the CCF must be used for investment in vessels built in the U.S. and used between covered U.S. ports as described by the Merchant Marine Act, and for other qualifying expenditures (see Item 1 of Part 1 for additional information on Maritime Laws and the Jones Act). Participants of the CCF must also meet certain U.S. citizenship requirements.

Cash deposits into the CCF are limited by certain applicable earnings and other conditions. Such cash deposits, once made, are available as tax deductions in the Company's income tax provision. Qualified withdrawals from the CCF do not give rise to a current income tax liability, but reduce the depreciable basis of the vessels or certain related equipment for income tax purposes. However, if withdrawals are made from the CCF for general corporate purposes or other non-qualified purposes, or upon termination of the agreement, they are taxable with interest payable from the year of deposit.

Deposits not committed for qualified purposes within 25 years from the date of deposit will be treated as non-qualified withdrawals over the subsequent five years. Under the terms of the CCF agreement, the Company may designate certain qualified earnings as "accrued deposits" or may designate, as obligations of the CCF, qualified withdrawals to reimburse qualified expenditures initially made with operating funds. Such accrued deposits to, and withdrawals from, the CCF are reflected in the Consolidated Balance Sheets either as obligations of the Company's current assets or as receivables from the CCF.

As of December 31, 2022 and 2021, $9.9 million and $9.8 million of eligible accounts receivable were assigned to the CCF, respectively. Due to the nature of the assignment of eligible accounts receivable into the CCF, such assigned amounts are classified as part of accounts receivable in the Consolidated Balance Sheets. At December 31, 2022, the Company had $518.2 million on deposit in the CCF invested in U.S. Treasury Obligation Funds, which are classified as long-term assets in the Company's Consolidated Balance Sheets. Amount on deposit in the CCF as of December 31, 2021 was nominal. During the year ended December 31, 2022, the Company earned $4.9 million of interest from deposits in the CCF. No interest was earned during the year ended December 31, 2021.

On February 17, 2023, the Company pledged an additional $200.0 million of eligible accounts receivables to the CCF, and deposited an additional $100.0 million of cash into the CCF.

8. DEBT

The Company's debt consists of the following as of December 31, 2022 and 2021:

(In millions)	As of December 31, 2022	2021
Private Placement Term Loans:		
3.66 %, payable through 2023	$ 4.5	$ 13.7
4.16 %, payable through 2027	—	28.8
3.37 %, payable through 2027	57.7	69.2
3.14 %, payable through 2031	132.8	151.2
4.31 %, payable through 2032	—	25.4
Title XI Debt:		
5.34 %, payable through 2028	13.2	15.4
5.27 %, payable through 2029	15.4	17.6
1.22 %, payable through 2043	166.2	174.1
1.35 %, payable through 2044	127.7	133.6
Total Debt	517.5	629.0
Less: Current portion	(76.9)	(65.0)
Total Long-term Debt	440.6	564.0
Less: Deferred loan fees	(12.9)	(14.3)
Total Long-term Debt, net of deferred loan fees	$ 427.7	$ 549.7

The following is a description of the Company's debt:

***Private Placement Term Loans*:** During 2012, the Company issued $170.0 million of unsecured notes, which were funded in three tranches, $77.5 million at an interest rate of 3.66 percent, $55.0 million at an interest rate of 4.16 percent, and $37.5 million at an interest rate of 4.31 percent (the "2012 Notes"). Principal and interest are payable semi-annually. On September 15, 2022, the Company prepaid $26.2 million of outstanding principal on the 4.16 percent tranche due in 2027, and $24.2 million of outstanding principal on the 4.31 percent tranche due in 2032, representing all of the remaining outstanding principal for both tranches. In September 2016, the Company issued $200.0 million of 15-year senior unsecured notes (the "Series D Notes") at an interest rate of 3.14 percent, payable semi-annually. In December 2016, the Company issued $75 million of 11-year senior unsecured notes at an interest rate of 3.37 percent, payable semi-annually (the "Series A Notes").

Title XI Bonds: In September 2003, MatNav issued $55.0 million in U.S. Government guaranteed ship financing bonds (Title XI) to finance the delivery of *Manukai* (the "Manukai Title XI Bonds"). The Manukai Title XI Bonds have a final maturity in September 2028 with a coupon rate of 5.34 percent. The Manukai Title XI Bonds are amortized by semi-annual payments of $1.1 million plus interest. In August 2004, MatNav issued $55.0 million of U.S. Government guaranteed ship financing bonds (Title XI) to finance the delivery of *Maunawili* (the "Maunawili Title XI Bonds", and together with the Manukai Title XI Bonds, the "Existing Title XI Bonds"). The Maunawili Title XI Bonds have a final maturity in July 2029 with a coupon rate of 5.27 percent. The Maunawili Title XI Bonds are amortized by semi-annual payments of $1.1 million plus interest.

On January 27, 2023, the Company prepaid $14.3 million of outstanding principal on the Maunawili Title XI Bonds representing all of the remaining outstanding principal for this bond. The Company is also expecting to prepay the outstanding principal of approximately $12.1 million on the Manukai Title XI Bonds in March 2023, representing all of the estimated outstanding principal for this bond.

On April 27, 2020, MatNav issued $185.9 million in U.S. Government guaranteed vessel financing bonds to partially refinance debt incurred in connection with the construction of *Daniel K. Inouye* (the "DKI Title XI Debt"). The secured DKI Title XI Debt matures on October 15, 2043 and has a cash interest rate of 1.22 percent, payable semi-annually in arrears.

On June 22, 2020, MatNav issued $139.6 million in U.S. Government guaranteed vessel financing bonds to partially refinance debt incurred in connection with the construction of *Kaimana Hila* (the "KMH Title XI Debt", and together with the DKI Title XI Debt, the "2020 Title XI Debt"). The secured KMH Title XI Debt matures on March 15, 2044 and has a cash interest rate of 1.35 percent, payable semi-annually in arrears.

MatNav may prepay any amounts outstanding under the 2020 Title XI Debt agreements subject to a potential prepayment premium or other adjustment, in accordance with the 2020 Title XI Debt agreements. Once amounts under the 2020 Title XI Debt are repaid, they may not be reborrowed. Mandatory prepayments are required under certain limited circumstances, including specified casualty events with respect to *Daniel K. Inouye* and *Kaimana Hila* (the "Vessels").

Revolving Credit Facility:

On March 31, 2021, the Company entered into the Second Amended and Restated Credit Agreement (the "Credit Agreement"), which extended the maturity date to March 31, 2026, and retained the committed aggregate borrowings of up to $650 million. The Credit Agreement amended certain covenants and other terms including (i) amending the pricing grid to provide for pricing ranging from, at the Company's election, LIBOR plus a margin between 1.00 percent and 1.75 percent depending on the Company's consolidated net leverage ratio, or base rate plus a margin between 0.00 percent and 0.75 percent depending on the Company's consolidated net leverage ratio; and (ii) reducing the maximum permitted consolidated leverage ratio to 3.50 to 1.0, with an option for a one-time increase to 4.0 to 1.0 in connection with a material acquisition. The Company may prepay any amounts outstanding under the Credit Agreement without premium or penalty. The Credit Agreement contains affirmative, negative and financial covenants customary for financings of this type, including, among other things, limitations on certain other indebtedness, loans and investments, liens, mergers, asset sales, and transactions with affiliates. The Credit Agreement also contains customary events of default. The Company paid fees of approximately $2.2 million in connection with the closing of the Credit Agreement which is included in other long-term assets in the Company's Consolidated Balance Sheets.

On February 9, 2023, the Company further amended the Credit Agreement to replace LIBOR with a new benchmark interest rate, the Secured Overnight Financing Rate ("SOFR"). There were no other significant changes to the Credit Agreement as a result of this amendment.

As of December 31, 2022, the Company had $642.1 million of remaining borrowing availability under the revolving credit facility. The Company used $7.9 million of the revolving credit facility for letters of credit outstanding as of December 31, 2022. Borrowings under the revolving credit facility are classified as long-term debt in the Company's Consolidated Balance Sheets, as principal payments are not required until the maturity date.

Amendments to Existing Private Placement Term Loan Facilities and New Shelf Facilities ("Private Loan Facilities"):

On March 31, 2021, the Company and the holders of the notes party thereto entered into amendments (collectively, the "2021 Note Amendments") to each of (i) the Third Amended and Restated Note Purchase Agreement and Private Shelf Agreement dated as of September 14, 2016, among the Company and the holders of the notes issued thereunder, as amended; and (ii) the Note Purchase Agreement dated December 21, 2016 among the Company and the holders of the notes issued thereunder, in each case as amended prior to such date.

The 2021 Note Amendments amended certain covenants and other terms, including the reduction of the maximum permitted consolidated leverage ratio to 3.50 to 1.0, with an option for a one-time increase to 4.0 to 1.0 in connection with a material acquisition, with potential interest enhancement payments if leverage is over 3.25 to 1.0. The Company paid fees of approximately $0.8 million related to the 2021 Note Amendments which is included in deferred loan fees in debt in the Company's Consolidated Balance Sheets.

Debt Maturities: At December 31, 2022, debt maturities during the next five years and thereafter are as follows:

Year (in millions)	As of December 31, 2022
2023	$ 76.9
2024	39.7
2025	39.7
2026	39.7
2027	39.7
Thereafter	281.8
Total Debt	$ 517.5

Deferred Loan Fees: Activity relating to deferred loan fees for the year ended December 31, 2022 are as follows:

Deferred Loan Fees (in millions)	Amount
Deferred financing costs related to Title XI bonds and private placement debt amendments	$ 14.3
Deferred fees expensed related to the redemption of private placement debt	(0.1)
Amortization expense for the year ended December 31, 2022	(1.3)
Balance at December 31, 2022	$ 12.9

As of December 31, 2022, amortization expense relating to deferred loan fees during the next five years and thereafter are as follows:

Year (in millions)	Amount
2023	$ 1.3
2024	1.2
2025	1.1
2026	1.0
2027	0.9
Thereafter	7.4
Total amortization expense of deferred loan fees	$ 12.9

Debt Covenants in Existing Title XI Bonds and 2020 Title XI Debt Agreements: The Existing Title XI Bonds contain customary representations and warranties as well as affirmative and negative covenants, defaults and other provisions typical for MARAD-guaranteed financings of this type, with definitions and limitations as defined within the Existing Title XI Bonds. These covenants include, among other things, minimum working capital and net worth requirements, limitations on certain other indebtedness, loans and investments, liens, mergers, asset sales, sale and leaseback transactions, and transactions with affiliates as defined within the Existing Title XI Bonds. Certain of the covenants in the Existing Title XI Bonds are applicable only upon and during the continuance of either (i) an event of default or (ii) the failure of MatNav to meet certain financial requirements.

The 2020 Title XI Debt agreements contain customary representations and warranties as well as affirmative and negative covenants, defaults and other provisions typical for MARAD-guaranteed financings of this type, with definitions, limitations and financial tests all as negotiated between MatNav and MARAD. As part of the 2020 Title XI Debt agreements, certain covenants contained in the Existing Title XI Bonds were eliminated. The covenants in the 2020 Title XI Debt agreements include, among other things, limitations on certain other indebtedness, loans and investments, liens, mergers, asset sales, sale and leasebacks, and transactions with affiliates as defined within the 2020 Title XI Debt agreements. Certain of the covenants in the 2020 Title XI Debt agreements are applicable only upon and during the continuance of either (i) an event of default or (ii) the failure of either the Company or MatNav to meet certain supplemental financial tests, including the following:

- The supplemental financial tests applicable to MatNav include maintenance of a working capital minimum of $1, and maintenance of a long term debt to net worth ratio of greater than or equal to 2.0 to 1.0; and
- The supplemental financial tests applicable to the Company include maintenance of a net worth greater than or equal to 90% of the net worth of the Company as set forth in the most recent audited financial statements prior to closing of the issuance of the 2020 Title XI Bonds and compliance with the leverage ratio set forth in the Credit Agreement.

Debt Security and Guarantees: All of the debt of the Company and MatNav, including related guarantees, as of December 31, 2022 was unsecured, except for the Existing Title XI Bonds and the 2020 Title XI Debt.

Under the 2020 Title XI Debt agreements, MARAD has guaranteed certain obligations of MatNav. MatNav has agreed to reimburse MARAD for any payments it makes under the MARAD guaranty, and MatNav's obligations to MARAD with respect to the 2020 Title XI Debt are secured by a mortgage on the Vessels and certain other related assets (the "Collateral"), as well as the Existing Vessels (as defined below). In addition, MatNav's obligations to MARAD with respect to the 2020 Title XI Debt are guaranteed by the Company under an Affiliate Guaranty.

The 2020 Title XI Debt agreements also provide that the two vessels securing the Existing Title XI Bonds – *Manukai* and *Maunawili* (the "Existing Vessels") – also secure the 2020 Title XI Debt until the Existing Title XI Bonds are retired in 2028 and 2029, respectively, subject to certain exceptions.

9. LEASES

Description of Operating Leases: The Company has different types of operating leases, the specific terms and conditions of which vary from lease to lease. Certain operating lease agreements include terms such as: (i) renewal and early termination options; (ii) early buy-out and purchase options; and (iii) rent escalation clauses. The lease agreements also include provisions for the maintenance of the leased asset and payment of lease related costs. The Company reviews the specific terms and conditions of each lease and, as appropriate, notifies the lessor of any intent to exercise any option in accordance with the terms of the lease. In the normal course of business, the Company expects to be able to renew or replace most of its operating leases with other similar leases as they expire. The Company's leases do not contain any residual value guarantees.

The Company's sub-lease income was nominal to the Company's Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2022 and 2021. The Company did not have any finance leases during the years ended December 31, 2022 and 2021. Certain of the Company's lease agreements include rental payments that may be adjusted in the future based on economic conditions and others include rental payments adjusted periodically for inflation. Variable lease expense is disclosed for the adjusted portion of such payments.

The lease type by underlying asset class and maximum terms of the Company's operating leases are as follows:

Lease Type:	Term
Real estate and terminal leases	65 years
Vessel and barge charter leases	8 years
Operations equipment and other leases	8 years

Incremental Borrowing Rate: As most of the Company's operating leases do not provide an implicit rate, the Company uses an estimated incremental borrowing rate based on information available at the date of adoption and subsequent lease commencement dates in calculating the present value of its operating lease liabilities. The incremental borrowing rate is determined using the U.S. Treasury rate adjusted to account for the Company's credit rating and the collateralized nature of operating leases.

Components of Lease Cost: Components of lease cost recorded in the Company's Consolidated Statement of Income and Comprehensive Income consists of the following for the years ended December 31, 2022 and 2021:

	Years Ended December 31,	
(In millions)	2022	2021
Operating lease cost	$ 162.2	$ 110.7
Short-term lease cost	0.6	3.1
Variable lease cost	0.8	0.6
Total lease cost	$ 163.6	$ 114.4

Other Lease Information: Other information related to the Company's operating leases consists of the following for the years ended December 31, 2022 and 2021:

	Years Ended December 31,	
(In millions)	2022	2021
Cash paid for amounts included in operating lease liabilities	$ 163.4	$ 107.9
Right of use assets obtained in the exchange for new operating lease liabilities	$ 131.4	$ 321.7

	As of December 31,	
	2022	2021
Weighted average remaining operating lease term	4.9 years	5.1 years
Weighted average incremental borrowing rate	2.4%	2.1%

Maturities of operating lease liabilities consist of the following at December 31, 2022:

Year (in millions)	As of December 31, 2022
2023	$ 151.0
2024	123.2
2025	72.1
2026	29.6
2027	13.9
Thereafter	53.2
Total lease payments	443.0
Less: Interest	(36.9)
Present value of operating lease liabilities	406.1
Less: Short-term portion	(143.6)
Long-term operating lease liabilities	$ 262.5

Sale and Leaseback of Equipment: On March 25, 2020, the Company entered into an agreement for the sale and leaseback of multiple tranches of chassis and container equipment. The net proceeds from the sales were $14.3 million, and the gain on the disposal of the equipment was not material to the Company's Consolidated Financial Statements. The Company subsequently leased back the equipment under a five-year operating lease agreement, and the obligations under the lease are included in the maturities of operating lease liabilities table above. There were no sale and leaseback transactions during 2022 and 2021.

Termination of Vessel Charter: On July 7, 2021, MatNav entered into an agreement to acquire *Maunalei* which was previously operated under a vessel charter lease agreement for $95.8 million, thereby acquiring the vessel. The Company derecognized the related right-of-use ("ROU") asset of $27.4 million and ROU liability of $28.5 million, and increased property and equipment by $94.7 million, net, during the year ended December 31, 2021.

10. INCOME TAXES

Income Taxes:

Income taxes consist of the following for the years ended December 31, 2022, 2021 and 2020:

	Years Ended December 31,		
(In millions)	2022	2021	2020
Current:			
Federal	$ 171.5	$ 181.2	$ —
State	18.3	35.6	8.7
Foreign	1.3	2.5	1.4
Total	191.1	219.3	10.1
Deferred:			
Deferred tax expense	97.3	24.6	55.8
Total income taxes	$ 288.4	$ 243.9	$ 65.9

Income taxes for the years ended December 31, 2022, 2021 and 2020 differ from amounts computed by applying the statutory federal rate to income before income taxes for the following reasons:

	Years Ended December 31,		
	2022	2021	2020
Computed federal income tax expense	21.0 %	21.0 %	21.0 %
State income tax	2.8 %	3.1 %	3.5 %
Foreign-derived intangible income (FDII)	(2.4)%	(2.5)%	— %
Valuation allowance	— %	(0.3)%	(0.2)%
Foreign taxes	0.1 %	0.2 %	0.6 %
Share-based payments	— %	(0.2)%	(0.5)%
Other — net	(0.2)%	(0.5)%	1.0 %
Effective income tax rate	21.3 %	20.8 %	25.4 %

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2022 and 2021, were as follows:

(In millions)	As of December 31, 2022	2021
Deferred tax assets:		
Operating lease liabilities	$ 102.9	$ 111.7
Multi-employer withdrawal liabilities	13.3	13.8
Deferred compensation	10.9	10.4
U.S. State alternative minimum tax credits	8.8	4.6
Pension and post-retirement plans	—	11.1
Other	22.7	24.6
Total deferred tax assets	158.6	176.2
Valuation allowance	(7.4)	(5.3)
Total deferred tax assets, net of valuation allowance	151.2	170.9
Deferred tax liabilities:		
Basis differences for property and equipment	433.1	423.5
Capital Construction Fund	194.0	1.3
Operating lease right of use assets	100.7	109.3
Intangibles	42.0	41.3
Investment in SSAT	18.7	12.4
Other	9.2	6.0
Total deferred tax liabilities	797.7	593.8
Deferred tax liability, net	$ 646.5	$ 422.9

Valuation Allowance: Valuation allowances are recorded against the Company's foreign income tax net operating losses ("NOLs"), unusable state income tax NOLs and alternative minimum tax credits, and were $7.4 million and $5.3 million as of December 31, 2022 and 2021, respectively. The Company believes that it is more likely than not that the benefit from these deferred assets will not be realized.

Net Operating Losses and Tax Credit Carryforwards: The Company's NOLs and tax credit carryforwards consist of the following at December 31, 2022 and 2021:

(In millions)	Expiration Date	2022	2021
U.S. Federal income tax NOLs	Various dates beginning in 2027	$ 0.8	$ 2.4
U.S. State income tax NOLs (1)	Various dates beginning in 2032	$ 157.9	$ 159.8
U.S. State alternative minimum tax credit	No expiration date	$ 8.6	$ 4.4
Foreign income tax NOLs	No expiration date	$ —	$ 8.8

(1) U.S. State income tax NOLs are presented on a gross tax basis. The Company does not expect to benefit from $157.9 million of U.S. State income tax NOLs as of December 31, 2022 and 2021.

The U.S. federal and state income tax NOLs in the Company's filed income tax returns include unrecognized tax benefits. The deferred tax assets recognized for those NOLs are presented net of these unrecognized tax benefits. As a result of changes in tax legislation, the use of a portion of the Company's domestic NOL and tax credit carryforwards may be limited in future periods. Further, a portion of the federal and state income tax NOLs and tax credit carryforwards may expire before being applied to reduce future income tax liabilities.

Unrecognized Tax Benefits: Total unrecognized benefits represent the amount that, if recognized, would favorably affect the Company's incomes taxes and effective tax rate in future periods. The Company does not expect a material

change in gross unrecognized benefits in the next twelve months. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

Unrecognized Tax Benefits (in millions)	Amount
Balance at December 31, 2019	$ 16.4
Changes in tax positions of prior years, net	2.1
Reductions for lapse of statute of limitations	(0.2)
Balance at December 31, 2020	18.3
Changes in tax positions of prior years, net	1.1
Reductions for lapse of statute of limitations	(0.2)
Balance at December 31, 2021	19.2
Changes in tax positions of prior years, net	6.1
Reductions for lapse of statute of limitations	(0.2)
Balance at December 31, 2022	$ 25.1

Included in the balance of unrecognized tax benefits at December 31, 2022 are potential benefits of $25.1 million that, if recognized, would affect the Company's income taxes and effective tax rate. The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits in income taxes. To the extent interest and penalties are not ultimately assessed with respect to the settlement of uncertain tax positions, amounts accrued will be reduced and reflected as a reduction of the Company's income taxes. Interest accrued related to the balance of unrecognized tax benefits were nominal as of December 31, 2022 and 2021.

The Company is no longer subject to U.S. federal income tax audits for years before 2015. The Company is routinely involved in federal, state, local income and excise tax audits, and foreign tax audits.

Recent U.S. Tax Legislation: On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law in the United States. The new provisions impose a one percent excise tax on the fair market value of share repurchases after December 31, 2022. The Company does not expect the one percent excise tax to have a material impact on the Company's financial statements in future periods. Because the excise tax is not an income tax, any amount paid by the Company will be recorded as a component of shareholders' equity.

The provisions of the IRA also include a 15 percent alternative minimum tax rate that generally applies to U.S. corporations with three-year average adjusted financial statement income in excess of $1 billion, and is effective in taxable years beginning after December 31, 2022. The Company continues to review the provisions of the IRA and monitor the issuance of any guidance related to these provisions. However, based upon its preliminary assessment, the Company does not expect these provisions to have a material impact on the Company's tax provision in future periods.

11. PENSION AND POST-RETIREMENT PLANS

The Company had two funded qualified single-employer defined benefit pension plans that cover certain non-bargaining unit employees and bargaining unit employees. Effective December 31, 2022, the plans were merged into a single pension plan. In addition, the Company has plans that provide certain retiree health care and life insurance benefits to substantially all salaried, non-bargaining employees hired before 2008 and to certain bargaining unit employees. Employees are generally eligible for such benefits upon retirement and completion of a specified number of years of service. The Company does not pre-fund these health care and life insurance benefits, and has the right to modify or terminate certain of these plans in the future. Most non-bargaining retirees pay a portion of the benefit costs.

Plan Administration, Investments and Asset Allocations: The Company has a Benefits Investment Committee that meets regularly with investment advisors to establish investment policies, direct investments and select investment options for the qualified plan. The Benefits Investment Committee is also responsible for appointing investment managers and monitoring their performance. The Company's investment policy permits investments in marketable equity securities, such as domestic and foreign stocks, domestic and foreign bonds, venture capital, real estate investments, and cash equivalents. The Company's investment policy does not permit direct investment in certain types of assets, such as options or commodities, or the use of certain strategies, such as short selling or the purchase of securities on margin.

The Company's investment strategy for its qualified pension plan assets is to achieve a diversified mix of investments that provides for long-term growth at an acceptable level of risk, and to provide sufficient liquidity to fund ongoing benefit payments. The Company has engaged a number of investment managers to implement various investment strategies to achieve the desired asset class mix, liquidity and risk diversification objectives.

The Company's target and actual asset allocations at December 31, 2022 and 2021 were as follows:

Asset Categories	Target	2022	2021
Domestic equity securities	53 %	53 %	61 %
International equity securities	15 %	16 %	16 %
Debt securities	22 %	20 %	15 %
Real estate	5 %	7 %	6 %
Other and cash	5 %	4 %	2 %
Total	100 %	100 %	100 %

The Company's investments in equity securities primarily include domestic large-cap and mid-cap companies, but also includes an allocation to small-cap and international equity securities. Equity investments do not include any direct holdings of the Company's stock but may include such holdings to the extent that the stock is included as part of certain mutual fund holdings. Debt securities include investment-grade and high-yield corporate bonds from diversified industries, mortgage-backed securities, and U.S. Treasuries. Other types of investments include funds that invest in commercial real estate assets. All assets within specific funds are allocated to the target asset allocation of the fund.

The expected return on plan assets is principally based on the Company's historical returns combined with the Company's long-term future expectations regarding asset class returns, the mix of plan assets, and inflation assumptions. Actual return on plan assets for the periods presented are as follows:

Actual Return on Plan Assets	Returns
One-year return	(11.6)%
Three-year return	4.4 %
Five-year return	5.5 %
Long-term average return (since plan inception in 1989)	8.0 %

The Company's pension plan assets are held in a trust and are stated at estimated fair values of the underlying investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

Equity Securities: Domestic and international common stocks are valued by obtaining quoted prices on recognized and highly liquid exchanges.

Fixed Income Securities: Corporate bonds and U.S. government treasury and agency securities are valued based on the closing price reported in the market in which the security is traded. U.S. government agency and corporate asset-backed securities may utilize models, such as a matrix pricing model, that incorporate other observable inputs when broker/dealer quotes are not available, such as cash flow, security structure, or market information.

Real Estate and Private Equity Funds: The fair value of real estate and private equity funds is determined by the issuer based on their net asset value ("NAV"). NAV is determined by dividing the fund's net assets, as recorded in the fund's audited financial statements, by the number of units outstanding at the valuation date. Fair value for underlying investments in real estate is determined through independent property appraisals.

The fair values of the Company's pension plan assets at December 31, 2022 and 2021 by asset category were as follows:

	Fair Value Measurements at December 31, 2022			
Asset Category (in millions)	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 8.8	$ 8.8	$ —	$ —
Equity securities:				
U.S. large-cap	69.1	69.1	—	—
U.S. mid- and small-cap	41.5	41.5	—	—
International large-cap	6.2	6.2	—	—
Fixed income securities:				
U.S. Treasuries	17.4	—	17.4	—
Municipal bonds	0.2	—	0.2	—
Investment grade U.S. corporate bonds	22.8	—	22.8	—
Convertible Bonds	0.3	—	0.3	—
International Fixed Income	0.1	—	0.1	—
Total	166.4	$ 125.6	$ 40.8	$ —
Investment measured at NAV (1)	40.0			
Total plan assets	$ 206.4			

	Fair Value Measurements at December 31, 2021			
Asset Category (in millions)	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 10.7	$ 10.7	$ —	$ —
Equity securities:				
U.S. large-cap	80.9	80.9	—	—
U.S. mid- and small-cap	61.7	61.7	—	—
International large-cap	7.5	7.5	—	—
Fixed income securities:				
U.S. Treasuries	9.6	—	9.6	—
Investment grade U.S. corporate bonds	24.5	—	24.5	—
High-yield U.S. corporate bonds / Non-U.S. Bonds	0.2	—	0.2	—
Total	195.1	$ 160.8	$ 34.3	$ —
Investment measured at NAV (1)	44.4			
Total plan assets	$ 239.5			

(1) Real estate and private equity funds for which fair value is measured using the NAV per share as a practical expedient are not leveled within the fair value hierarchy and are included as a reconciling item to total plan assets.

Contributions to the qualified single-employer defined benefit pension plans are determined annually by the Company's pension administrative committee, based upon the actuarially determined minimum required contribution under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, the Pension Protection Act of 2006, and the maximum deductible contribution allowed for tax purposes. The Company's funding policy is to contribute cash so that it meets at least the minimum contribution requirements, with an allowance for discretionary contributions. In 2022, 2021 and 2020, the Company contributed $9.0 million, $9.0 million and $9.0 million, respectively, in pension contributions to these plans.

The benefit formulas for employees who are members of collective bargaining units are determined according to the collective bargaining agreements, either using final average pay as the base or a flat dollar amount per year of service.

Effective December 31, 2011, the Company froze benefit accruals under the final average pay formula for salaried, non-bargaining unit employees hired before January 1, 2008 and transitioned them to the same cash balance formula for employees hired on or after January 1, 2008. Retirement benefits under the cash balance formula are based on a fixed percentage of employee eligible compensation, plus interest. The plan interest credit rate will vary from year to year based on the ten-year U.S. Treasury rate.

Benefit Plan Assets and Obligations: The measurement date for the Company's benefit plan disclosures is December 31 of each year.

The status of the funded qualified defined benefit pension plan and the unfunded post-retirement benefit plan at December 31, 2022 and 2021 are shown below:

	Pension Benefits December 31,		Post-retirement Benefits December 31,	
(In millions)	2022	2021	2022	2021
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$ 249.5	$ 263.1	$ 29.3	$ 29.1
Service cost	4.8	4.8	0.7	0.7
Interest cost	7.0	6.4	0.8	0.7
Participant contributions	—	—	0.7	0.8
Actuarial (gain) loss	(59.0)	(10.7)	(14.2)	0.1
Benefits paid, net of subsidies received	(14.1)	(13.0)	(2.0)	(2.1)
Expenses paid	(0.8)	(1.1)	—	—
Benefit obligation at end of year	187.4	249.5	15.3	29.3
Change in Plan Assets:				
Fair value of plan assets at beginning of year	238.9	212.8	—	—
Actual return on plan assets	(26.7)	31.2	—	—
Participant contributions	—	—	0.7	0.8
Employer contributions	9.0	9.0	1.3	1.3
Benefits paid, net of subsidies received	(14.1)	(13.0)	(2.0)	(2.1)
Expenses paid	(0.8)	(1.1)	—	—
Fair value of plan assets at end of year	206.3	238.9	—	—
Funded Status and Recognized Liability	$ 18.9	$ (10.6)	$ (15.3)	$ (29.3)

Qualified pension and post-retirement benefit plans liabilities recognized in the Consolidated Balance Sheets and expenses recognized in accumulated other comprehensive income (loss) at December 31, 2022 and 2021 were as follows:

	Pension Benefits December 31,		Post-retirement Benefits December 31,	
(In millions)	2022	2021	2022	2021
Non-current assets	$ 18.9	$ 1.3	$ —	$ —
Current liabilities	—	—	(0.9)	(0.9)
Non-current liabilities	—	(11.9)	(14.4)	(28.4)
Total	$ 18.9	$ (10.6)	$ (15.3)	$ (29.3)
Net (loss) gain, net of taxes	$ (25.8)	$ (39.9)	$ 7.6	$ (3.7)
Prior service credit, net of taxes	—	0.8	11.1	13.9
Total	$ (25.8)	$ (39.1)	$ 18.7	$ 10.2

The information for qualified defined benefit pension plans with an accumulated benefit obligation in excess of plan assets at December 31, 2022 and 2021 are shown below:

(In millions)	2022	2021
Projected benefit obligation	$ —	$ 247.8
Accumulated benefit obligation	$ —	$ 247.4
Fair value of plan assets	$ —	$ 235.8

Unrecognized gains and losses of the post-retirement benefit plans are amortized over five years. Although current health care costs are expected to increase, the Company attempts to mitigate these increases by maintaining caps on certain of its benefit plans, using lower cost health care plan options where possible, requiring that certain groups of employees pay a portion of their benefit costs, self-insuring for certain insurance plans, encouraging wellness programs for employees, and implementing measures to mitigate future benefit cost increases.

Components of the net periodic benefit cost and other amounts recognized in other comprehensive income (loss) for the qualified pension plans and the post-retirement benefit plans during 2022, 2021 and 2020 were as follows:

	Pension Benefits December 31,			Post-retirement Benefits December 31,		
(In millions)	2022	2021	2020	2022	2021	2020
Components of Net Periodic Benefit Cost (Benefit):						
Service cost	$ 4.8	$ 4.8	$ 5.1	$ 0.7	$ 0.7	$ 0.5
Interest cost	7.0	6.4	7.9	0.8	0.7	0.8
Expected return on plan assets	(16.0)	(14.7)	(14.0)	—	—	—
Amortization of net loss (gain)	2.4	5.2	4.5	0.8	1.0	0.5
Amortization of prior service credit	(1.0)	(2.3)	(2.3)	(3.6)	(3.7)	(3.7)
Net periodic benefit cost	(2.8)	(0.6)	1.2	(1.3)	(1.3)	(1.9)
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income, net of tax:						
Net (gain) loss	(12.3)	(20.4)	11.4	(10.7)	—	2.0
Amortization of net (loss) gain	(1.8)	(3.9)	(3.4)	(0.6)	(0.7)	(0.3)
Amortization of prior service credit	0.8	1.7	1.7	2.7	2.8	2.8
Total recognized in other comprehensive (income) loss	(13.3)	(22.6)	9.7	(8.6)	2.1	4.5
Total recognized in net periodic benefit cost and other comprehensive (income) loss	$ (16.1)	$ (23.2)	$ 10.9	$ (9.9)	$ 0.8	$ 2.6

The weighted average assumptions used to determine benefit information during 2022, 2021 and 2020 were as follows:

	Pension Benefits December 31,			Post-retirement Benefits December 31,		
	2022	2021	2020	2022	2021	2020
Discount rate (1)	5.60 %	2.90 %	2.50 %	5.50 %	3.00 %	2.70 %
Expected return on plan assets	6.75 %	7.00 %	7.25 %			
Rate of compensation increase	4.00 % - 3.50 %	3.00 %	3.00 %	4.00 % - 3.50 %	3.00 %	3.00 %
Cash balance interest credit rate	3.50 % - 3.25 %	1.50 % - 3.25 %	0.75 % - 3.25 %			
Immediate health care cost trend rate:						
Pre-65 group				6.60 %	5.70 %	5.30 %
Post-65 group				6.10 %	5.80 %	5.40 %
Ultimate health care cost trend rate				4.00 %	4.00 %	4.40 %
Year ultimate health care cost trend rate is reached:						
Pre-65 group				2046	2045	2037
Post-65 group				2046	2045	2036

(1) The Company derives a single equivalent rate utilizing a yield curve constructed from a portfolio of high-quality corporate bonds with various maturities.

Non-qualified Pension Plans: The Company has non-qualified supplemental pension plans covering certain employees and retirees, which provide for incremental pension payments from the Company's general funds so that total pension benefits would be substantially equal to amounts that would have been payable from the Company's qualified pension plans if it were not for limitations imposed by income tax law. A few employees and retirees receive additional supplemental pension benefits. Non-qualified pension plan liabilities recognized in the Consolidated Balance Sheets and expenses recognized in accumulated other comprehensive income (loss) at December 31, 2022 and 2021 are as follows:

	Non-qualified Pension Benefits December 31,	
(In millions)	2022	2021
Current liabilities	$ (0.7)	$ (1.8)
Non-current liabilities	(3.4)	(3.0)
Total	$ (4.1)	$ (4.8)
Net loss, net of taxes	$ 0.1	$ (0.7)
Total	$ 0.1	$ (0.7)

Discount rates of 5.5 percent and 2.4 percent were used in determining the 2022 and 2021 non-qualified pension plan obligations, respectively.

Estimated Benefit Payments: The estimated future benefit payments for the next ten years consist of the following as of December 31, 2022:

Year (in millions)	Pension Benefits	Non-qualified Pension Benefits	Post-retirement Benefits (1)
2023	$ 14.6	$ 0.7	$ 0.9
2024	14.8	0.3	0.9
2025	15.1	0.4	1.0
2026	15.2	0.6	1.0
2027	15.4	0.9	1.0
2028-2032	77.7	2.7	4.9
Total	$ 152.8	$ 5.6	$ 9.7

(1) Net of participant contributions and Medicare Part D subsidies.

Defined Contribution Plans: The Company sponsors defined contribution plans that qualify under Sections 401(a) and 401(k) of the Internal Revenue Code. The Company may make discretionary matching contributions equal to a specified percentage of each participant's 401(k) contributions and makes other non-discretionary contributions. For the year ended December 31, 2022, the Company provided discretionary matching contributions of up to 3 percent of eligible employee compensation. The Company's matching contributions expensed in 2022, 2021 and 2020 were $3.6 million, $3.2 million and $3.0 million, respectively.

The Company may also provide a discretionary profit sharing contribution under the qualified defined contribution plans, to salaried, non-bargaining unit employees, if both a minimum threshold of Company performance is achieved and the Board has approved the profit sharing contribution. For certain eligible employees, supplemental profit sharing contributions are credited under a non-qualified plan to be paid after separation from service from the Company's general funds so that total profit sharing contributions would be substantially equal to amounts that would have been contributed to the Company's qualified defined contribution plans if it were not for limitations imposed by income tax law. Discretionary profit sharing contributions expensed in 2022, 2021 and 2020 were $2.8 million, $2.5 million and $2.2 million, respectively.

Multi-employer Bargaining Plans:

The Company contributes to multi-employer defined benefit pension plans under the terms of collective-bargaining agreements that cover its bargaining unit employees. Contributions are generally based on amounts paid for union labor or cargo volume. The risks of participating in multi-employer plans are different from single-employer plans because assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other

participating employers. Additionally, if one employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

The multi-employer pension plans are subject to the plan termination insurance provisions of ERISA and are paying premiums to the Pension Benefit Guaranty Corporation ("PBGC"). The statutes provide that an employer who withdraws from, or significantly reduces its contribution obligation to, a multi-employer plan generally will be required to continue funding its proportional share of the plan's unfunded vested benefits. As of December 31, 2022, the Company's estimated benefit plan withdrawal obligations were $170.1 million. Except as described in Note 12, no withdrawal obligations have been recorded by the Company in the Consolidated Balance Sheets at December 31, 2022 and 2021, as the Company has no present intention of withdrawing from and does not anticipate termination of any of these plans.

Information regarding the Company's participation in multi-employer pension plans is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act zone status available in 2022 and 2021 is for the plan's year-end at December 31, 2022 and 2021, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded; plans in the orange zone are both a) less than 80 percent funded and b) have an accumulated/expected funding deficiency in any of the next six plan years, net of any amortization extensions; plans in the yellow zone meet either one of the criteria mentioned in the orange zone; and plans in the green zone are at least 80 percent funded. The funding improvement plan ("FIP") or rehabilitation plan ("RP") column indicates the status which is either pending or has been implemented. The last column lists the expiration dates of the collective-bargaining agreements to which the plans are subject.

Pension Funds	EIN/Pension Plan Number	Notes	Pension Protection Act Zone as of December 31, 2022	Pension Protection Act Zone as of December 31, 2021	FIP/RP Status Pending/ Implemented	5% Contributor in 2022	Contributions of Matson (in millions) 2022	Contributions of Matson (in millions) 2021	Contributions of Matson (in millions) 2020	Surcharge Imposed	Expiration Date (2)
American Radio Association Pension Fund	13-6161999-001		Green	Green	Implemented	Yes	$ 1.1	$ 1.1	$ 1.0	No	6/15/2028
Hawaii Longshore Pension Plan	99-0314293-001	(1)	Green	Green	No	Yes	11.9	11.1	—	No	6/30/2022
Hawaii Terminals Multiemployer Pension Plan	20-0389370-001	(1)	N/A	N/A	N/A	N/A	—	—	5.8	N/A	N/A
Hawaii Stevedoring Multiemployer Retirement Plan	99-0314293-001	(1)	N/A	N/A	N/A	N/A	—	—	4.6	N/A	N/A
Master, Mates and Pilots Pension Plan	13-6372630-001		Green	Green	No	Yes	3.8	3.5	3.2	No	6/15/2027, 6/15/2028
Masters, Mates and Pilots Adjustable Pension Plan	37-1719247-001		Green	Green	No	Yes	2.1	2.0	1.8	No	6/15/2027, 6/15/2028
MEBA Pension Trust - Defined Benefit Plan	51-6029896-001		Green	Green	No	Yes	4.5	4.3	4.1	No	6/15/2028
OCU Pension Trust Plan	26-1574440-001		Green	Green	No	No	0.5	0.3	0.2	No	6/30/2023
MFOW Supplementary Pension Plan	94-6201677-001		Yellow	Yellow	No	Yes	0.1	0.1	0.1	No	6/30/2026
SIU Pacific District Pension Plan	94-6061923-001		Green	Green	No	Yes	1.5	1.4	1.3	No	6/30/2026
Alaska Teamster - Employer Pension Plan	92-6003463-024		Red	Red	Implemented	Yes	4.0	3.6	3.3	No	6/30/2023, 6/30/2024, 6/30/2025, 6/30/2026
All Alaska Longshore Pension Plan	91-6085352-001		Green	Green	No	Yes	2.0	1.6	1.3	No	6/30/2022
Western Conference of Teamsters Pension Plan	91-6145047-001		Green	Green	No	No	2.1	1.9	1.6	No	3/31/2023
Western Conference of Teamsters Supplemental Benefit Trust	95-3746907-001		Green	Green	No	No	0.1	—	—	No	3/31/2023
OPEIU Local 153 Pension Plan	13-2864289-001		Red	Red	Implemented	No	0.1	0.1	0.1	No	11/9/2023
Seafarers Pension Plan	13-6100329-001	(3)	Green	Green	No	No	—	—	—	No	6/30/2027
Total							$ 33.8	$ 31.0	$ 28.4		

(1) The Hawaii Terminals Multiemployer Pension Plan merged into the Hawaii Stevedoring Multiemployer Retirement Plan effective January 1, 2021 and is formally known as the Hawaii Longshore Pension Plan.
(2) Represents the expiration date of the collective bargaining agreement. Certain collective bargaining agreements have expired and are currently being renegotiated.
(3) The Company does not make contributions directly to the Seafarers Pension Plan. Instead, contributions are made to the Seafarers Health and Benefits Plan, and are subsequently re-allocated to the Seafarers Pension Plan at the discretion of the plan Trustee.

The Company also contributes to multi-employer plans that provide post-retirement health and other benefits other than pensions under the terms of collective-bargaining agreements. Benefits provided to active and retired employees and their eligible dependents under these plans include medical, dental, vision and prescription drugs. These plans are not subject to the PBGC plan termination and withdrawal liability provisions of ERISA applicable to multi-employer defined benefit pension plans. Contributions for these multi-employer postretirement health and other benefits were $37.7 million, $34.7 million and $32.5 million in 2022, 2021 and 2020, respectively.

Multi-employer Defined Contribution Plans: The Company contributes to six multi-employer defined contribution pension plans. These plans are not subject to the withdrawal liability provisions of ERISA or the PBGC applicable to multi-employer defined benefit pension plans. Contributions made to these plans by the Company were $6.0 million, $5.6 million and $5.1 million in 2022, 2021 and 2020, respectively.

12. MULTI-EMPLOYER WITHDRAWAL LIABILITIES

Horizon ceased all of its operations in Puerto Rico during the first quarter of 2015, which resulted in a mass withdrawal from its multi-employer ILA-PRSSA pension fund. The Company assumed this liability as part of the acquisition of Horizon on May 29, 2015. The Company estimated the mass withdrawal liability based upon the required undiscounted quarterly payment of approximately $1.0 million to be paid to the ILA-PRSSA pension fund over a period which ends in March 2040, discounted to present value using the Company's incremental borrowing rate. Future estimated annual payments to be paid to the ILA-PRSSA pension fund as of December 31, 2022 were as follows:

Year (in millions)	Total
2023	$ 4.1
2024	4.1
2025	4.1
2026	4.1
2027	4.1
Thereafter	51.4
Total remaining future undiscounted payments due to the ILA-PRSSA pension fund	71.9
Less: amount representing interest	(19.2)
Present value of multi-employer withdrawal liability	52.7
Current portion of multi-employer withdrawal liability (see Note 2)	(4.1)
Long-term portion of multi-employer withdrawal liability (see Note 2)	$ 48.6

Furthermore, the Company assumed a partial withdrawal liability related to the Local 153 Fund of the OPEIU. The partial withdrawal liability resulted from a decline in the number of contribution base units related to the Local 153 Fund caused by Horizon terminating all of its operations in Puerto Rico during the first quarter of 2015. The Company paid off this partial withdrawal liability of $6.5 million during 2021.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in accumulated other comprehensive income (loss) by component, net of tax, consist of the following for the years ended December 31, 2022 and 2021:

(In millions)	Pension Benefits	Post-Retirement Benefits	Non-Qualified Pension Benefits	Other	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2020	$ (61.7)	$ 12.2	$ (0.6)	$ (0.7)	$ (50.8)
Amortization of prior service cost	(1.7)	(2.8)	(0.1)	—	(4.6)
Amortization of net loss (gain)	24.3	0.7	—	—	25.0
Foreign currency exchange	—	—	—	(0.9)	(0.9)
Other adjustments	—	—	—	0.4	0.4
Balance at December 31, 2021	(39.1)	10.1	(0.7)	(1.2)	(30.9)
Amortization of prior service cost	(0.8)	(2.7)	—	—	(3.5)
Amortization of net loss (gain)	14.1	11.3	0.8	1.1	27.3
Foreign currency exchange	—	—	—	(0.4)	(0.4)
Other adjustments	—	—	—	0.6	0.6
Balance at December 31, 2022	$ (25.8)	$ 18.7	$ 0.1	$ 0.1	$ (6.9)

Other comprehensive income (loss) in the Consolidated Statements of Income and Comprehensive Income is shown net of tax benefit (expense) of $(9.3) million, $(8.1) million and $4.2 million for the years ended December 2022, 2021 and 2020, respectively.

14. EARNINGS PER SHARE

Basic earnings per share are determined by dividing net income by the weighted-average common shares outstanding during the year. The calculation of diluted earnings per share includes the dilutive effect of unexercised non-qualified stock options and non-vested stock units. The computation of weighted average dilutive shares outstanding excluded a nominal amount of anti-dilutive non-qualified stock options for each of the years 2022, 2021 and 2020.

The denominators used to compute basic and diluted earnings per share for the years ended December 31, 2022, 2021 and 2020 are as follows:

	Year Ended December 31, 2022			Year Ended December 31, 2021			Year Ended December 31, 2020		
(In millions, except per share amounts)	Net Income	Weighted Average Common Shares	Per Common Share Amount	Net Income	Weighted Average Common Shares	Per Common Share Amount	Net Income	Weighted Average Common Shares	Per Common Share Amount
Basic:	$ 1,063.9	39.0	$ 27.28	$ 927.4	42.8	$ 21.67	$ 193.1	43.1	$ 4.48
Effect of Dilutive Securities:	—	0.3	(0.21)	—	0.4	(0.20)	—	0.4	(0.04)
Diluted:	$ 1,063.9	39.3	$ 27.07	$ 927.4	43.2	$ 21.47	$ 193.1	43.5	$ 4.44

15. SHARE-BASED AWARDS

The Company has share-based compensation plans which are described as follows:

2016 Incentive Compensation Plan: The Amended and Restated Matson, Inc. 2016 Incentive Compensation Plan (the "2016 Plan") serves as a successor to the 2007 Incentive Compensation Plan and all other predecessor plans. No further grants will be made under the predecessor stock option plans. Under the 2016 Plan, 4.35 million shares of common stock were reserved for issuance.

The 2016 Plan consists of four separate incentive compensation programs: (i) the discretionary grant program, (ii) the stock issuance program, (iii) the incentive bonus program, and (iv) the automatic grant program for the non-employee members of the Company's Board of Directors. Share-based compensation is generally awarded under three of the four programs, as more fully described below.

Discretionary Grant Program — Under the Discretionary Grant Program, stock options may be granted with an exercise price no less than 100 percent of the fair market value (defined as the closing market price) of the Company's common stock on the date of the grant. No stock options have been granted under the 2016 Plan.

Stock Issuance Program — Under the Stock Issuance Program, shares of common stock, restricted stock units or performance shares may be granted. Time-based equity awards generally vest ratably over three years. Provided certain three-year performance targets are achieved, performance-based equity awards generally vest on the three-year anniversary date of the grant.

Automatic Grant Program — At each annual shareholder meeting, non-employee directors will receive an award of restricted stock units that entitle the holder to an equivalent number of shares of common stock upon vesting, under the Automatic Grant Program. Awards of restricted stock units granted under the program generally vest on the one-year anniversary of the grant date.

The shares of common stock authorized to be issued under the 2016 Plan may be drawn from shares of the Company's authorized but unissued common stock or from shares of its common stock that the Company acquires, including shares purchased on the open market or in private transactions.

Share-based compensation expense and other information related to share-based awards for the years ended December 31, 2022, 2021 and 2020 are as follows:

Share-based compensation expense, net of estimated forfeitures (in millions)	Years Ended December 31, 2022	2021	2020
Share-based compensation expense	$ 18.3	$ 19.3	$ 18.8
Intrinsic value of options exercised	$ —	$ —	$ 5.8
Tax benefit realized upon stock vesting	$ 10.6	$ 8.0	$ 3.3
Fair value of stock vested	$ 44.0	$ 33.5	$ 13.1

As of December 31, 2022, unrecognized compensation cost related to non-vested restricted stock units and performance-based equity awards was $18.4 million. Unrecognized compensation cost is expected to be recognized over a weighted average period of approximately 1.7 years.

The following table summarizes non-vested restricted stock unit activity through December 31, 2022 (in thousands, except weighted average grant-date fair value amounts):

	2007 Plan Restricted Stock Units	2016 Plan Restricted Stock Units	Total Restricted Stock Units	Weighted Average Grant-Date Fair Value
Outstanding at December 31, 2021	1	690	691	$ 47.61
Granted	—	183	183	100.50
Vested	(1)	(469)	(470)	37.85
Canceled	—	(23)	(23)	72.90
Added by performance factor (1)	—	165	165	33.12
Outstanding at December 31, 2022	—	546	546	$ 68.38

(1) Represents shares paid out above target.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company values its financial instruments based on the fair value hierarchy of valuation techniques for fair value measurements. Level 1 inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability. If the technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy, the lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The Company uses Level 1 inputs for the fair values of its cash, cash equivalents, restricted cash and Capital Construction Fund, and Level 2 inputs for its variable and fixed rate debt. The fair values of cash, cash equivalents and restricted cash, Capital Construction Fund and variable rate debt approximate their carrying values due to the nature of the instruments. The fair value of fixed rate debt is calculated based upon interest rates available for debt with terms and maturities similar to the Company's existing debt arrangements.

The carrying value and fair value of the Company's financial instruments consists of the following as of December 31, 2022 and 2021:

(In millions)	Total Carrying Value December 31, 2022	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Fair Value Measurements at December 31, 2022			
Cash and cash equivalents	$ 249.8	$ 249.8	$ 249.8	$ —	$ —
Restricted cash	$ 3.9	$ 3.9	$ 3.9	$ —	$ —
Capital Construction Fund	$ 518.2	$ 518.2	$ 518.2	$ —	$ —
Fixed rate debt	$ 517.5	$ 427.3	$ —	$ 427.3	$ —

(In millions)	December 31, 2021	Fair Value Measurements at December 31, 2021			
Cash and cash equivalents	$ 282.4	$ 282.4	$ 282.4	$ —	$ —
Restricted cash	$ 5.3	$ 5.3	$ 5.3	$ —	$ —
Fixed rate debt	$ 629.0	$ 615.1	$ —	$ 615.1	$ —

17. COMMITMENTS AND CONTINGENCIES

Commitments and contractual obligations, excluding debt obligations (see Note 8), lease commitments (see Note 9), pension and post-retirement plan commitments, and multi-employer bargaining plan withdrawal obligations (see Note 11 and 12), are as follows as of December 31, 2022:

Commitments and Contractual Obligations (in millions)	Total
Standby letters of credit (1)	$ 7.9
Bonds (2)	$ 33.3
Vessel construction obligations (3)	$ 949.0
Vendor and other obligations (4)	$ 99.3

(1) Standby letters of credit are required for the Company's uninsured workers' compensation and other insurance programs, and other needs.
(2) Bonds are required for U.S. Customs and other related matters.
(3) Vessel construction obligations represent remaining contractual obligations entered into for the construction of three new Jones Act vessels.
(4) Vendor and other obligations include: (i) non-cancellable contractual capital project obligations; (ii) dry-docking related obligations; and (iii) other contractual obligations. Amounts are considered obligations if a contract has been agreed to specifying significant terms of the contract, and the amounts are not reflected in the Consolidated Balance Sheets.

These amounts are not recorded on the Company's Consolidated Balance Sheet and it is not expected that the Company or its subsidiaries will be called upon to advance funds under these commitments.

Contingencies: Contingencies and other litigation related matters are described as follows:

Environmental Matters: The Company's Ocean Transportation segment has certain risks that could result in expenditures for environmental remediation.

On November 10, 2021, the California Air Resources Board ("CARB") issued a Notice of Violation (the "NOV") to Matson for alleged violations of the Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port pursuant to California Code of Regulations, title 17, section 93118.3. CARB regulations require that a company's fleet plug into shore power for at least 80 percent of visits at California ports and reduce auxiliary engine power generation by at least 80 percent. The NOV alleges that Matson's fleet did not meet the 80 percent thresholds during visits to the Port of Long Beach in 2020. The violations were alleged to have been incurred by chartered vessels in the CLX+ service. These chartered vessels were not outfitted with alternative maritime power ("AMP") capability which would have allowed them to plug into the shore power grid and shut down the vessel diesel generators when at dock. The Company has presented mitigating factors for consideration in settlement discussions with CARB as well as plans to achieve compliance. Although potential penalties for 2020, 2021 and 2022 violations could, in the aggregate, reasonably be expected to exceed $1 million, they are not expected to be material to the Company's financial condition, results of operations, or cash flows.

Other Matters: The Company and its subsidiaries are parties to, or may be contingently liable in connection with, other legal actions arising in the normal course of their businesses, the outcomes of which, in the opinion of management after consultation with counsel, would not have a material effect on the Company's financial condition, results of operations, or cash flows.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

Internal Control over Financial Reporting

See page 41 for management's annual report on internal control over financial reporting, which is incorporated herein by reference.

See page 42 for the attestation report of the independent registered public accounting firm on the Company's internal control over financial reporting, which is incorporated herein by reference.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's fiscal fourth quarter ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

A. Directors

The information about the directors of Matson required under this item will be included under the section captioned "Proposal 1 – Election of Directors" in Matson's Proxy Statement for the 2023 Annual Meeting of Shareholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2022 ("Matson's 2023 Proxy Statement"), which section is incorporated herein by reference.

B. Information About Our Executive Officers

The information about the executive officers of Matson required under this item will be included under the subsection captioned "Executive Officers" in Matson's 2023 Proxy Statement, which subsection is incorporated herein by reference.

C. Corporate Governance

The information about the Audit Committee of the Matson Board of Directors and compliance with Section 16(a) of the Exchange Act, will be included under the subsections captioned "Board of Directors and Committees of Board" and, if applicable, "Delinquent Section 16(a) Reports" in Matson's 2023 Proxy Statement, which subsections are incorporated herein by reference.

D. Code of Ethics

The information about Matson's Code of Ethics required under this item will be included under the subsection captioned "Code of Ethics" in Matson's 2023 Proxy Statement, which subsection is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required under this item will be included under the section captioned "Executive Compensation" and the subsections captioned "Compensation of Directors" and "Pay Risk Assessment" in Matson's 2023 Proxy Statement, which section and subsections are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information: The following table sets forth, as of December 31, 2022, certain information regarding Matson's equity compensation plan:

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by shareholders	545,953 (1)	$ — (2)	2,117,506 (3)
Equity compensation plans not approved by shareholders	—	—	—
Total	545,953	$ —	2,117,506

(1) This includes 270,309 shares subject to unvested restricted stock unit awards and 275,644 shares subject to unvested Performance Share awards.
(2) Restricted stock unit and Performance Share awards do not have exercise prices.
(3) These shares are available for issuance under the 2016 Plan.

Other information required under this item will be included under the section captioned "Security Ownership of Certain Shareholders" and the subsection captioned "Security Ownership of Directors and Executive Officers" in Matson's 2023 Proxy Statement, which section and subsection are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under this item will be included in the section captioned “Proposal 1 – Election of Directors” and the subsection captioned “Certain Relationships and Transactions” in Matson’s 2023 Proxy Statement, which section and subsection are incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information concerning principal accountant fees and services required under this item will be included under the sections captioned “Audit Committee Report” and “Ratification of Appointment of Independent Registered Public Accounting Firm” in Matson’s 2023 Proxy Statement, which sections are incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A. Financial Statements

The Consolidated Financial Statements are set forth in Item 8 of Part II above.

B. Financial Statement Schedules

All schedules are omitted because of the absence of the conditions under which they are required or because the information called for is included in the Consolidated Financial Statements or notes thereto.

C. Exhibits Required by Item 601 of Regulation S-K

Exhibits not filed herewith are incorporated by reference to the exhibit number and previous filing shown in parentheses. All previous exhibits were filed with the Securities and Exchange Commission in Washington, D.C.

Exhibits filed pursuant to the Securities Exchange Act of 1934 were filed under file number 001-34187. Shareholders may obtain copies of exhibits for a copying and handling charge of $0.15 per page by writing to, Corporate Secretary, Matson, Inc., 555 12th Street, Oakland, California 94607.

2	Plan of acquisition, reorganization, arrangement, liquidation or succession.
2.1	Agreement and Plan of Merger, dated as of November 11, 2014, by and among Matson Navigation Company, Inc., Hogan Acquisition Inc. and Horizon Lines, Inc. (incorporated by reference to Exhibit 2.1 of Matson's Form 8-K dated November 11, 2014).
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated as of February 13, 2015, by and among Matson Navigation Company, Inc., Hogan Acquisition Inc. and Horizon Lines, Inc. (incorporated by reference to Exhibit 2.1 of Matson's Form 8-K dated February 17, 2015).
2.3	Contribution, Assumption and Purchase Agreement, dated as of November 11, 2014, by and among The Pasha Group, SR Holding LLC, Horizon Lines, Inc. and Sunrise Operations LLC (incorporated by reference to Exhibit 2.2 of Horizon Lines, Inc.'s Form 8-K dated November 13, 2014).
2.4	Amendment No. 1 to the Contribution, Assumption and Purchase Agreement, dated as of May 29, 2015, by and among The Pasha Group, SR Holding LLC, Horizon Lines, Inc. and Sunrise Operations LLC (incorporated by reference to Exhibit 2.2 of Matson's Form 10-Q for the quarter ended June 30, 2015).
3	Articles of incorporation and bylaws.
3.1	Amended and Restated Articles of Incorporation of Matson, Inc. (incorporated by reference to Exhibit 3.1 of Matson's Form 10-Q for the quarter ended June 30, 2012).
3.2	Articles of Amendment to Change Corporate Name (incorporated by reference to Exhibit 4.2 of Matson's Form S-8 dated October 26, 2012).
3.3	Amended and Restated Bylaws of Matson, Inc. (as amended as of November 6, 2013) (incorporated by reference to Exhibit 3.1 of Matson's Form 10-Q for the quarter ended September 30, 2013).
4	Description of Registered Securities (incorporated by reference to Exhibit 4 of Matson's Form 10-K for the year ended December 31, 2019).
10	Material contracts.

10.1**	First Amendment to Credit Agreement among Matson, Inc., Bank of America, N.A., as the Agent, and the lenders thereto, dated as of February 9, 2023.
10.2	Amendment to Third Amended and Restated Note Purchase Agreement among Matson, Inc. and the purchasers named therein, dated as of June 29, 2017 (incorporated by reference to Exhibit 10.4 of Matson's Form 8-K dated June 30, 2017).
10.3	Amendment to Note Purchase Agreement among Matson, Inc. and the purchasers named therein, dated as of June 29, 2017 (incorporated by reference to Exhibit 10.5 of Matson's Form 8-K dated June 30, 2017).
10.4	Note Purchase Agreement among Matson, Inc. and the purchasers party thereto, dated as of December 21, 2016 (incorporated by reference to Exhibit 10.1 of Matson's Form 8-K dated December 22, 2016).
10.5	Third Amended and Restated Note Purchase and Private Shelf Agreement among Matson, Inc. and the purchasers party thereto, dated as of September 14, 2016 (incorporated by reference to Exhibit 10.1 of Matson's Form 8-K dated September 14, 2016).
10.6	Amendment to Third Amended and Restated Note Purchase and Private Shelf Agreement among Matson, Inc. and the purchasers named therein, dated as of March 31, 2020 (incorporated by reference to Exhibit 10.4 of Matson's Form 8-K dated April 6, 2020).
10.7	Amendment to December 21, 2016 Note Purchase Agreement among Matson, Inc. and the purchasers named therein, dated as of March 31, 2020 (incorporated by reference to Exhibit 10.5 of Matson's Form 8-K dated April 6, 2020).
10.8	Amended and Restated Limited Liability Company Agreement of SSA Terminals, LLC by and between SSA Ventures, Inc. and Matson Ventures, Inc., dated as of April 24, 2002 (certain portions of this exhibit have been omitted pursuant to a confidential treatment request submitted to the Commission) (incorporated by reference to Exhibit 10.1 of Matson's Form 10-Q for the quarter ended June 30, 2012).
10.9	Parent Company Agreement, dated as of April 24, 2002, by and among SSA Pacific Terminals, Inc., formerly known as Stevedoring Services of America, Inc., SSA Ventures, Inc., Matson Navigation Company, Inc. and Matson Ventures, Inc. (incorporated by reference to Exhibit 10.2 of Matson's Form 10-Q for the quarter ended June 30, 2012).
10.10	Security Agreement between Matson Navigation Company, Inc. and the United States of America, with respect to $55 million of Title XI ship financing bonds, dated July 29, 2004 (incorporated by reference to Exhibit 10.a.(xxvi) of Alexander & Baldwin, Inc.'s Form 10-Q for the quarter ended September 30, 2004).
10.11	Amendment No. 1 dated September 21, 2007, to Security Agreement between Matson Navigation Company, Inc. and the United States of America, with respect to $55 million of Title XI ship financing bonds, dated July 29, 2004 (incorporated by reference to Exhibit 10.a.(xxx) of Alexander & Baldwin, Inc.'s Form 10-Q for the quarter ended September 30, 2007).
10.12*	Matson, Inc. Deferred Compensation Plan for Outside Directors (incorporated by reference to Exhibit 10.34 of Matson's Form 10-K for the year ended December 31, 2012).
10.13	Consolidated Agreement, Contract No. MA-14454 dated as of April 27, 2020 among Matson Navigation Company, Inc., the United States of America, represented by the Maritime Administrator of the Maritime Administration and, with respect to certain provisions, Matson, Inc. (incorporated by reference to Exhibit 10.1 of Matson's Form 8-K dated April 30, 2020).
10.14	Note Purchase Agreement dated as of April 27, 2020 among Matson Navigation Company, Inc., the United States of America, represented by the Maritime Administrator of the Maritime Administration and the Federal Financing Bank (incorporated by reference to Exhibit 10.2 of Matson's Form 8-K dated April 30, 2020).

10.15	Affiliate Guaranty dated as of April 27, 2020 executed by Matson, Inc. (incorporated by reference to Exhibit 10.3 of Matson's Form 8-K dated April 30, 2020).
10.16	Amendment No. 1 dated June 22, 2020, to Consolidated Agreement, Contract No. MA-14454 dated as of April 27, 2020 among Matson Navigation Company, Inc., the United States of America, represented by the Maritime Administrator of the Maritime Administration and, with respect to certain provisions, Matson, Inc. (incorporated by reference to Exhibit 10.1 of Matson's Form 8-K dated June 25, 2020).
10.17	Note Purchase Agreement dated as of June 22, 2020 among Matson Navigation Company, Inc., the United States of America, represented by the Maritime Administrator of the Maritime Administration and the Federal Financing Bank (incorporated by reference to Exhibit 10.2 of Matson's Form 8-K dated June 25, 2020).
10.18	Amendment dated June 22, 2020 to Affiliate Guaranty dated as of April 27, 2020 executed by Matson, Inc. and consented to by MARAD (incorporated by reference to Exhibit 10.3 of Matson's Form 8-K dated June 25, 2020).
10.19*	Matson, Inc. Excess Benefits Plan, amended and restated effective August 27, 2014 (incorporated by reference to Exhibit 10.1 of Matson's Form 8-K dated August 28, 2014).
10.20*	Form of Letter Agreement entered into with certain executive officers (incorporated by reference to Exhibit 10.45 of Matson's Form 10-K for the year ended December 31, 2012).
10.21*	Schedule identifying executive officers who have entered into Form of Letter Agreement (incorporated by reference to Exhibit 10.42 of Matson's Form 10-K for the year ended December 31, 2014).
10.22*	Form of Letter Agreement entered into with executive officer (incorporated by reference to Exhibit 10.1 of Matson's Form 8-K dated October 24, 2014).
10.23*,**	Letter Agreement Counter Parties.
10.24*	Amended and Restated Matson, Inc. Executive Severance Plan (incorporated by reference to Exhibit 10.28 of Matson's Form 10-K for the year ended December 31, 2020).
10.25*	Matson, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.51 of Matson's Form 10-K for the year ended December 31, 2012).
10.26*	Amendment No. 1 to the Matson, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.30 of Matson's Form 10-K for the year ended December 31, 2020).
10.27	Contract for Construction of Two Vessels, dated as of August 25, 2016, by and between Matson Navigation Company, Inc. and National Steel and Shipbuilding Company (certain portions of this exhibit have been omitted pursuant to a confidential treatment request submitted to the Commission) (incorporated by reference to Exhibit 10.1 of Matson's Form 10-Q for the quarter ended September 30, 2016).
10.28	Purchaser's Corporate Guaranty Agreement, by Matson, Inc., dated as of August 25, 2016 (incorporated by reference to Exhibit 10.2 of Matson's Form 10-Q for the quarter ended September 30, 2016).
10.29	Contractor's Corporate Guaranty Agreement, by General Dynamics Corporation, dated as of August 25, 2016 (incorporated by reference to Exhibit 10.3 of Matson's Form 10-Q for the quarter ended September 30, 2016).
10.30	Form of Capital Construction Fund Agreement with Matson Navigation Company, as amended by Addendums No. 2, No. 5, No. 18, No. 20, No. 31 and No. 33 thereto (incorporated by reference to Exhibit 10.35 of Matson's Form 10-K for the year ended December 31, 2021).

10.31	Form of Voting Agreement, dated as of November 11, 2014, among Matson Navigation Company, Inc. and certain holders of voting securities of Horizon Lines, Inc. (incorporated by reference to Exhibit 10.1 of Matson's Form 8-K dated November 11, 2014).
10.32*	Amended and Restated Matson, Inc. 2016 Incentive Compensation Plan (incorporated by reference to Exhibit 99.1 of Matson's Form S-8 date July 30, 2021).
10.33*	Amended and Restated Matson, Inc. Cash Incentive Plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.63 of Matson's Form 10-K for the year ended December 31, 2016).
10.34*	Form of 2016 Plan Restricted Stock Unit Award Agreement for Non-Employee Directors (Deferral Election) (incorporated by reference to Exhibit 10.65 of Matson's Form 10-K for the year ended December 31, 2016).
10.35*	Form of 2016 Plan Time-Based Restricted Stock Unit Agreement for Non-Executive Employees (incorporated by reference to Exhibit 10.60 of Matson's Form 10-K for the year ended December 31, 2017).
10.36*	Form of 2016 Plan Time-Based Restricted Stock Unit Agreement for Executive Employees (incorporated by reference to Exhibit 10.61 of Matson's Form 10-K for the year ended December 31, 2017).
10.37*	Form of 2016 Plan Performance Share Award Agreement for Non-Executive Employees (incorporated by reference to Exhibit 10.62 of Matson's Form 10-K for the year ended December 31, 2017).
10.38*	Form of 2016 Plan Performance Share Award Agreement for Executive Employees (incorporated by reference to Exhibit 10.63 of Matson's Form 10-K for the year ended December 31, 2017).
10.39*	Form of 2016 Plan Performance Share Award Agreement for Executive Employees (ROIC) (incorporated by reference to Exhibit 10.47 of Matson's Form 10-K for the year ended December 31, 2020).
10.40*	Form of 2016 Plan Performance Share Award Agreement for Executive Employees (TSR) (incorporated by reference to Exhibit 10.48 of Matson's Form 10-K for the year ended December 31, 2020).
10.41*	Form of 2016 Plan Performance Share Award Agreement for Non-Executive Employees (incorporated by reference to Exhibit 10.49 of Matson's Form 10-K for the year ended December 31, 2020).
10.42*	Form of 2016 Plan Time-Based Restricted Stock Unit Agreement for Executive Employees (incorporated by reference to Exhibit 10.50 of Matson's Form 10-K for the year ended December 31, 2020).
10.43*	Form of 2016 Plan Time-Based Restricted Stock Unit Agreement for Non-Executive Employees (incorporated by reference to Exhibit 10.51 of Matson's Form 10-K for the year ended December 31, 2020).
10.44*	Form of 2016 Plan Restricted Stock Unit Award Agreement for Non-Employee Directors (No Deferral) (incorporated by reference to Exhibit 10.52 of Matson's Form 10-K for the year ended December 31, 2020).
10.45*	Form of 2016 Plan Restricted Stock Unit Award Agreement for Non-Employee Directors (Deferral Election) (incorporated by reference to Exhibit 10.53 of Matson's Form 10-K for the year ended December 31, 2020).
10.46	Amendment to Third Amended and Restated Note Purchase and Private Shelf Agreement, dated as of March 31, 2021 (incorporated by reference to Exhibit 10.2 of Matson's Form 8-K dated April 5, 2021).
10.47	Amendment to Note Purchase Agreement dated December 21, 2016, dated as of March 31, 2021 (incorporated by reference to Exhibit 10.3 of Matson's Form 8-K dated April 5, 2021).

10.48†;**	Shipbuilding Contract Vessel Type Aloha Class L – Hull No. 040, by and between Philly Shipyard, Inc. and Matson Navigation Company, Inc., dated as of November 1, 2022.
10.49†;**	Shipbuilding Contract Vessel Type Aloha Class L – Hull No. 041, by and between Philly Shipyard, Inc. and Matson Navigation Company, Inc., dated as of November 1, 2022.
10.50†;**	Shipbuilding Contract Vessel Type Aloha Class L – Hull No. 042, by and between Philly Shipyard, Inc. and Matson Navigation Company, Inc., dated as of November 1, 2022.
21**	Matson, Inc. Subsidiaries as of December 31, 2022.
23**	Consent of Deloitte & Touche, LLP dated February 24, 2023.
31.1**	Certification of Chief Executive Officer, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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**	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104**	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Indicates management contract or compensatory plan or arrangement.
** Filed herewith.
*** Furnished herewith.
† Certain identified information has been excluded from this exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

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.

MATSON, INC.
(Registrant)

Date: February 24, 2023

/s/ Matthew J. Cox
Matthew J. Cox
Chairman and
Chief Executive 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 in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Matthew J. Cox Matthew J. Cox	Chairman and Chief Executive Officer	February 24, 2023
/s/ Meredith J. Ching Meredith J. Ching	Director	February 24, 2023
/s/ Thomas B. Fargo Thomas B. Fargo	Director	February 24, 2023
/s/ Mark H. Fukunaga Mark H. Fukunaga	Director	February 24, 2023
/s/ Stanley M. Kuriyama Stanley M. Kuriyama	Director	February 24, 2023
/s/ Constance H. Lau Constance H. Lau	Director	February 24, 2023
/s/ Jenai S. Wall Jenai S. Wall	Director	February 24, 2023
/s/ Joel M. Wine Joel M. Wine	Executive Vice President and Chief Financial Officer	February 24, 2023
/s/ Kevin L. Stuck Kevin L. Stuck	Vice President and Controller (principal accounting officer)	February 24, 2023

*****

Exhibit 10.1

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Agreement") is entered into as of February 9, 2023 (the "First Amendment Effective Date") among MATSON, INC., a Hawaii corporation (the "Borrower") and Bank of America, N.A., as Agent, Swing Line Lender and L/C Issuer. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement (as defined below).

RECITALS

WHEREAS, that certain Second Amended and Restated Credit Agreement was entered into on March 31, 2021 by and among the Borrower, the Lenders party thereto and the Agent (as amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested amendments to the Credit Agreement as set forth herein; and

WHEREAS, the Agent and the Lenders are willing to agree to such amendments as set forth herein.

NOW, THEREFORE, in consideration of the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Amendments to Credit Agreement.

(a) The Credit Agreement (but not the Schedules and Exhibits thereto) is hereby amended and restated in its entirety to read as set forth on Annex A attached hereto.

(b) Exhibit A to the Credit Agreement is hereby amended to read as Exhibit A attached hereto.

(c) Exhibit B to the Credit Agreement is hereby amended to read as Exhibit B attached hereto.

(d) Exhibit G to the Credit Agreement is hereby amended to read as Exhibit G attached hereto.

(e) It is understood and agreed that, with respect to any Loan bearing interest at the Eurodollar Rate outstanding immediately prior to the effectiveness of this Agreement, (i) such Loan shall automatically be deemed to bear interest at Term SOFR with an Interest Period equivalent to the Interest Period for such Loan then in effect immediately prior to the effectiveness of this Agreement and (ii) each Lender hereby waives (A) any right to compensation under Section 3.05(a) of the Credit Agreement (as in effect immediately prior to the effectiveness of this Agreement) and (B) any notice requirements under Sections 2.02(a) and/or 2.05(a) of the Credit Agreement (as in effect immediately prior to the effectiveness of this Agreement), in each case, as a result of the conversion described in clause (i) of this Section 1(e).

2. Effectiveness; Conditions Precedent. This Agreement shall be effective upon:

(a) Receipt by the Agent of copies of this Agreement duly executed by the Borrower, the Guarantors and each Lender.

(b) Payment by the Borrower of all reasonable and documented fees, charges and disbursements of counsel to the Agent in connection with this Agreement (directly to such counsel if requested by the Agent).

3. Authority/Enforceability. Each Loan Party represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly executed and delivered by such Loan Party and constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, subject to applicable Debtor Relief Laws and to general principles of equity.

(c) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by such Loan Party of this Agreement.

(d) The execution and delivery of this Agreement does not (i) contravene the terms of its organization documents or (ii) violate any law.

4. Representations and Warranties of the Loan Parties. Each Loan Party represents and warrants to the Lenders that after giving effect to this Agreement (a) the representations and warranties set forth in Article V of the Credit Agreement or in any other Loan Document or which are contained in any document furnished at any time under or in connection therewith are true and correct in all material respects (or, if such representation or warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct in all respects as drafted) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, if such representation or warranty is qualified by materiality or material adverse effect, it shall be true and correct in all respects as drafted) as of such earlier date and except that for purposes of this Section 4, the representations and warranties contained in subsections (a) and (b) of Section 5.02 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Credit Agreement) and (b) no event has occurred and is continuing which constitutes a Default.

5. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of executed counterparts of this Agreement by facsimile or other secure electronic format (.pdf) shall be effective as an original.

6. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

9. Severability. If any provision 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. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. Ratification and Confirmation. The provisions of the Loan Documents, as amended by this Agreement, shall remain in full force and effect in accordance with their terms following the effectiveness of this Agreement. Each of the undersigned Loan Parties does hereby adopt, ratify, and confirm the Credit Agreement and the other Loan Documents, as amended hereby, and its obligations thereunder. This Agreement is a Loan Document.

[*signature pages follow*]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

BORROWER:

MATSON, INC.,
a Hawaii corporation

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

GUARANTORS:

MATSON NAVIGATION COMPANY, INC.,
a Hawaii corporation

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

MATSON LOGISTICS, INC.,
a Hawaii corporation

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

MATSON VENTURES, INC.,
a Hawaii corporation

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

MATSON ALASKA, INC.,
a Delaware corporation

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

HORIZON LINES HOLDING CORP.,
a Delaware corporation

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

HORIZON LINES, LLC,
a Delaware limited liability company

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

MATSON NAVIGATION COMPANY OF ALASKA, LLC,
a Delaware limited liability company

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

HORIZON LINES MERCHANT VESSELS, LLC,
a Delaware limited liability company

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

HORIZON LINES ALASKA VESSELS, LLC,
a Delaware limited liability company

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

SPAN INTERMEDIATE, LLC,
a Delaware limited liability company

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

SPAN ACQUISITION CO., LLC,
a Delaware limited liability company

By: /s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer

BANK OF AMERICA, N.A.,
as Agent

By: /s/ Carolyn LaBatte-Leavitt
Name: Carolyn LaBatte-Leavitt
Title: Vice President

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swing Line Lender

By: /s/ Daryl K. Hogge
Name: Daryl K. Hogge
Title: Senior Vice President

FIRST HAWAIIAN BANK,
as a Lender and an L/C Issuer

By: /s/ Hanul Vera Abraham
Name: Hanul Vera Abraham
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Jonathan Bennett
Name: Jonathan Bennett
Title: Executive Director

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Diane Truong
Name: Diane Truong
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Andrew C. Beckman
Name: Andrew C. Beckman
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender and an L/C Issuer

By: /s/ Mylissa Merten
Name: Mylissa Merten
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Tad L. Stainbrook
Name: Tad L. Stainbrook
Title: Vice President

AMERICAN SAVINGS BANK, F.S.B.,
as a Lender

By: /s/ Liane Khim
Name: Liane Khim
Title: First Vice President

BANK OF HAWAII,
as a Lender

By: /s/ Ryan Kitamura
Name: Ryan Kitamura
Title: Vice President

CENTRAL PACIFIC BANK,
as a Lender

By: /s/ Roderick Peroff
Name: Roderick Peroff
Title: Senior Vice President

Annex A

Amended Credit Agreement

See attached.

ANNEX A

Deal CUSIP: 57686PAC9
Revolver CUSIP: 57686PAD7

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of March 31, 2021

among

MATSON, INC.,
as the Borrower,

BANK OF AMERICA, N.A.,
as Agent,

and

the other Lenders party hereto,

FIRST HAWAIIAN BANK,
as Syndication Agent,

JPMORGAN CHASE BANK, N.A.,
PNC BANK, NATIONAL ASSOCIATION
U.S. BANK NATIONAL ASSOCIATION, and
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

BOFA SECURITIES, INC.,
and
FIRST HAWAIIAN BANK,
as Joint Lead Arrangers and Joint Bookrunners

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SCHEDULES

EXHIBITS

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") is entered into as of March 31, 2021 among MATSON, INC., a Hawaii corporation (the "Borrower"), the Lenders (as defined herein), BANK OF AMERICA, N.A., as Agent, Swing Line Lender and L/C Issuer, and FIRST HAWAIIAN BANK, as L/C Issuer.

The Borrower is party to an Amended and Restated Credit Agreement dated as of June 29, 2017 (as amended, supplemented or otherwise modified from time to time until (but not including) the date of this Agreement, the "Existing Credit Agreement") with the lenders party thereto and Bank of America, N.A., as agent.

The parties to this Agreement desire to amend the Existing Credit Agreement as set forth herein and to restate the Existing Credit Agreement in its entirety to read as follows. This Agreement is not a novation of the Existing Credit Agreement.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition", by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of either (a) all or substantially all of the property of, or a line of business or division of, another Person or (b) at least a majority of the voting capital stock or other equity interests of another Person, in each case whether or not involving a merger or consolidation with such other Person.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit E-2 or any other form approved by the Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, without duplication, any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Agent's Office" means the Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Agent may from time to time notify the Borrower and the Lenders in writing.

"Aggregate Commitments" means, as of any date of determination, the Commitments of all the Lenders. The initial amount of the Aggregate Commitments in effect on the Closing Date is $650,000,000. The Aggregate Commitments may be increased or decreased from time to time as provided herein.

"Agreement" means this Credit Agreement.

"Anti-Corruption Laws" has the meaning specified in Section 5.16(b).

"Applicable Maximum Level" has the meaning specified in Section 7.01(b).

"Applicable Percentage" means, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time. If the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or other documentation pursuant to which such Lender becomes a party hereto, as applicable. The Applicable Percentages shall be subject to adjustment as provided in Section 2.16.

"Applicable Rate" means with respect to the commitment fee payable pursuant to Section 2.09(a), Term SOFR Loans, Term SOFR Daily Floating Rate Loans, Base Rate Loans and the Letter of Credit Fee, from time to time, the following percentages per annum, based upon the Consolidated Net Leverage Ratio as set forth below:

Pricing Level	**Consolidated Net Leverage Ratio**	**Commitment Fee**	**Term SOFR Loans and Term SOFR Daily Floating Rate Loans**	**Base Rate Loans**	**Letter of Credit Fee**
1	≤ 1. 50 to 1.0	0.15%	1.00%	0.00%	1.00%
2	> 1.50 to 1.0 but ≤ 2.25 to 1.0	0.20%	1.25%	0.25%	1.25%
3	> 2.25 to 1.0 but ≤ 3.00 to 1.0	0.25%	1.50%	0.50%	1.50%
4	> 3.00 to 1.0	0.30%	1.75%	0.75%	1.75%

The Applicable Rate in effect on the Closing Date to the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.01(c) for the fiscal quarter ending March 31, 2021 shall initially be Pricing Level 3. Thereafter, the Applicable Rate shall be determined by reference to the Consolidated Net Leverage Ratio as set forth in the most recent Compliance Certificate received by the Agent pursuant to Section 6.01(c). Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.01(c); provided, however, that if such Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Level 4 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such

Compliance Certificate is delivered in accordance with Section 6.01(c), whereupon the Applicable Rate shall be adjusted based upon the calculation of the Consolidated Net Leverage Ratio contained in such Compliance Certificate.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means BofA Securities, Inc., in its capacity as a joint lead arranger and joint bookrunner.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Agent, in substantially the form of Exhibit E-1 or any other form (including an electronic documentation form generated by use of an electronic platform) approved by the Agent.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2020, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Authorized Officer" means, with respect to any Loan Party, any officer of such Loan Party designated as an "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of such Loan Party's then existing Authorized Officers (as previously identified to the Agent) and any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Agent. Any action taken under this Agreement or any other Loan Document on behalf of a Loan Party by any individual who on or after the Closing Date shall have been an Authorized Officer of such Loan Party and whom the Agent or any of the Lenders in good faith believes to be an Authorized Officer of such Loan Party at the time of such action shall be binding on such Loan Party even though such individual shall have ceased to be an Authorized Officer of such Loan Party, unless the Borrower or such Loan Party shall have provided the Agent with a certificate executed by one of such Loan Party's then existing Authorized Officers (as previously identified to the Agent) indicating that such individual is no longer an "Authorized Officer."

"Autoborrow Agreement" has the meaning specified in Section 2.04(b).

"Availability Period" means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (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, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) Term SOFR plus 1.00%, subject to the interest rate floors set forth therein, and if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.03 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"Base Rate Loan" means a Committed Loan that bears interest based on the Base Rate.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.01.

"Borrowing" means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Agent's Office is located.

"Capital Assets" means all assets other than current assets, and shall not include any amounts in the CCF.

"Capitalized Lease Obligation" means, with respect to any Person, any rental obligation of such Person which, under GAAP in effect as of the Closing Date, is or will be required to be capitalized on the books of such Person, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"Cash Collateralize" means to pledge and deposit with or deliver to the Agent, for the benefit of one or more of the L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Agent and the L/C Issuer. "Cash

Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such Cash Collateral and other credit support.

"CCF" means the capital construction fund created under Matson Navigation's Capital Construction Fund Agreement with the United States through the Maritime Administrator.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et. seq.), and the regulations promulgated thereunder.

"CFC" means a controlled foreign corporation (as that term is defined in Section 957(a) of the Code).

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof, in each case by any Governmental Authority 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, issued or implemented.

"Change of Control" means the acquisition by any "person" or "group" (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934) of outstanding shares of voting stock of the Borrower representing more than 50% of voting control of the Borrower.

"Closing Date" means the date hereof.

"CME" means CME Group Benchmark Administration Limited.

"Code" means the Internal Revenue Code of 1986.

"Commitment" means, as to each Lender, its obligation to (a) make Committed Loans to the Borrower pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption or other documentation pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Committed Borrowing" means a borrowing consisting of simultaneous Committed Loans of the same Type and, in the case of Term SOFR Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Committed Loan" has the meaning specified in Section 2.01.

"Committed Loan Notice" means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Term SOFR Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be

approved by the Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Agent), appropriately completed and signed by an Authorized Officer of the Borrower.

"Compliance Certificate" means a certificate signed in the name of the Borrower by an Authorized Officer of the Borrower in substantially the form of Exhibit F.

"Conforming Changes" means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of "Base Rate", "SOFR", "Term SOFR", "Term SOFR Daily Floating Rate" and "Interest Period", the timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "U.S. Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDA" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period plus (a) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Expense for such period, (ii) the provision for federal, state, local and foreign income taxes payable for such period, (iii) depreciation expense for such period, (iv) amortization expense for such period, (v) deferred dry-docking amortization expense for such period (to the extent not included in the preceding clause (iv)), and (vi) non-cash stock-based compensation. For purposes of calculating Consolidated EBITDA for any period of four consecutive quarters, if during such period the Borrower or any Subsidiary shall have consummated (i) an Acquisition of a Person that upon such consummation constitutes a Material Subsidiary (including any such Acquisition structured as an asset purchase, merger or consolidation) or an Acquisition of a Material Line of Business, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such period; provided, that if the aggregate purchase price for any Acquisition is greater than or equal to $25,000,000, Consolidated EBITDA shall only be calculated on a pro forma basis with respect to such Acquisition to the extent such pro forma calculations are based on (w) audited financial statements of such acquired Person or Material Line of Business, (y) unaudited quarterly financial statements of such acquired Person or Material Line of Business, so long as such financial statements have been prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the most recent audited financial statements of such Person or Material Line of Business or (z) other financial statements reasonably satisfactory to the Required Lenders and (ii) a disposition of all or substantially all of the assets of a Material Subsidiary or of at least 50% of the equity interests of a Material Subsidiary or of a Material Line of Business, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of the such period, so long as, in each case, such pro forma calculations are (x) made in accordance with Regulation S-X, (y) factually supportable and made in good faith based on reasonable assumptions as certified by a Responsible Officer, without giving effect (unless permitted for pro forma financial statements prepared in accordance with Regulation S-X) to projected cost savings or synergies or (z) are

otherwise acceptable to the Required Lenders; provided, further, that, notwithstanding anything to the contrary in the foregoing, if such acquired Person or Material Line of Business has earnings before interest, taxes, depreciation and amortization for the four (4) fiscal quarter period prior to the acquisition date in an amount greater than $0, then Consolidated EBITDA shall be calculated after giving pro forma effect to such Acquisition only if the Borrower so elects in a writing delivered to the Agent.

"Consolidated Interest Coverage Ratio" means, at any time of determination thereof, the ratio of (a) Consolidated EBITDA for the most recently completed four quarter period to (b) Consolidated Interest Expense for such period.

"Consolidated Interest Expense" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, plus (b) the portion of rent expense with respect to such period under capital leases that is treated as interest in accordance with GAAP.

"Consolidated Leverage Ratio" means, as at any time of determination thereof, the ratio of (a) all Debt of the Borrower and its Subsidiaries on a consolidated basis as of such time to (b) Consolidated EBITDA for the most recently completed four fiscal quarters.

"Consolidated Net Income" means, for any period, the consolidated net income of the Borrower and its Subsidiaries (excluding, to the extent included in such consolidated net income (a) non-cash gains or losses during such period from the write-up or write-down of assets and (b) income or losses during such period from discontinued operations) as determined in accordance with GAAP.

"Consolidated Net Leverage Ratio" means, as at any time of determination thereof, the ratio of (a) the amount of Net Debt of the Borrower and Subsidiaries on a consolidated basis as of such time to (b) Consolidated EBITDA for the most recently completed four fiscal quarters.

"Consolidated Tangible Assets" means, as of any date, total assets (excluding treasury stock, unamortized debt discount and expense, goodwill, trademarks, trade names, patents, deferred charges and other intangible assets) of the Borrower and its Subsidiaries on a consolidated basis, as determined in accordance with GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Daily Simple SOFR" with respect to any applicable determination date means the SOFR published on such date on the Federal Reserve Bank of New York's website (or any successor source).

"Debt" means, as to any Person at the time of determination thereof without duplication, (a) any indebtedness of such Person (i) for borrowed money, including commercial paper and revolving credit lines, (ii) evidenced by bonds, debentures or notes or otherwise representing extensions of credit, whether or not representing obligations for borrowed money (except trade accounts payable arising in the ordinary course of business) or (iii) for the payment of the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, regardless of when such liability or

other obligation is due and payable, (b) Capitalized Lease Obligations of such Person, (c) direct or contingent obligations under standby letters of credit (and substantially similar instruments such as bank guaranties), (d) Guarantees, assumptions and endorsements by such Person (other than endorsements of negotiable instruments for collection in the ordinary course of business) of Debt of another Person of the types described in clauses (a), (b) and (c) hereof, and (e) Debt of another Person of the types described in clauses (a), (b) and (c) hereof, that is secured by Liens on the property or other assets of such Person. Notwithstanding the forgoing, "Debt" shall not include (i) to the extent not exceeding $15,000,000 at any time outstanding, unsecured contingent reimbursement obligations under standby letters of credit (and substantially similar instruments such as bank guaranties), (ii) a Guarantee of Matson Navigation's trade accounts receivable purchased or held by the CCF or (iii) liability relating to any operating lease.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) with respect to any Obligation for which a rate is specified, a rate per annum equal to two percent (2%) in excess of the rate otherwise applicable thereto and (b) with respect to any Obligation for which a rate is not specified or available, a rate per annum equal to the Base Rate *plus* the Applicable Rate for Loans that are Base Rate Loans *plus* two percent (2%), in each case, to the fullest extent permitted by applicable law.

"Defaulting Lender" means, subject to Section 2.16(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) becomes the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments

or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.16(b)) as of the date established therefor by the Agent in a written notice of such determination, which shall be delivered by the Agent to the Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

"EEA Financial Institution" means (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" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means 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" means any Person that meets the requirements to be an assignee under Sections 10.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

"Eligible Business Line" means any business engaged in as of the Closing Date by the Borrower or any of its Subsidiaries or any business reasonably related thereto (but in no event an airline).

"Environmental and Safety Laws" means all Federal, state and local laws, regulations and ordinances, relating to the discharge, handling, disposition or treatment of Hazardous Materials and other substances or the protection of the environment or of employee health and safety, including, without limitation, CERCLA, the Hazardous Materials Transportation Act (49 U.S.C. Section 1901 et. seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et. seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et. seq.), the Clean Air Act (42 U.S.C. Section 7401 et. seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et. seq.), the Occupational Safety and Health Act (29 U.S.C. Section 651 et. seq.) and the Emergency Planning and Community Right-To-Know Act (42 U.S.C. Section 11001 et. seq.).

"Environmental Liabilities and Costs" means as to any Person, all liabilities, obligations, responsibilities, remedial actions, losses, damages, punitive damages, consequential damages, treble damages, contribution, cost recovery, costs and expenses (including all fees, disbursements and expenses

of counsel, expert and consulting fees, and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim or demand, by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, permit, order or agreement with any Federal, state or local Governmental Authority or other Person, arising from environmental, health or safety conditions, or the release or threatened release of a contaminant, pollutant or Hazardous Material into the environment, resulting from the operations of such Person or its subsidiaries, or breach of any Environmental and Safety Law or for which such Person or its Subsidiaries is otherwise liable or responsible.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any corporation which is a member of the same controlled group of corporations as the Borrower within the meaning of section 414(b) of the Code, or any trade or business which is under common control with the Borrower within the meaning of section 414(c) of the Code.

"EU Bail-In Legislation Schedule" means 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" has the meaning specified in Section 8.01.

"Excluded Subsidiary" means (a) each CFC, (b) each Foreign Holdco, and (c) any Subsidiary that is owned directly or indirectly by a CFC; provided, that in each case, such Person has not issued or guaranteed any notes issued pursuant to the Note Purchase Agreements.

"Excluded Taxes" means, any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii) or 3.01(c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Existing Credit Agreement" has the meaning specified in the introductory paragraphs hereto.

"Existing Letters of Credit" means those letters of credit set forth on Schedule 1.01.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Closing Date (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 and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules, or practices adopted pursuant to any intergovernmental agreement, treaty, or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Rate" means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Fee Letter" means the administrative agent fee letter agreement, dated March 31, 2021, among the Borrower, the Agent and the Arranger.

"Foreign Holdco" means any Subsidiary, substantially all of the assets of which consist of equity interests of one or more Foreign Subsidiaries or other securities of one or more Foreign Subsidiaries (or are treated as consisting of such assets for U.S. federal income tax purposes) or indebtedness or accounts receivable owed by any Foreign Subsidiary to any Loan party or treated as owed by the Foreign Subsidiary to any Loan Party for U.S. federal income tax purposes.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles in the United States set forth in the Financial Accounting Standards Board Accounting Standards Codification or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, without duplication, any obligation, contingent or otherwise, of any Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (the primary obligor) in any manner, directly or indirectly, and including any obligation: (a) to make any loan, advance or capital contribution, or for the purchase of any property from, any Person, in each case for the purpose of enabling such Person to maintain working capital, net worth or any other balance sheet condition or to pay debts, dividends or expenses except for advances, deposits and initial

payments made in the usual and ordinary course of business for the purchase or acquisition of property or services; (b) to purchase materials, supplies or other property or services if such obligation requires that payment for such materials, supplies or other property or services be made regardless of whether or not delivery of such materials, supplies or other property or services is ever made or tendered; (c) to rent or lease (as lessee) any real or personal property if such obligation is absolute and unconditional under conditions not customarily found in commercial leases then in general use; or (d) of any partnership or joint venture in which such Person is a general partner or joint venturer if such obligation is not expressly non-recourse to such Person; but excluding (i) completion guarantees issued in connection with a real estate development project to the extent contingent and not constituting a direct or indirect obligation to repay Debt, (ii) obligations under environmental indemnification agreements and (iii) a guaranty of Matson Navigation's trade accounts receivable purchased or held by the CCF.

"Guarantors" means, collectively, (a) each Material Domestic Subsidiary of the Borrower identified as a "Guarantor" on the signature pages to the Guaranty, (b) each Person that joins the Guaranty as a Guarantor pursuant to Section 6.08 or otherwise and (c) the successors and permitted assigns of the foregoing; provided, however, that no Excluded Subsidiary shall be a Guarantor. A Guarantor shall be released from its Guaranty pursuant to, and in accordance with, the terms hereof or the Guaranty.

"Guaranty" means the Second Amended and Restated Guaranty, dated as of the Closing Date, executed by the Guarantors in favor of the Agent for the benefit of the holders of the Obligations.

"Hazardous Materials" means (a) any material or substance defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances" or any other formulations intended to define, list or classify substances by reason of their deleterious properties, (b) any oil, petroleum or petroleum derived substance, (c) any flammable substances or explosives, (d) any radioactive materials, (e) asbestos in any form, (f) electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million, (g) pesticides; or (h) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental agency or authority or which may or could pose a hazard to the health and safety of persons in the vicinity thereof.

"Hostile Acquisition" means any Acquisition that has not been approved by the board of directors or other governing body of the applicable entity as contemplated by Section 5.14(b).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Interest Payment Date" means, (a) as to any Term SOFR Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan) or Term SOFR Daily Floating Rate Loan, the first Business Day after the end of each March, June, September and December and the Maturity Date.

"Interest Period" means, as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date

one or three months thereafter (in each case, subject to availability), as selected by the Borrower in its Committed Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

"ISP" means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Committed Borrowing.

"L/C Commitment" means, with respect to the L/C Issuer, the commitment of the L/C Issuer to issue Letters of Credit hereunder. The initial amount of the L/C Issuer's Letter of Credit Commitment is set forth on Schedule 2.03. The Letter of Credit Commitment of the L/C Issuer may be modified from time to time by agreement between the L/C Issuer and the Borrower, and notified to the Agent.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means, as the context requires, (a) First Hawaiian Bank in its capacity as issuer of Letters of Credit hereunder (including certain Existing Letters of Credit), (b) Bank of America in its capacity as issuer of Letters of Credit hereunder (including certain Existing Letters of Credit), (c) Wells Fargo Bank, National Association in its capacity as issuer of certain Letters of Credit hereunder (including certain Existing Letters of Credit), (d) such other Lender selected by the Borrower pursuant to Section 2.03(l) from time to time to issue such Letter of Credit and (e) any successor issuer of Letters of Credit hereunder. The term "L/C Issuer" when used with respect to a Letter of Credit or the L/C Obligations relating to a Letter of Credit shall refer to the L/C Issuer that issued such Letter of Credit.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lender" means each of the Persons identified as a "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and assigns and, unless the context requires otherwise, includes the Swing Line Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such affiliate. Unless the context otherwise requires each references to a Lender shall include its applicable Lending Office.

"Letter of Credit" means any letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder and shall include the Existing Letters of Credit. A Letter of Credit may be a commercial letter of credit or a standby letter of credit. Notwithstanding anything to the contrary contained herein, a letter of credit issued by an L/C Issuer other than Bank of America shall not be a "Letter of Credit" for purposes of the Loan Documents until such time as the Agent has been notified of the issuance thereof by the applicable L/C Issuer and has confirmed with the L/C Issuer that there exists adequate availability under the Aggregate Commitments to issue such letter of credit.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Expiration Date" means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(i).

"Letter of Credit Sublimit" means an amount equal to the lesser of (a) $100,000,000 and (b) the Aggregate Commitments; provided that the L/C Issuer's Letter of Credit Sublimit shall not exceed its L/C Commitment. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

"Lien" means any mortgage, deed of trust, pledge, security interest, encumbrance, deposit arrangement, lien (including any lien securing any Capitalized Lease Obligation) or charge of any kind (including any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Committed Loan or a Swing Line Loan.

"Loan Documents" means this Agreement, each Note, each Issuer Document, the Guaranty, any Autoborrow Agreement, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.15 and the Fee Letter.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, on the business, financial condition or operations of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under the Loan Documents, taken as a whole; or (c) a material adverse effect on the material rights and remedies of the Lenders, taken as a whole, which material adverse effect was not caused by any Lender.

"Material Domestic Subsidiary" means any Domestic Subsidiary of the Borrower (other than a Foreign Holdco) that accounts for, as of the most recently ended four fiscal quarter period of the Borrower, 5% or more of Consolidated EBITDA of the Borrower and its Subsidiaries for the most recently ended four fiscal quarter period of the Borrower.

"Material Line of Business" means a line of business or an operating division that accounts for, as of the most recently ended four fiscal quarter period of the Borrower, 5% or more of Consolidated EBITDA of the Borrower and its Subsidiaries for the most recently ended four fiscal quarter period of the Borrower.

"Material Subsidiary" means (a) any Guarantor and (b) any Subsidiary of the Borrower that accounts for, as of the most recently ended four fiscal quarter period of the Borrower, 5% or more of Consolidated EBITDA of the Borrower and its Subsidiaries for the most recently ended four fiscal quarter period of the Borrower.

"Matson Navigation" means Matson Navigation Company, Inc.

"Maturity Date" means March 31, 2026. If such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 103% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.15(a)(i), (a)(ii) or (a)(iii), an amount equal to 103% of the Outstanding Amount of all L/C Obligations, and (c) otherwise, an amount equal to 103% of the stated amount of the applicable Letter of Credit.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means any Plan which is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"Net Debt" means, at any time of determination thereof, the excess of the principal amount of all Debt of the Borrower and its Subsidiaries on a consolidated basis on such date over the Net Debt Cash Amount on such date.

"Net Debt Cash Amount" means, for any date of determination, the sum over $15,000,000 (excluding any amount in the CCF) as of such date of (a) the Borrower's and its Subsidiaries' unrestricted cash and cash equivalents (other than any amounts in the CCF) as of such date and (b) 60% of the amount in the CCF as of such date.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (ii) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit C.

"Note Purchase Agreement" means, for any date of determination, (a) the 2016 Met Life Note Purchase Agreement, (b) the 2016 Pru Note Purchase Agreement, and (c) any other note purchase agreement entered into by a Loan Party on or after the Closing Date, in each of clauses (a), (b), and (c) under which notes in an aggregate principal amount of at least $30,000,000 are issued and sold and remain outstanding as of such date of determination; provided, however, that the term Note Purchase Agreement shall exclude (i) Title XI Debt, (ii) financings to build, modify and/or acquire Vessel(s) secured by such Vessel(s) and (iii) for the avoidance of doubt, any Debt between or among the Borrower and its Subsidiaries.

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit G or such other form as may be approved by the Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Agent), appropriately completed and signed by an Authorized Officer of the Borrower.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising under any Loan Document and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming a Loan Party as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (a) with respect to Committed Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Committed Loans and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Participant" has the meaning specified in Section 10.06(d).

"Participant Register" has the meaning specified in Section 10.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee pension benefit plan" (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Borrower or any ERISA Affiliate.

"Platform" has the meaning specified in Section 6.01.

"Priority Debt" means, at any time of determination thereof and without duplication, (a) Debt of the Borrower or Matson Navigation secured by any Lien (including, without limitation, all Title XI Debt and all Debt secured by marine assets, in each case whether full recourse or limited recourse) and (b) all Debt secured by any Lien (including, without limitation, all Title XI Debt and all Debt secured by a Lien on marine assets, in each case whether full recourse or limited recourse) and, without duplication, all unsecured Debt of Subsidiaries of the Borrower (other than unsecured Debt of Guarantors); provided, however, that Priority Debt shall not include (i) Debt owing from any Subsidiary to the Borrower or any other Subsidiary, (ii) any of the Obligations, or (iii) any of the obligations of the Borrower or any Subsidiary under the Note Purchase Agreements and Guarantees in respect thereof, so long as the Obligations are secured on an equal and ratable basis pursuant to Section 6.03(ii); provided further, for purposes of clarification, the obligations of the Borrower and its Subsidiaries under any Note Purchase Agreements and Guarantees in respect thereof shall not constitute Priority Debt solely as a result of such obligations being secured (without the Obligations being equally and ratably secured) by cash collateral in an amount for each such Note Purchase Agreement not to exceed the amount of Cash Collateral at such time being provided by the Borrower and its Subsidiaries pursuant to Section 2.15.

"PTE" means 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 Lender" has the meaning specified in Section 6.01.

"Recipient" means (a) the Agent, (b) any Lender, (c) the L/C Issuer and (d) any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, as applicable.

"Register" has the meaning specified in Section 10.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, consultants, service providers and representatives of such Person and of such Person's Affiliates.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan at any time an Autoborrow Agreement is not in effect, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, Lenders having more than 50% of the Aggregate Commitments or, if the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for

purposes of making a determination of Required Lenders (except that the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that has not been reallocated to and funded by another Lender shall be deemed to be "held" by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination).

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means each of the treasurer, the chief financial officer and chief legal officer of a Loan Party and any other officer of a Loan Party whose responsibilities include monitoring such Loan Party's compliance with the provisions of this Agreement and the other Loan Documents to which it is a party, solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of a Loan Party, and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payments" has the meaning specified in Section 7.08.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc., and any successor thereto.

"Sanction(s)" means any international economic sanction or trade embargo administered or enforced by the United States Government, including OFAC, or other relevant sanctions authority applicable to the Borrower and its Subsidiaries.

"Scheduled Unavailability Date" has the meaning specified in Section 3.03(b).

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Senior Notes" means the notes issued pursuant to the Note Purchase Agreements.

"SOFR" means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

"SOFR Adjustment" means 0.10% (10 basis points).

"Subsidiary" means, as to any Person, any company, whether operating as a corporation, joint venture, partnership, limited liability company or other entity, which is consolidated with such Person in accordance with GAAP. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Successor Rate" has the meaning specified in Section 3.03(b).

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit B or such other form as approved by the Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Agent), appropriately completed and signed by an Authorized Officer of the Borrower.

"Swing Line Sublimit" means an amount equal to the lesser of (a) $50,000,000 and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate with a term of one month commencing that day;

provided that if the Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement.

"Term SOFR Daily Floating Rate" means a fluctuating rate of interest which can change on each Business Day, equal to the Term SOFR Screen Rate two (2) U.S. Government Securities Business Days prior to such day, with a term equivalent to one (1) month beginning on that date; provided, that, if the rate is not published prior to 11:00 a.m. on such determination date then the Term SOFR Daily Floating Rate means such Term SOFR Screen Rate on the first (1st) U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment; provided, further, that, if the Term SOFR Daily Floating Rate shall be less than zero such rate shall be deemed zero for purposes of this Agreement.

"Term SOFR Daily Floating Rate Loan" means a Swing Line Loan that bears interest at the Term SOFR Daily Floating Rate.

"Term SOFR Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

"Term SOFR Screen Rate" means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Agent) and published on the applicable Reuters screen

page (or such other commercially available source providing such quotations as may be designated by the Agent from time to time).

"Title XI Debt" means all Debt of the Borrower or any Subsidiary that is guaranteed by the United States pursuant to 46 USC Chapter 537.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Type" means, with respect to a Committed Loan, its character as a Base Rate Loan or a Term SOFR Loan.

"UCP" means the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time).

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"U.S. Government Securities Business Day" means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(III).

"Vessel" means each vessel that is (or is required to be) documented under and pursuant to the laws of the United States with a coastwise endorsement owned or operated by the Borrower or any Subsidiary.

"Withholding Agent" means the Borrower, any Loan Party and the Agent.

"Write-Down and Conversion Powers" means, (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 the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution 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.

"2016 Met Life Note Purchase Agreement" means that certain Note Purchase Agreement, dated as of December 21, 2016, by and among the Borrower and the purchasers party thereto.

"2016 Pru Note Purchase Agreement" means that certain Third Amended and Restated Note Purchase and Private Shelf Agreement, dated as of September 14, 2016, by and among the Borrower and the purchasers party thereto.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any articles of incorporation, bylaws or similar organizational documents) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including".

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) All covenants hereunder shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not (i) avoid the occurrence of a Default if such action is taken or such condition exists or (ii) in any way prejudice an attempt by the Agent to prohibit, through equitable action or

otherwise the taking of any action by the Borrower or any Subsidiary that would result in a Default. For the avoidance of doubt, if a particular action or condition is expressly permitted by an exception to a covenant and is not expressly prohibited by another provision in the same covenant, the taking of such action or the existence of such condition shall not result in a Default under such covenant.

(e) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, (i) Debt of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded, (ii) all liability amounts shall be determined excluding any liability relating to any operating lease, all asset amounts shall be determined excluding any right-of-use assets relating to any operating lease, all amortization amounts shall be determined excluding any amortization of a right-of-use asset relating to any operating lease, and all interest amounts shall be determined excluding any deemed interest comprising a portion of fixed rent payable under any operating lease, in each case to the extent that such liability, asset, amortization or interest pertains to an operating lease under which the covenantor or a member of its consolidated group is the lessee and would not have been accounted for as such under GAAP as in effect on December 31, 2015, and (iii) all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under FASB ASC Topic 825 "Financial Instruments" (or any other financial accounting standard having a similar result or effect) to value any Indebtedness of any Loan Party or any Subsidiary at "fair value", as defined therein. For purposes of determining the amount of any outstanding Indebtedness, no effect shall be given to any election by the Borrower to measure an item of Indebtedness using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification 825–10–25 (formerly known as FASB 159) or any similar accounting standard).

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Agent, the Lenders 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 the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Agent and the

Lenders financial statements and other documents reasonably requested by the Agent hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to 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).

1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Pacific time (daylight or standard, as applicable).

1.06 Letter of Credit Amounts. Unless otherwise specified herein, the amount of an outstanding Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 Rates. The Agent does not warrant, nor accept responsibility, nor shall the Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) **(**or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

ARTICLE II.

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Committed Loan") in Dollars to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; provided, however, that after giving effect to any Committed Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments, and (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such

Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed the amount of such Lender's Commitment. Subject to the terms and conditions hereof, the Borrower may borrow Committed Loans under this Section 2.01, repay or prepay such Committed Loans under Section 2.05, reborrow such Committed Loans and borrow other Committed Loans under this Section 2.01. Committed Loans may be Base Rate Loans or Term SOFR Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Term SOFR Loans shall be made upon the Borrower's irrevocable notice to the Agent, which may be given by: (A) telephone or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Agent of a Committed Loan Notice. Each such notice must be received by the Agent not later than 11:00 a.m. (i) two Business Days prior to the requested date of any Borrowing of Term SOFR Loans or any conversion to or continuation of Term SOFR Loans or of any conversion of Term SOFR Loans to Base Rate Loans and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Loans. Each Borrowing of, conversion to or continuation of Term SOFR Loans shall be in a principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (1) whether the Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of Loans, (2) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (3) the principal amount of Committed Loans to be borrowed, converted or continued, (4) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, and (5) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation of a Term SOFR Loan, then the applicable Committed Loan shall be made as, or converted to, Base Rate Loans, unless such Committed Loan was a Term SOFR Loan, in which case such Committed Loan shall be continued as a Term SOFR Loan with an Interest Period of one month. Any such automatic conversion to a Base Rate Loan and any such continuation of a Term SOFR Loan, in either case, shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Term SOFR Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Term SOFR Loans in any such Committed Loan Notice, but the Borrower fails to specify an Interest Period for such Committed Loan or continuation of a Term SOFR Loan, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation of Term SOFR Loans described in the preceding subsection. In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Agent in immediately available funds at the Agent's Office not later than 12:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Agent shall make all funds so received available to the Borrower in like funds as received by the Agent either by (i) crediting the account of the Borrower on the books of First Hawaiian Bank with the amount of such funds or (ii) wire transfer of such funds, in each case in

accordance with instructions provided to (and reasonably acceptable to) the Agent by the Borrower; provided, however, that if, on the date the Committed Loan Notice with respect to such Borrowing is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Term SOFR Loan may be continued or converted only on the last day of an Interest Period for such Term SOFR Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Term SOFR Loans without the consent of the Required Lenders.

(d) Each determination of an interest rate by the Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error.

(e) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than ten Interest Periods in effect at any single time with respect to Term SOFR Loans.

(f) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Agent and such Lender.

(g) This Section 2.02 shall not apply to Swing Line Loans.

(h) With respect to SOFR or Term SOFR, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, with respect to any such amendment effected, the Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower or any of its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the aggregate

amount of the outstanding Letters of Credit issued by the L/C Issuer shall not exceed its L/C Commitment, (x) the Total Outstandings shall not exceed the Aggregate Commitments, (y) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the forgoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date; provided that Letters of Credit with an expiry date after the Letter of Credit Expiration Date may be issued (but the L/C Issuer shall have no obligation to issue) so long as the Borrower agrees to Cash Collateralize such Letter of Credit in an amount equal to at least 103% of the face amount of such Letter of Credit prior to the Letter of Credit Expiration Date in accordance with the terms of this Agreement. The Borrower hereby agrees that on or before the Letter of Credit Expiration Date it shall Cash Collateralize any Letter of Credit existing and not expiring on the Letter of Credit Expiration Date in an amount equal to at least 103% of the face amount of such Letter of Credit (and in the event the Borrower fails to do so, the Agent may require each Lender to fund its participation interest in an amount equal to such Lender's Applicable Percentage of the outstanding Letters of Credit for purposes of Cash Collateralizing the Letters of Credit). For the avoidance of doubt, the parties hereto agree that the obligations of the Lenders hereunder to reimburse the L/C Issuer for any Unreimbursed Amount with respect to any Letter of Credit shall terminate on the Maturity Date with respect to drawings occurring after that date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any law applicable to the L/C Issuer or any

request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) such Letter of Credit is to be denominated in a currency other than Dollars; or

(D) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Defaulting Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a

copy to the Agent) in the form of a Letter of Credit Application, appropriately completed and signed by an Authorized Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Agent not later than 11:00 a.m. at least three Business Days (or such later date and time as the Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the stated amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the L/C Issuer and the Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Agent may reasonably require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Agent (by telephone or in writing) that the Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Agent or the Borrower, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a

Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Agent that the Required Lenders have elected not to permit such extension or (2) from the Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each, an "Auto-Reinstatement Letter of Credit"). Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer to permit such reinstatement. Once an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits the L/C Issuer to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the "Non-Reinstatement Deadline"), the L/C Issuer shall not permit such reinstatement if it has received a notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Reinstatement Deadline (A) from the Agent that the Required Lenders have elected not to permit such reinstatement or (B) from the Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied (treating such reinstatement as an L/C Credit Extension for purposes of this clause) and, in each case, directing the L/C Issuer not to permit such reinstatement.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Agent a true and complete copy of such Letter of Credit or amendment and any other Issuer Documents related thereto.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse the L/C Issuer through the Agent in an amount equal to the amount of such drawing; provided that the Borrower has received notice of such payment by 9:00 a.m. on such Honor Date, otherwise the Borrower shall make such payment not later than 11:00 a.m. on the following Business Day (together with interest thereon). If the Borrower fails to so reimburse the L/C Issuer by such time, the Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, and in lieu of the obligation of the Borrower to reimburse the L/C Issuer as provided in the two immediately preceding sentences, the Borrower shall be deemed to have requested a Committed Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer at the Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Committed Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such

event, each Lender's payment to the Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Committed Loan or its L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Committed Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations by the Lenders.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C

Advance in respect of such payment in accordance with Section 2.03(c), if the Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Agent), the Agent will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Agent.

(ii) If any payment received by the Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower and any applicable Subsidiary of the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower and any applicable Subsidiary of the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower or such Subsidiary which the Borrower or such Subsidiary proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In

furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary. The L/C Issuer shall provide to the Agent a list of outstanding Letters of Credit (together with type, amounts and denominated currency) issued by it on a monthly basis.

(g) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(h) Applicability of ISP and UCP. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required under any law or practice that is required to be applied to any Letter of Credit, including the law of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(i) Letter of Credit Fees. The Borrower shall pay to the Agent for the account of each Lender in accordance, subject to Section 2.16, with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand, (ii) computed on a quarterly basis in arrears and (iii) computed for the actual number of days that such Letters of Credit are outstanding during the applicable quarter. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each issuance or amendment of a Letter of Credit, at a rate and at the times separately agreed

between the Borrower and the L/C Issuer. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(l) Additional L/C Issuers. The Borrower may from time to time, upon not less than five (5) Business Days' notice from the Borrower to the Agent (or such shorter period of time as may be agreed by the Agent in its sole discretion), designate a Lender hereunder as an L/C Issuer (upon obtaining such Lender's prior consent thereto). The Agent will promptly notify the Lenders of any designation of any such additional L/C Issuers by the Borrower. Upon (i) notification to the Lenders of any additional L/C Issuer by the Agent and (ii) delivery by the Borrower of such contact and other information regarding such L/C Issuer as the Agent shall reasonably request, such Lender shall become an L/C Issuer for all purposes of this Agreement, and references to "L/C Issuer" shall mean and include such Lender in its capacity as an L/C Issuer.

(m) L/C Issuer Reports to the Agent. Unless otherwise agreed by the Agent, each L/C Issuer shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Agent, the following:

(i) reasonably prior to the time that such L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such L/C Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such L/C Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any other Business Day, such other information as the Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer; and

(v) for so long as any Letter of Credit issued by an L/C Issuer is outstanding, such L/C Issuer shall deliver to the Agent (A) on the last Business Day of each calendar month, and (B) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a such information as the Agent shall reasonably request, including, the letter of credit number, maximum face amount, current face amount, beneficiary name, issuance date, expiry date and whether such Letter of Credit is may be automatically renewed or extended.

The Agent shall maintain a record of all outstanding Letters of Credit based upon information provided by the Borrower and the L/C Issuers pursuant to this Section 2.03(m), and

such record of the Agent shall, absent manifest error, be deemed a correct and conclusive record of all Letters of Credit outstanding from time to time hereunder. Notwithstanding the foregoing, if and to the extent the Agent determines that there are one or more discrepancies between information provided by the Borrower and any L/C Issuer hereunder, the Agent will notify the Borrower and such L/C Issuer thereof and the Borrower and such L/C Issuer shall endeavor to reconcile any such discrepancy.

2.04 Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein and in any Autoborrow Agreement then in effect, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, to make loans (each such loan, a "Swing Line Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; provided, however, that (i) after giving effect to any Swing Line Loan, (A) the Total Outstandings shall not exceed the Aggregate Commitments and (B) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, (ii) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan and (iii) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Prior to a refinancing of a Swing Line Loan or the funding of a risk participation in Swing Line Loans, in either case, pursuant to Section 2.04(c), it is understood and agreed that the outstanding Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Committed Loans and L/C Obligations of the Swing Line Lender, may exceed the amount of such Lender's Commitment. Subject to the other terms and conditions hereof, the Borrower may borrow Swing Line Loans under this Section 2.04, repay or prepay such Swing Line Loans, reborrow such Swing Line Loans and borrow other Swing Line Loans under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan or a Term SOFR Daily Floating Rate Loan; provided, however, that if an Autoborrow Agreement is in effect, the Swing Line Lender and the Borrower may agree to an alternate rate of interest on Swing Line Loans under the Autoborrow Agreement with respect to any Swing Line Loans for which the Swing Line Lender has not requested that the Lenders fund Loans to refinance, or to purchase and fund risk participations in, such Swing Line Loans pursuant to Section 2.04(c). Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Agent, which may be given by: (A) telephone or (B) a Swing Line Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Swing Line Lender and the Agent of a Swing Line Loan Notice. Each such notice must be received by the Swing Line Lender and the Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $100,000, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Agent (by telephone or in writing) that the Agent has also received such Swing Line Loan Notice and, if not, the Swing

Line Lender will notify the Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (1) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (2) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

In order to facilitate the borrowing of Swing Line Loans, the Borrower and the Swing Line Lender may mutually agree to, and are hereby authorized to, enter into an Autoborrow Agreement in form and substance satisfactory to the Agent, the Borrower and the Swing Line Lender (the "Autoborrow Agreement") providing for the automatic advance by the Swing Line Lender of Swing Line Loans under the conditions set forth in such agreement, which shall be in addition to the conditions set forth herein. At any time an Autoborrow Agreement is in effect, the requirements for Swing Line Borrowings set forth in the immediately preceding paragraph shall not apply, and all such Swing Line Borrowings shall be made in accordance with the Autoborrow Agreement; provided that any automatic advance made by Bank of America in reliance of the Autoborrow Agreement shall be deemed a Swing Line Loan as of the time such automatic advance is made notwithstanding any provision in the Autoborrow Agreement to the contrary. For purposes of determining the aggregate Outstanding Amount of all Committed Loans, Swing Line Loans and L/C Obligations at any time during which an Autoborrow Agreement is in effect (other than for purposes of calculating commitment fees), the Outstanding Amount of all Swing Line Loans shall be deemed to be the amount of the Swing Line Sublimit. For purposes of any Borrowing pursuant to the Autoborrow Agreement, all references to Bank of America in the Autoborrow Agreement shall be deemed to be a reference to Bank of America, in its capacity as Swing Line Lender hereunder.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding (which Base Rate Loans shall be used to refinance such Swing Line Loans). Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to the Agent in immediately available funds (and the Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each

Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Agent shall remit the funds so received to the Swing Line Lender. To the extent that a Swing Line Loan has been refinanced with a Borrowing of Base Rate Loans pursuant to this Section 2.04(c)(i), such Swing Line Loan shall be deemed repaid for all purposes herein.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Committed Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Committed Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) The Borrower may, upon delivery of a Notice of Loan Prepayment to the Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Agent not later than 11:00 a.m. (A) two Business Days prior to any date of prepayment of Term SOFR Loans and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Term SOFR Loans shall be in a principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Committed Loans to be prepaid and, if Term SOFR Loans are to be prepaid, the Interest Period(s) of such Loans. The Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If the Borrower gives a prepayment notice, then the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein; provided, that any notice of prepayment given in connection with a notice of termination of the Committed Loans given by the Borrower may state that such prepayment notice is conditioned upon the effectiveness of other credit facilities or capital raising, in which case such notice may (subject to compliance by the Borrower with the requirements of Section 3.05) be revoked by the Borrower (by notice to the Agent on or prior to the specified effective date) if such condition is not satisfied. Any prepayment of a Term SOFR Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required

pursuant to Section 3.05. Subject to Section 2.16, each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) At any time an Autoborrow Agreement is not in effect, the Borrower may, upon delivery of a Notice of Loan Prepayment to the Swing Line Lender (with a copy to the Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceed the Aggregate Commitments, the Borrower shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Loans the Total Outstandings exceed the Aggregate Commitments then in effect.

2.06 Termination or Reduction of Aggregate Commitments. The Borrower may, upon notice to the Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments and (iv) if, after giving effect to any reduction of the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Commitments, such sublimit shall be automatically reduced by the amount of such excess; provided, that any notice of termination of the Aggregate Commitments given by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or capital raising, in which case such notice may be revoked by the Borrower (by notice to the Agent on or prior to the specified effective date) if such condition is not satisfied. The Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Committed Loans outstanding on such date.

(b) At any time an Autoborrow Agreement is in effect, the Swing Line Loans shall be repaid in accordance with the terms of such Autoborrow Agreement. At any time an Autoborrow Agreement is not in effect, except to the extent previously refinanced with a Base Rate Loan pursuant to Section 2.04(c), the Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date ten Business Days after such Loan is made and (ii) the Maturity Date.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Term SOFR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of the Term SOFR for such Interest Period plus the Applicable Rate; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the sum of the Base Rate plus the Applicable Rate; (iii) each Swing Line Loan that is a Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the sum of the Base Rate plus the Applicable Rate and (iv) each Swing Line Loan that is a Term SOFR Daily Floating Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the sum of the Term SOFR Daily Floating Rate plus the Applicable Rate. Notwithstanding the foregoing, if an Autoborrow Agreement is in effect, Swing Line Loans made pursuant to such Autoborrow Agreement shall bear interest at such other rate per annum as may be provided for in such Autoborrow Agreement.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such overdue amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in clauses (b)(i) and (b)(ii) above), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and, to the extent permitted by applicable law, after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) Commitment Fee. The Borrower shall pay to the Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to the product of the Applicable Rate times the actual daily amount by which the Aggregate Commitments exceed

the sum of (i) the Outstanding Amount of Committed Loans and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.16. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Aggregate Commitments for purposes of determining the commitment fee. The commitment fee shall accrue at all times during the period commencing on the Closing Date and ending on the last day of the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Other Fees.

(i) The Borrower shall pay, or cause to be paid, to the Arranger and the Agent for their own accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay, or cause to be paid, to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustment of Applicable Rate.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to Term SOFR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Net Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Net Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Agent, any Lender or the L/C Issuer, as the case may be, under Section

2.03(c)(iii), 2.03(i) or 2.08(b) or under Article VIII. The Borrower's obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Agent in the ordinary course of business. The accounts or records maintained by the Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Agent, the Borrower shall execute and deliver to such Lender (through the Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error.

2.12 Payments Generally; Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Agent, for the account of the respective Lenders to which such payment is owed, at the Agent's Office in Dollars and in immediately available funds not later than 11:00 a.m. on the date specified herein. The Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Agent after 11:00 a.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Agent. Unless the Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing of Term SOFR Loans (or, in the case of any Committed Borrowing of Base Rate Loans, prior to 12:00 p.m. on the date of such Committed Borrowing) that such Lender will not make available to the Agent such Lender's share of such Committed Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Committed Borrowing of

Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Agent, then the applicable Lender and the Borrower severally agree to pay to the Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Agent.

(ii) Payments by Borrower; Presumptions by Agent. Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the 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 applicable Lenders or the L/C Issuer, as the case may be, the amount due. With respect to any payment that the Agent makes for the account of the Lenders or the L/C Issuer hereunder as to which the Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) the Borrower has not in fact made such payment; (2) the Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the Agent has for any reason otherwise erroneously made such payment; then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Agent forthwith on demand the Rescindable Amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

A notice of the Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in

accordance with the terms hereof, the Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.15, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against any 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.

2.14 Increases of Aggregate Commitments.

The Borrower shall have the right, upon at least five Business Days' prior written notice to the Agent, to increase the Aggregate Commitments by up to $250,000,000 in the aggregate in one or more increases, at any time prior to the date that is three months prior to the Maturity Date, subject, however, in any such case, to satisfaction of the following conditions precedent:

(a) the Aggregate Commitments shall not exceed $900,000,000 without the consent of the Required Lenders;

(b) no Default shall have occurred and be continuing on the date on which such increase is to become effective;

(c) the representations and warranties set forth in Article V shall be true and correct in all material respects (or, if such representation or warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct in all respects as drafted) on and as of the date on which such increase is to become effective, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or, if such representation or warranty is qualified by materiality or material adverse effect, it shall be true and correct in all respects as drafted) as of such earlier date;

(d) such increase shall be in a minimum amount of $10,000,000, or such lesser amount equal to the remaining available increase amount, and in integral multiples of $1,000,000 in excess thereof;

(e) such requested increase shall only be effective upon receipt by the Agent of (i) additional Commitments in a corresponding amount of such requested increase from either existing Lenders and/or one or more other institutions that qualify as Eligible Assignees (it being understood and agreed that no existing Lender shall be required to provide an additional Commitment) and (ii) documentation from each institution providing an additional Commitment evidencing its additional Commitment and its obligations under this Agreement in form and substance acceptable to the Agent;

(f) the Agent shall have received all documents (including resolutions of the board of directors of the Loan Parties and opinions of counsel to the Loan Parties) it may reasonably request relating to the corporate or other necessary authority for such increase and the validity of such increase in the Aggregate Commitments, and any other matters relevant thereto, all in form and substance reasonably satisfactory to the Agent (it being understood that such documents will be limited, if applicable, to an officer's certificate to the effect that the board resolutions of the Loan Parties adopted on or prior to the Closing Date and delivered pursuant to Section 4.01(a)(ii) remain in full force and effect and have not been modified); and

(g) if any Committed Loans are outstanding at the time of the increase in the Aggregate Commitments, the Borrower shall, if applicable, prepay one or more existing Committed Loans (such prepayment to be subject to Section 3.05) in an amount necessary such that after giving effect to the increase in the Aggregate Commitments, each Lender will hold its pro rata share (based on its Applicable Percentage of the increased Aggregate Commitments) of outstanding Committed Loans.

2.15 Cash Collateral.

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C

Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 8.02(c), or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.16(a)(iv) and any Cash Collateral provided by the Defaulting Lender). For purposes of clarification, if Fronting Exposure remains after giving effect to Section 2.16(a)(iv), the Agent shall first request that the Defaulting Lender deliver to the Agent Cash Collateral in an amount sufficient to cover the remaining Fronting Exposure and, second, to the extent Fronting Exposure remains after giving effect to Cash Collateral provided by the Defaulting Lender, the Agent shall request that the Borrower deliver to the Agent Cash Collateral in an amount sufficient to cover the remaining Fronting Exposure. Such Cash Collateralization may be effected by means of a Borrowing of Committed Loans or a funding of participation interests (assuming for such purposes that the Letters of Credit that will survive the Maturity Date had been fully drawn on the Letter of Credit Expiration Date).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. As of the Closing Date, the Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Agent, for the benefit of the Agent, the L/C Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.15(c). If at any time the Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Agent or the L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the relevant Defaulting Lender and, to the extent Fronting Exposure remains thereafter, the Borrower will promptly upon demand by the Agent, pay or provide to the Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. The relevant Defaulting Lender or, to the extent not paid by the relevant Defaulting Lender, the Borrower, shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.15 or Sections 2.03, 2.04, 2.05, 2.16 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(vi))) or (ii) the Agent's and the L/C Issuer's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of the Borrower shall not be released during the continuance of a Default (and following application as provided in this Section 2.15 may be

otherwise applied in accordance with Section 8.03), and (y) the Person providing Cash Collateral and the L/C Issuer, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations. Between a Defaulting Lender and the Borrower as to any particular Cash Collateral, the Cash Collateral furnished by the Borrower shall be released prior to any Cash Collateral furnished by the Defaulting Lender.

2.16 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 10.08 shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.15; *fourth*, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; *fifth*, if so determined by the Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.15; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the

conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.15.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause any Non-Defaulting Lender's share of the Total Outstandings to exceed such Non-Defaulting Lender's Commitment. Subject to Section 10.19, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.15.

(b) Defaulting Lender Cure. If the Borrower, the Agent, the Swing Line Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Committed Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Committed Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.16(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) Notification of Defaulting Lender. Upon becoming aware that a Lender is a Defaulting Lender, the Agent shall reasonably promptly notify the Borrower that such Lender is a Defaulting Lender.

ARTICLE III.

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable laws. If any applicable laws (as determined in the good faith discretion of the applicable Withholding Agent) require the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding.

(ii) If any Withholding Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Withholding Agent shall withhold or make such deductions as are determined by the Withholding Agent to be required (as determined in the good faith discretion of such Withholding Agent), (B) the Withholding Agent shall timely pay the full amount withheld or deducted to the relevant

Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made. The applicable Withholding Agent (if distinct from the Agent) shall provide the Agent with at least ten days prior written notice prior to the date that such Withholding Agent makes any deduction or payment for Taxes in accordance with this subsection (ii).

(iii) If any Withholding Agent shall be required by any applicable laws other than the Code to withhold or deduct any Taxes from any payment, then (A) the Withholding Agent, as required by such laws, shall withhold or make such deductions as are determined by it to be required (as determined in the good faith discretion of such Withholding Agent), (B) such Withholding Agent, to the extent required by such laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, except in each case, to the extent resulting from the gross negligence or willful misconduct of such Recipient. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall, and does hereby, jointly and severally indemnify the Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (*x*) the Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (*y*) the Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (*z*) the Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Agent or a Loan Party 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 Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Agent, as the case may be, after any payment of Taxes by the Borrower or by the Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Agent or the Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN (or W-8BENE, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN (or W-8BENE, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN (or W-8BENE, as applicable); or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN (or W-8BENE, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender

becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(iv) For purposes of this Section 3.01(e), the term "Lender" includes any L/C Issuer.

(f) Treatment of Certain Refunds. Unless required by applicable laws, at no time shall the Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the indemnification

payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality. If any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund or charge interest with respect to any Credit Extension or to determine or charge interest rates based upon Term SOFR or the Term SOFR Daily Floating Rate, then, upon notice thereof by such Lender to the Borrower (through the Agent), (i) any obligation of such Lender to make or continue Term SOFR Loans, to make Term SOFR Daily Floating Rate Loans, or to convert Base Rate Loans to Term SOFR Loans shall be suspended and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Term SOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender, shall, if necessary to avoid such illegality, be determined by the Agent without reference to the Term SOFR component of the Base Rate, in each case until such Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (A) the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay or, if applicable, convert all Term SOFR Loans or Term SOFR Daily Floating Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Agent without reference to the Term SOFR component of the Base Rate), either (1) if such Lender may lawfully continue to maintain such Term SOFR Loans to such day, on the last day of the Interest Period therefor, (2) if such Lender may not lawfully continue to maintain such Term SOFR Loans to the last day of the Interest Period therefor, on the last day that such Lender may lawfully continue to maintain such Term SOFR Loans or (3) immediately, in the case of Term SOFR Daily Floating Rate Loans and (B) if such notice asserts the illegality of such Lender determining or charging interest rates based upon Term SOFR or the Term SOFR Daily Floating Rate, the Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Term SOFR component thereof until the Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon Term SOFR or the Term SOFR Daily Floating Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a Term SOFR Loan or Term SOFR Daily Floating Rate Loan or a conversion to or continuation thereof, (i) the Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 3.03(b), and the circumstances under clause (i) of Section 3.03(b) or the Scheduled Unavailability Date has occurred (as applicable) or (B) adequate and reasonable means do not exist for determining (1) Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan or in connection with an existing or proposed Base Rate Loan or (2) the Term SOFR Daily Floating Rate for an existing or proposed Term SOFR Daily Floating Rate Loan or (ii) (A) the Agent or the Required Lenders determine that for any reason that Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, in each case, the Agent will promptly so notify the Borrower and each Lender or (B) the Swing Line

Lender determines that for any reason the Term SOFR Daily Floating Rate with respect to a proposed Term SOFR Daily Floating Rate Loan or in connection with a Term SOFR Daily Floating Rate Loan does not adequately and fairly reflect the cost to the Swing Line Lender of funding such Swing Line Loan, in each case, the Swing Line Lender will promptly so notify the Borrower and the Agent. Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Loans of the type covered by the Agent's notice shall be suspended (to the extent of the affected Term SOFR Loans or Interest Periods), (y) the obligation of the Swing Line Lender to make or maintain Term SOFR Daily Floating Rate Loans shall be suspended and (z) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of this Section 3.03(a), until the Agent upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower may (A) revoke any pending request for a Committed Borrowing of, conversion to or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein or (B) revoke any pending request for a Swing Line Borrowing of Term SOFR Daily Floating Rate Loans (to the extent of the affected Term SOFR Daily Floating Loans) or, failing that, will be deemed to have converted such request into a request for a Swing Line Borrowing of Base Rate Loans in the amount specified therein and (ii) any outstanding Term SOFR Loans shall be deemed to have been converted to Base Rate Loans at the end of their respective applicable Interest Period.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining one month and three month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) CME or any successor the administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month and three month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of Dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Agent, that will continue to provide such interest periods of Term SOFR after such specific date (the latest date on which one month and three month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "Scheduled Unavailability Date");

then, on a date and time determined by the Agent (any such date, the "Term SOFR Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any

Loan Document with Daily Simple SOFR *plus* the SOFR Adjustment for any payment period for interest calculated that can be determined by the Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the "Successor Rate").

If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a quarterly basis.

Notwithstanding anything to the contrary herein, (i) if the Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (ii) if the events or circumstances of the type described in Section 3.03(b)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then in each case, the Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 3.03 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar Dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark. and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar Dollar denominated credit facilities syndicated and agented in the United States for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a "Successor Rate". Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Agent written notice that such Required Lenders object to such amendment.

The Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero, the Successor Rate will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

For purposes of this Section 3.03, those Lenders that either have not made, or do not have an obligation under this Agreement to make, the relevant Loans in Dollars shall be excluded from any determination of Required Lenders.

3.04 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer any other condition, cost or expense affecting this Agreement or Term SOFR Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Committed Loan the interest on which is determined by reference to Term SOFR (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than three months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the three-month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Term SOFR Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Term SOFR Loan on the date or in the amount notified by the Borrower; or (c) any assignment of a Term SOFR Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13;

including any loss (excluding any loss of anticipated profits) or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to take such actions, including, 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 or the L/C Issuer, such actions, designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender or the L/C Issuer, as the case may be, (as compared to actions taken by such Lender with respect to other similarly situated borrowers). The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrower may replace such Lender in accordance with Section 10.13.

3.07 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Agent.

ARTICLE IV.

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions to Effectiveness and Initial Credit Extensions. This Agreement shall become effective upon, and the obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder shall be subject to, in each case, satisfaction of the following conditions precedent:

(a) The Agent's receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the Borrower or the applicable Guarantor and, in the case of this Agreement, each Lender, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date (or, as to any organization documents that have not been amended, modified or terminated since the closing date of the Existing Credit Agreement or the date thereafter on which they were most recently delivered to the Agent, such date)) and each in form and substance satisfactory to the Agent and each of the Lenders:

(i) (A) an executed counterpart of this Agreement, (B) a Guaranty executed by each Material Domestic Subsidiary existing as of the Closing Date, and (C) a Note executed by the Borrower in favor of each Lender requesting a Note;

(ii) such certificates of resolutions or other action, incumbency certificates with specimen signatures and/or other certificates of the secretary or assistant secretary of each Loan Party as the Agent may reasonably require evidencing the identity, authority and capacity of each Authorized Officer thereof authorized to act as an Authorized Officer in connection with this Agreement and the other Loan Documents;

(iii) such documents and certifications as the Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing and is in good standing in its jurisdiction of organization;

(iv) favorable opinions of Gibson, Dunn & Crutcher LLP and Goodsill Anderson Quinn & Stifel, addressed to the Agent and each Lender, as to such matters concerning the Loan Parties and the Loan Documents as the Lenders may reasonably request; and

(v) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and 4.02(b) have been satisfied on and as of the Closing Date, (B) that there has been no event or circumstance since December 31, 2020 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, and (C) that attached thereto

are copies of all documents evidencing any actions, approval, or consents necessary in connection with this Agreement (or, if no actions, approval or consents are necessary, certifying that no actions, approval or consents are necessary).

(b) The Agent shall have received a complete copy of each Note Purchase Agreement in effect as of the Closing Date (in each case, together with (x) an amendment to such Note Purchase Agreement in form and substance satisfactory to the Agent and (y) all exhibits and schedules thereto).

(c) Upon the reasonable request of any Lender, the Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.

(d) Any fees agreed in writing to be paid to the Agent, the Arranger or the Lenders on or before the Closing Date shall have been paid.

(e) Unless waived by the Agent, the Borrower shall have paid all fees, charges and disbursements of counsel to the Agent (directly to such counsel if requested by the Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the Closing Date (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Agent).

The Agent shall notify the Borrower in writing when this Agreement becomes effective. Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Term SOFR Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (or, if such representation or warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct in all respects as drafted) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or, if such representation or warranty is qualified by materiality or material adverse effect, it shall be true and correct in all respects as drafted) as of such earlier date; and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.02 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Agent and, if applicable, the L/C Issuer or the Swing Line Lender (if no Autoborrow Agreement is then in effect) shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of Term SOFR Loans) submitted by the Borrower and each Swing Line Borrowing of Swing Line Loans pursuant to an Autoborrow Agreement shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and 4.02(b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and the Lenders that:

5.01 Organization. Each Loan Party and each Material Subsidiary is duly organized, validly existing and in good standing under the laws of the state of its organization. The Borrower and each Material Subsidiary has the full power and authority to own its properties and to carry on its business as now being conducted, and is duly qualified in every state where the nature of its business requires that it do so, and is in good standing under the laws of every jurisdiction outside the state of its organization in which it owns or leases property or conducts business and in which the failure to so qualify would have a Material Adverse Effect. The Borrower and each Material Subsidiary has complied in all material respects with (or is exempt from the application of) all material federal, state and local laws, regulations and orders that are (or in the absence of any exemption could be) applicable to the operations of its business, including public utility, bank holding company, state agricultural and Environmental and Safety Laws, in each case except to the extent that the failure to so comply would not reasonably be expected to have a Material Adverse Effect. Each Loan Party has full power, authority and right to execute and deliver, and to perform and observe, the provisions of this Agreement and the other Loan Documents to which such Loan Party is a party and to carry out the transactions contemplated hereby and thereby. The execution, delivery and performance of the Loan Documents by each Loan Party have been authorized by all necessary corporate and other action, and, when duly executed and delivered, will be the legal, valid and binding obligations of such Loan Party, enforceable against it in accordance with their respective terms.

5.02 Financial Statements.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Debt.

(b) The financial statements delivered pursuant to 6.01(a) for the fiscal quarter ending September 30, 2020 (i) were prepared in accordance with GAAP consistently applied

throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of unaudited financial statements, to the absence of footnotes and to normal year-end audit adjustments).

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.03 Actions Pending. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary or any properties or rights of the Borrower or any Subsidiary, by or before any court, arbitrator or administrative or governmental body which could reasonably be expected to result in a Material Adverse Effect.

5.04 Outstanding Debt. Neither the Borrower nor any Subsidiary has any Debt outstanding except as not prohibited by this Agreement.

5.05 Title to Properties. The Borrower and each Material Subsidiary have good and indefeasible title to their respective real properties (other than properties which they lease) and have good title to all of their other material properties and assets, including the properties and assets reflected in the most recent audited balance sheet referred to in Section 5.02(a) or furnished pursuant to Section 6.01(b) (other than properties and assets disposed of in the ordinary course of business) except where the failure to have such good title would not reasonably be expected to have a Material Adverse Effect. Such properties are not subject to any Liens of any kind except Liens permitted by Section 7.02. There is no material default, nor any event that, with notice or lapse of time or both, would constitute such a material default under any material lease to which either the Borrower or any Material Subsidiary is a lessee, lessor, sublessee or sublessor.

5.06 Taxes. Except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect,(a) each Loan Party and each Material Subsidiary has filed all Federal and state income tax and all other material tax and informational returns which are required to be filed by it, and (b) the Borrower and each such Subsidiary has paid all taxes as shown on such returns and on all assessments received (other than such taxes as are not yet delinquent), except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP.

5.07 Conflicting Agreements and Other Matters. Neither the execution nor delivery of this Agreement or the other Loan Documents, nor the making of Credit Extensions hereunder, nor fulfillment of nor compliance with the terms and provisions of this Agreement or the other Loan Documents will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Borrower or any Subsidiary pursuant to, their respective articles of incorporation, bylaws or similar organizational documents, any award of any arbitrator or any agreement, instrument, order, judgment, decree, and after due investigation and to the Borrower's best knowledge, any statute, law, rule or regulation to which the Borrower or any Subsidiary is subject. Neither the Borrower nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing any of their respective Debt, any agreement relating thereto or any other contract or agreement which restricts or otherwise limits the incurring of Debt pursuant hereto, except as set forth on Schedule 5.07 hereto.

5.08 Subsidiaries. Set forth on Schedule 5.08 is a complete and accurate list as of the Closing Date of each Material Domestic Subsidiary.

5.09 ERISA. No accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, exists with respect to any Plan (other than a Multiemployer Plan). No liability to the PBGC has been or is expected by the Borrower or any ERISA Affiliate to be incurred with respect to any Plan (other than a Multiemployer Plan) by the Borrower, any Subsidiary or any ERISA Affiliate which is or would be materially adverse to the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries taken as a whole. Neither the Borrower, any of its Subsidiaries or any ERISA Affiliate has incurred or presently expects to incur any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is or would reasonably be expected to have a Material Adverse Effect. The execution and delivery of this Agreement and the other Loan Documents and the Credit Extensions hereunder will be exempt from, or did not and will not involve any transaction which is subject to the prohibitions of, section 406 of ERISA and did not and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA or a tax could be imposed pursuant to section 4975 of the Code. As of the Closing Date, the Borrower is not and will not be using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to the Borrower's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement.

5.10 Government Consent. Neither the nature of the Borrower or any of its Subsidiaries, nor any of their respective businesses or properties, nor any relationship between the Borrower or a Subsidiary and any other Person, nor any circumstance in connection with the Credit Extensions hereunder is such as to require any authorization, consent, approval, exemption or other action by, notice to or filing with any court, administrative or governmental body (other than routine filings after the Closing Date with the SEC and/or state blue sky authorities) in connection with (a) the execution and delivery of this Agreement and the other Loan Documents or (b) fulfillment of or compliance with the terms and provisions of this Agreement and the other Loan Documents, in either case, that has not been obtained.

5.11 Investment Company Status; Margin Stock. The Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940. No part of the proceeds of any Credit Extension will be used in any manner that is in violation of Regulations U or X issued by the FRB. After applying the proceeds of each Credit Extension, margin stock (within the meaning of Regulation U issued by the FRB) will not constitute more than 25% of the value of the assets (either of the Borrower alone or the Borrower and its Subsidiaries on a consolidated basis) that are subject to the provisions of this Agreement that may cause the Credit Extensions to be deemed secured, directly or indirectly, by margin stock.

5.12 Possession of Franchises, Licenses, Etc. The Borrower and its Subsidiaries possess all material franchises, certificates, licenses, development and other permits and other authorizations from governmental political subdivisions or regulatory authorities and all material patents, trademarks, service marks, trade names, copyrights, licenses, easements, rights of way and other rights (collectively, "Material Rights"), free from burdensome restriction, that are necessary in the judgment of the Borrower in any material respect for the ownership, maintenance and operation of their business, properties and assets, and neither the Borrower nor any of its Subsidiaries is in violation of any Material Rights except where the violation of such Material Rights would not reasonably be expected to have a Material Adverse Effect. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such Material Rights except where the revocation of such Material

Rights would not reasonably be expected to have a Material Adverse Effect, or which materially and adversely affects the rights of the Borrower or its Subsidiaries thereunder.

5.13 Environmental and Safety Matters. The Borrower and its Subsidiaries and all of their respective properties and facilities do comply and to the knowledge of the Borrower, have complied at all times and in all respects with all Environmental and Safety Laws except where failure to comply would not result in a Material Adverse Effect.

5.14 Hostile Tender Offers. None of the proceeds of the Credit Extensions will be used to finance any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than (a) purchases for portfolio investment purposes of such shares, equity interests, securities or rights which, together with any shares, equity interests, securities or rights then owned by the Borrower and its Subsidiaries, represent less than 5% of the equity interests or beneficial ownership of such corporation or other entity, or (b) such offers or purchases as have been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity.

5.15 Employee Relations. Neither the Borrower nor any Subsidiary is the subject of (a) any material strike, work slowdown or stoppage, union organizing drive or other similar activity or (b) any material action, suit, investigation or other proceeding involving alleged employment discrimination, unfair termination, employee safety or similar matters that in either case would reasonably be expected to have a Material Adverse Effect nor, to the best knowledge of the Borrower, is any such event imminent or likely to occur except those which, individually or in aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.16 Sanctions and Anti-Corruption Laws.

(a) No Loan Party, no Subsidiary nor, to the knowledge of senior management of any Loan Party, any Related Party is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, or any similar list enforced by any other relevant sanctions authority applicable to the Borrower and its Subsidiaries or (iii) located, organized or resident in a Designated Jurisdiction

(b) Neither the Borrower nor any of its Subsidiaries has been charged with, or convicted of bribery or any other anti-corruption related activity under any law or regulation applicable to bribery or any other anti-corruption related activity in a U.S. or any non-U.S. country or jurisdiction, including but not limited to the United States Foreign Corrupt Practices Act of 1977 ("Anti-Corruption Laws"), and the Borrower has established and maintained procedures and controls which it reasonably believes are adequate to promote and achieve compliance by the Borrower and its Subsidiaries in all material respects with all applicable Anti-Corruption Laws.

5.17 Disclosure. Neither this Agreement nor any other document, certificate or statement furnished to the Agent or any Lender by or on behalf of the Borrower in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, taken as a whole as of the date thereof, not misleading; provided, that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time and information

available to it at such time, it being understood that the Borrower is under no obligation to update such projections or underlying information. As of the Closing Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

5.18 No Affected Financial Institution. No Loan Party is an Affected Financial Institution.

ARTICLE VI.

AFFIRMATIVE COVENANTS

On and after the Closing Date, and so long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder (other than any contingent indemnification Obligation) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

6.01 Financial Information. The Borrower shall deliver to the Agent (for distribution to the Lenders):

(a) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year (or if earlier, 5 days after the date required to be filed with the SEC), consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and certified by an authorized financial officer of the Borrower, subject only to changes resulting from year-end adjustments;

(b) as soon as practicable and in any event within 120 days after the end of each fiscal year of the Borrower (or if earlier, 5 days after the date required to be filed with the SEC), consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such year and a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, setting forth in each case in comparative form corresponding figures from the preceding annual audit, certified by independent public accountants of recognized national standing whose opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; provided, that, it shall not be a violation of this clause (b) if the opinion accompanying the financial statements for the last fiscal year prior to the Maturity Date is subject to a "going concern" or like qualification solely as a result of the impending maturity of the Loans under this Agreement;

(c) together with each delivery of financial statements required by clauses (a) and (b) above, a Compliance Certificate (x) setting forth computations showing the calculation of the covenants in Sections 7.01 and 7.05, (y) stating that there exists no Default, or if any such Default exists, specifying the nature and period of existence thereof and what action the Borrower proposes to take with respect thereto and (z) attaching supplements to Schedule 5.08 as are necessary such that, as supplemented, such Schedule would be accurate and complete as of the date of such Compliance Certificate;

(d) promptly upon transmission thereof, copies of all such financial, proxy and information statements, notices and other reports as are sent to the Borrower's public stockholders and copies of all registration statements (without exhibits) and all reports which are filed with the SEC;

(e) promptly upon receipt thereof, a copy of each other material report submitted to the Borrower or any of its Subsidiaries by independent accountants in connection with any material annual, interim or special audit made by them of the books of such Borrower or such Subsidiary;

(f) promptly after the furnishing thereof, copies of any certificate, statement or report furnished to any other lender to, or holder of the debt securities of, the Borrower pursuant to the terms of any indenture, loan, credit or similar agreement or instrument and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 6.01; and

(g) with reasonable promptness, such other financial data as the Agent or any Lender may reasonably request.

The Borrower also covenants that forthwith upon a Responsible Officer obtaining actual knowledge of a Default, it will deliver to the Agent and the Lenders an Officers' Certificate specifying the nature and period of existence thereof and what action the Borrower proposes to take with respect thereto.

Documents required to be delivered pursuant to Section 6.01(a), (b) or (d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent); provided that in the case of documents that are not available on http://www.sec.gov: (A) the Borrower shall deliver paper copies of such documents to the Agent or any Lender that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Agent or such Lender and (B) the Borrower shall notify the Agent and each Lender (by fax transmission or e-mail transmission) of the posting of any such documents and upon the request of the Agent or any Lender, shall provide to the Agent by e-mail electronic versions (*i.e.*, soft copies) of such documents. The Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (1) the Agent and/or the Arranger may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (2) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked by the Borrower as "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have

authorized the Agent, the Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC."

6.02 Inspection of Property. The Borrower shall, and shall cause its Subsidiaries to, permit any employees or designated representatives of the Agent, any of its Related Parties or any other Lender with a Commitment in excess of $5,000,000, at such Person's expense, to visit and inspect any of the properties of the Borrower and its Subsidiaries, to examine their books and financial records and to make copies thereof or extracts therefrom and to discuss their affairs, finances and accounts with the Responsible Officers and the Borrower's independent certified public accountants, all at such reasonable times and as often as such Person may reasonably request; provided that a principal financial officer of the Borrower shall have reasonable prior notice of, and may elect to be present during, discussions with the Borrower's independent public accountants.

6.03 Covenant to Secure Obligations Equally. (a) If the Borrower or any of its Domestic Subsidiaries shall create, assume or otherwise incur any Lien upon any of its property or assets, whether now owned or hereafter acquired, other than Liens permitted by the provisions of Section 7.02 (including in such permitted Liens, without limitation, Liens securing Title XI Debt to the extent such Title XI Debt is permitted Priority Debt) or (b) if the Borrower or any of its Subsidiaries shall create, assume or otherwise incur any Lien upon any of its property or assets, whether now owned or hereafter acquired to secure its obligations under any Note Purchase Agreement (other than (x) the Collateral and/or (y) cash collateral in an amount not to exceed, for each such Note Purchase Agreement, the amount of Cash Collateral being provided by the Borrower and its Subsidiaries pursuant to Section 2.15), then in either case, the Borrower will make, or will cause its Subsidiaries to make, effective provision whereby the Obligations will be secured by such Lien equally and ratably with any and all other Debt thereby secured so long as any such other Debt shall be so secured pursuant to an agreement or agreements (including security agreements and similar collateral documents and an intercreditor agreement) reasonably acceptable to the Required Lenders.

6.04 Maintenance of Properties; Insurance. The Borrower shall, and shall cause its Subsidiaries to (a) maintain or cause to be maintained in good repair, working order and condition all material properties used or useful at that time in its business and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof and (b) maintain insurance with reputable and financially sound insurers in such amounts and against such liabilities and hazards as is customarily maintained by other companies operating similar businesses and together with each delivery of financial statements under Section 6.01(b), upon the request of the Agent, deliver certificates of insurance to the foregoing effect to the Agent.

6.05 Environmental and Safety Laws.

(a) The Borrower shall deliver promptly to the Agent notice of (i) any material enforcement, cleanup, removal or other material governmental or regulatory action instituted or, to the Borrower's best knowledge, threatened against the Borrower or any Material Subsidiary pursuant to any Environmental and Safety Laws, (ii) all material Environmental Liabilities and Costs against or in respect of the property, Borrower or any Material Subsidiary or any of its

material properties and (iii) the Borrower's or any Material Subsidiary's discovery of any occurrence or condition on any material real property adjoining or in the vicinity of any of its properties that the Borrower or such Material Subsidiary has reason to believe would cause such property or any material part thereof to be subject to any material restrictions on its ownership, occupancy, transferability or use under any Environmental and Safety Laws.

(b) The Borrower shall, and shall cause its Material Subsidiaries to, keep and maintain its properties and conduct its and their operations in compliance in all material respects with all applicable Environmental and Safety Laws except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.06 Use of Proceeds. The Borrower shall, and shall cause its Subsidiaries to, use the proceeds of the Credit Extensions (a) to finance working capital, capital expenditures (including Acquisitions) and other lawful corporate purposes, (b) to refinance certain existing indebtedness, (c) for support of commercial paper issued by the Borrower, and (d) to pay fees and expenses incurred in connection with this Agreement; provided that in no event shall the proceeds of any Credit Extension be used in contravention of any law or of any Loan Document.

6.07 United States Citizen. The Borrower covenants that it will, and will cause each of its Subsidiaries that owns or operates any Vessel, at all times to preserve and maintain its status as a Section 2 Citizen. For purposes hereof, "Section 2 Citizen" means a Person that is a citizen of the United States as required for the coastwise trade under Section 50501 of Title 46 of the United States Code and the regulations in effect from time to time thereunder.

6.08 Guarantors.

(a) Together with each delivery of financial statements required by Sections 6.01(a) and 6.01(b), the Borrower shall notify the Agent if any wholly-owned Subsidiary has become a Material Domestic Subsidiary after the Closing Date. Within 30 days after such notification (or such longer period as determined by Agent in its sole discretion), the Borrower shall cause such wholly-owned Material Domestic Subsidiary to (i) become a Guarantor by executing and delivering to the Agent a joinder to the Guaranty, and (ii) at the request of the Agent, deliver to the Agent such organization documents, resolutions and favorable opinions of counsel, all in form, content and scope similar to those delivered on the Closing Date or otherwise reasonably satisfactory to the Agent.

(b) If a Guarantor is a party to any transaction of merger, consolidation or other combination permitted by Section 7.04(b) or 7.04(c), the continuing or surviving Person of such transaction shall, within 30 days after the consummation of such transaction (or such longer period as determined by Agent in its sole discretion), (i) become a Guarantor by executing and delivering to the Agent a joinder to the Guaranty and (ii) at the request of the Agent, deliver to the Agent such organization documents, resolutions and favorable opinions of counsel, all in form, content and scope similar to those delivered on the Closing Date or otherwise reasonably satisfactory to the Agent.

(c) Notwithstanding the forgoing, concurrently with such time as any Person becomes a guarantor or other obligor under any Note Purchase Agreement, the Borrower shall cause such Person to (i) become a Guarantor by executing and delivering to the Agent a joinder to the Guaranty, and (ii) at the request of the Agent, deliver to the Agent such organization documents, resolutions and favorable opinions of counsel, all in form, content and scope similar to those delivered on the Closing Date or otherwise reasonably satisfactory to the Agent.

(d) So long as no Default exists, if a Guarantor ceases to be a Material Domestic Subsidiary, then upon the written request of the Borrower, the Agent shall release such Guarantor from its obligations under the Guaranty pursuant to Section 9.09; provided that the Agent shall not release such Guarantor unless such Guarantor is not at such time (or concurrently with such release by the Agent will cease to be) a guarantor or obligor under any Note Purchase Agreement.

6.09 [Reserved].

6.10 Anti-Corruption Laws. The Borrower shall, and shall cause its Subsidiaries to, conduct its businesses in compliance in all material respects with all applicable Anti-Corruption Laws and maintain procedures and controls which it reasonably believes are adequate to promote and achieve compliance in all material respects by the Borrower and its Subsidiaries with all applicable Anti-Corruption Laws.

6.11 Incumbency Certificates. To the extent reasonably requested by the Agent, the applicable Loan Party will provide an incumbency certificate for any Responsible Officer of such Loan Party, and to the extent reasonably requested by the Agent, appropriate authorization documentation, in form and substance reasonably satisfactory to the Agent.

6.12 KYC Information. Promptly following any request therefor, the Borrower will provide information and documentation reasonably requested by the Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act and any change in its status as exempt from the reporting requirements of the Beneficial Ownership Regulation and, if applicable, deliver to the Agent or directly to the applicable Lender any additional information (including a Beneficial Ownership Certification) necessary in order to comply with the Beneficial Ownership Regulation.

6.13 Most-Favored Lender. If the Borrower shall at any time on or after the Closing Date enter into any modification, amendment or restatement of any Note Purchase Agreement in any manner which (a) has added or subsequently adds additional financial or negative covenants or events of default for the benefit of the holders of the notes issued pursuant to such Note Purchase Agreement or (b) has made or subsequently makes the financial or negative covenants and/or events of default set forth therein more restrictive on the Borrower or any Subsidiary than the covenants and/or events of default contained in this Agreement, then such more restrictive financial or negative covenants, events of default and any related definitions (the "Additional Provisions") shall automatically be deemed to be incorporated into this Agreement by reference and this Agreement shall be deemed to be amended to include such Additional Provisions from the time any such modification, amendment or restatement of such Note Purchase Agreement becomes binding upon the Borrower. Promptly but in no event more than five (5) Business Days following the execution of any agreement providing for Additional Provisions, the Borrower shall furnish the Agent with a copy of such agreement. Upon written request of the Required Lenders, the Borrower will enter into an amendment to this Agreement pursuant to which this Agreement will be formally amended to incorporate the Additional Provisions on the terms set forth herein.

ARTICLE VII.

NEGATIVE COVENANTS

On and after the Closing Date, and so long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than any contingent indemnification Obligation) hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

7.01 Financial Covenants. (a) Minimum Consolidated Interest Coverage Ratio. The Borrower shall not permit the Consolidated Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 3.50 to 1.0.

(b) Maximum Consolidated Leverage Ratio. The Borrower shall not permit the Consolidated Leverage Ratio as of the end of any fiscal quarter of the Borrower to exceed 3.50 to 1.0; provided, however, in connection with any Acquisition in an Eligible Business Line that is not a Hostile Acquisition for which the aggregate purchase consideration equals or exceeds $75,000,000, the maximum permitted Consolidated Leverage Ratio, at the election of the Borrower, with prior written notice from the Borrower to the Agent, shall increase to 4.00 to 1.0 on one occasion during the term of this Agreement, for the period beginning on the date of the consummation of such Acquisition and continuing until the fourth consecutive fiscal quarter end which occurs on or after the date of the consummation of such Acquisition.

(c) Maximum Priority Debt. The Borrower shall not permit (i) the principal amount of Priority Debt at any time to exceed 17.5% of Consolidated Tangible Assets as of the most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 6.01(a) or 6.01(b) and (ii) the principal amount of Priority Debt that is not Title XI Priority Debt at any time to exceed 10% of Consolidated Tangible Assets as of the most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 6.01(a) or 6.01(b).

7.02 Liens. The Borrower shall not, and shall not permit any Subsidiary to, create, assume or suffer to exist at any time any Lien on or with respect to any of its property or assets, whether now owned or hereafter acquired (whether or not provision is made for the equal and ratable securing of the Obligations in accordance with the provisions of Section 6.03 but subject to the limitation on Priority Debt in Section 7.01(c)), except:

(a) Liens for taxes not yet delinquent or which are being actively contested in good faith by appropriate proceedings and for which adequate reserves have been established to the extent required by GAAP;

(b) Liens (other than Liens pursuant to ERISA) incidental to the conduct of its business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances of credit (including, without limitation, Liens on vessels or equipment (i) for crew and stevedores wages, (ii) for salvage and general average, (iii) arising by operation of law in the ordinary course of business in operating, maintaining or repairing vessels, and (iv) for damages arising from maritime torts which are unclaimed, or which are claimed and are covered by insurance and any deductible applicable thereto), and which do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;

(c) Liens on property or assets of a Subsidiary securing obligations of such Subsidiary to the Borrower or another Subsidiary;

(d) Liens encumbering the CCF to the extent incurred to secure the financing by the Borrower or Matson Navigation of "qualified vessels" as defined in Section 607 of the Merchant Marine Act, 1936, as amended;

(e) Liens existing on the Closing Date and listed on Schedule 7.02 and any renewals or extensions thereof, provided that the property covered thereby is not changed;

(f) other Liens securing Debt not otherwise permitted by clauses (a) through (e) above, inclusive; provided that the aggregate amount of all Priority Debt does not, at any time, exceed the level prohibited by Section 7.01(c); provided further that, notwithstanding the foregoing, the Borrower shall not, and shall not permit any Subsidiary to, create or permit to exist any Lien on any property securing Debt outstanding or issued under the Note Purchase Agreements (other than cash collateral in an amount, for each such Note Purchase Agreement, not to exceed the amount of Cash Collateral being provided by the Borrower and its Subsidiaries pursuant to Section 2.15) unless and until the Obligations shall be secured equally and ratably with such Debt pursuant to an agreement or agreements (including security agreements and similar collateral documents and an intercreditor agreement) reasonably acceptable to the Required Lenders;

(g) any Lien securing obligations that do not constitute Debt existing on any property of any Person at the time it becomes a Subsidiary, or existing prior to the time of acquisition upon any property acquired by the Borrower or any Subsidiary through purchase, merger or consolidation or otherwise, whether or not assumed by the Borrower or such Subsidiary; provided that any such Lien shall not encumber any other property of the Borrower or such Subsidiary (other than proceeds of such acquired property);

(h) (i) other Liens securing obligations that do not constitute Debt provided that the aggregate amount of such obligations does not exceed $25,000,000 at any time outstanding and (ii) other Liens securing obligations that do not constitute Debt provided that the aggregate fair market value (as reasonably determined by the Borrower acting in good faith) of all assets subject to all such Liens does not exceed $25,000,000; and

(i) any Lien pursuant to any Loan Document.

7.03 Loans, Advances and Investments. The Borrower shall not permit, and shall not permit any Subsidiary to make or permit to remain outstanding any loan or advance to, or own, purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any Person, or consummate any Acquisition, except that the Borrower or any Subsidiary may

(a) make, or permit to remain outstanding, loans or advances to the Borrower or any Subsidiary;

(b) own, purchase or acquire stock, obligations or securities of a Subsidiary, and, so long as the Borrower is in compliance with the financial covenants set forth in Section 7.01 on a pro forma basis immediately after giving effect to such transaction, consummate Acquisitions;

(c) acquire and own stock, obligations, securities or other investments (i) consisting of extensions of credit arising from the grant of trade credit, or received in settlement or partial satisfaction thereof of obligations (including any Debt or trade credit) owing to the Borrower or any Subsidiary or (ii) received in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of trade creditors or account debtors;

(d) make investments in accordance with the resolutions of the Board of Directors of the Borrower; provided that such resolutions authorize only investments rated investment grade by S&P, Moody's, or any other nationally recognized credit rating agency or investments in the Borrower's accounts receivable purchased or held by the CCF;

(e) make any investment in any stock, obligations or securities of, or any other interest in, or any capital contribution to, an Eligible Business Line (subject, in the case of any Acquisition, to Section 7.03(b)); and

(f) make other investments, loans and advances which in the aggregate (at original cost) do not exceed $50,000,000 at any time outstanding.

Notwithstanding the foregoing, (i) amounts in the CCF may be invested only as provided in subsection (d) above and (ii) for the avoidance of doubt, this Section 7.03 shall not apply to any Guarantee.

7.04 Merger. The Borrower shall not, and shall not permit any Subsidiary to, consummate any transaction of merger, consolidation or other combination with any other Person; provided that:

(a) any Subsidiary may merge with the Borrower; provided that the Borrower shall be the continuing or surviving corporation and immediately after such merger no Event of Default shall exist;

(b) any Subsidiary may merge with another Subsidiary; provided that if a Material Domestic Subsidiary merges with a Foreign Subsidiary, such Material Domestic Subsidiary shall be the surviving Person and immediately after such merger no Event of Default shall exist; and

(c) the Borrower or any Subsidiary may merge, consolidate or combine with any other Person in connection with an Acquisition permitted by Section 7.03(b); provided that (i) immediately after such merger, consolidation or combination, no Event of Default shall exist and (ii) if the Borrower is a party to such transaction, the Borrower will be the continuing or surviving corporation.

7.05 Sale of Capital Assets. The Borrower shall not, and shall not permit any Subsidiary to, sell, lease, transfer or otherwise dispose of any Capital Asset to any Person, except that (a) any Loan Party may sell or otherwise dispose of any Capital Asset to any other Loan Party, (b) any Subsidiary that is not a Loan Party may sell or otherwise dispose of any Capital Asset to the Borrower or any other Subsidiary and (c) during any rolling twelve-month period, the Borrower or any Subsidiary may sell or otherwise dispose of Capital Assets which constituted up to 10% of the total value of the consolidated assets of Matson Navigation and its Subsidiaries as of December 31, 2020, so long as such Capital Assets, when considered together with all other Capital Assets sold or otherwise disposed of subsequent to December 31, 2020, do not constitute in excess of 30% of the total value of the consolidated assets of Matson Navigation and its Subsidiaries as of December 31, 2020; provided, that to the extent that the Borrower and its Subsidiaries have reinvested the net cash proceeds from any such sale in Capital Assets within twelve (12) months of the date of such sale, or have committed to so reinvest such net cash proceeds by the end of such twelve-month period and have actually reinvested such net cash proceeds within eighteen (18) months of the date of such sale, the amount of such reinvested net cash proceeds shall not constitute utilization of the foregoing 30% limitation; provided, further, that this Section 7.05 shall not apply to any Lien permitted hereunder.

7.06 Use of Proceeds. The Borrower shall not use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.07 Transactions with Affiliates and Stockholders. The Borrower shall not, and shall not permit any Subsidiary to, directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with, in the ordinary course of business or otherwise (a) any Affiliate, (b) any Person owning, beneficially or of record, directly or indirectly, either individually or together with all other Persons to whom such Person is related by blood, adoption or marriage, stock of the Borrower or stock of any Person owning stock of the Borrower (of any class having ordinary voting power for the election of directors) aggregating 5% or more of such voting power or (c) any Person related by blood, adoption or marriage to any Person described or coming within the provisions of clause (a) or (b) of this Section 7.07; provided that the following shall be permitted: (i) the Borrower and Subsidiaries may enter into such transactions on terms no less favorable to the Borrower or Subsidiary than if no such relationship existed, (ii) customary fees, indemnities and reimbursements may be paid to officers, employees, consultants and directors of the Borrower and its Subsidiaries; (iii) the Borrower and its Subsidiaries may enter into and make payments and provide benefits pursuant to reasonable and customary employment arrangements with officers and senior management employees; (iv) the Borrower may sell or issue its capital stock, (v) transactions between the Borrower and any Subsidiary, and among Subsidiaries of the Borrower and (vi) Restricted Payments made in compliance with Section 7.08.

7.08 Dividend Limitation. The Borrower shall not pay or declare any dividend on any class of stock or make any other distribution on account of any class of its stock, or redeem, purchase or otherwise acquire, directly or indirectly, any shares of its stock (all of the foregoing being herein called "Restricted Payments") unless (i) at the time any proposed Restricted Payment is to be made, and after giving effect to any proposed Restricted Payment, no Default exists or would exist after giving effect to such Restricted Payment and (ii) the Borrower is in compliance with the financial covenants set forth in Section 7.01 on a pro forma basis after giving effect to such Restricted Payment.

7.09 Sanctions. The Borrower shall not, and shall not permit any Subsidiary to, directly, or knowingly indirectly, use the proceeds of any Credit Extension (a) in connection with any investment in, or any transaction or dealings with, any Person that, at the time of such funding, is the subject of Sanctions in a manner that will result in a violation of Sanctions, or (b) in any other manner in violation of Sanctions.

7.10 Anti-Corruption Laws. The Borrower shall not, and shall not permit any Subsidiary to, directly, or knowingly indirectly, use the proceeds of any Credit Extension for any purpose which would breach Anti-Corruption Laws in any material respect.

ARTICLE VIII.

EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an "Event of Default":

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within five days after the same becomes due, any interest on any Loan or on any L/C Obligation, any fee due hereunder or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any agreement contained in Article VII; or

(c) Other Defaults. The Borrower or any other Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure shall not be remedied within 30 days after any Responsible Officer obtains actual knowledge thereof; or

(d) Representations and Warranties. Any representation or warranty made by the Borrower herein or by any Loan Party or any of its officers in any Loan Document or any writing furnished in connection with or pursuant to this Agreement or any other Loan Document shall be false or misleading in any material respect on the date as of which made; provided that to the extent that such breach of representation or warranty relates to clause (c) of the definition of Material Adverse Effect, such breach of representation or warranty shall only constitute an Event of Default under this subsection (d) if such Loan Party knowingly breached such representation or warranty; or

(e) Cross-Default. (i) An Event of Default (as defined in any Note Purchase Agreement) has occurred and is continuing under such Note Purchase Agreement; or (ii) the Borrower or any Material Subsidiary defaults in any payment of principal of, or premium or interest on, any Debt (other than the Obligations) beyond any period of grace provided with respect thereto, or the Borrower or any Material Subsidiary fails to perform or observe any other agreement, term or condition contained in any agreement relating to any such Debt (or any other event under any such agreement occurs and is continuing) and the effect of such default or other failure or event is to cause, or to permit the holder or holders of such Debt (or a trustee on behalf of such holder or holders) to cause, such Debt to become due (or to be required to be repurchased by the Borrower or any Subsidiary) prior to any stated maturity; provided that the aggregate amount of all Debt as to which such a default or other failure or event shall occur and be continuing exceeds $50,000,000; or

(f) Insolvency Proceedings, Etc.

(i) Any Loan Party or any Material Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(ii) any decree or order for relief in respect of any Loan Party or any Material Subsidiary is entered under any Debtor Relief Laws of any jurisdiction; or

(iii) any Loan Party or any Material Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of any Loan Party or any such Material Subsidiary, or of any substantial part of the assets of any Loan Party or any such Material Subsidiary, or commences a voluntary case under the Bankruptcy Code of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Material Subsidiary) relating to any Loan Party or any Material Subsidiary under any other Debtor Relief Laws; or

(iv) any petition or application of the type described in clause (iii) above is filed, or any such proceedings are commenced, against any Loan Party or any Material Subsidiary and any Loan Party or such Material Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing

any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 30 days; or

(g) Dissolution, Etc. Any order, judgment or decree is entered in any proceedings against any Loan Party or any Material Subsidiary decreeing the dissolution of such Loan Party or such Material Subsidiary and such order, judgment or decree remains unstayed and in effect for more than 30 days; or

(h) ERISA. (i) Any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Borrower or any ERISA Affiliate that a Plan may become a subject of such proceedings, (iii) the aggregate amount under all Plans of the fair market value of the assets (within the meaning of section 303 of ERISA), is less than 70% of the "Funding Target" (within the meaning of section 303 of ERISA), (iv) the Borrower or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV or ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Borrower or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Borrower or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Borrower or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect of the type described in clause (a) or (b) of the definition thereof; or

(i) Judgments. Any judgment(s) or decree(s) in the aggregate amount of $40,000,000 or more shall be entered against the Borrower or any of its Material Subsidiaries that are not paid or fully covered (beyond any applicable deductibles) by insurance and such judgment or decree shall not have been vacated, discharged or stayed or bonded pending appeal within 60 days from the entry thereof; or

(j) Invalidity of Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(k) Change of Control. There occurs any Change of Control.

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable law or at equity;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Agent or any Lender.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations, shall, subject to the provisions of Sections 2.15 and 2.16, be applied by the Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article III) payable to the Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Sections 2.03 and 2.15; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law.

Subject to Sections 2.03(c) and 2.15, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE IX.

AGENT

9.01 Appointment and Authority. Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent, the Lenders and the L/C Issuer, and no Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 Rights as a Lender. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial, advisory, underwriting or other business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

9.03 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, its Subsidiaries or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

Neither the Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Any such action taken or failure to act pursuant to the foregoing shall be binding on all Lenders. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Agent by the Borrower, a Lender or the L/C Issuer.

Neither the Agent nor any of its Related Parties shall have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (A) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (B) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (D) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (E) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

9.04 Reliance by Agent. The Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, 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 the proper Person. The 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 be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance, extension, renewal or increase of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts 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 experts. For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objections.

9.05 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The 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 Related Parties. The exculpatory

provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Agent.

(a) The Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Agent meeting the qualifications set forth above (provided that in no event shall any such successor Agent be a Defaulting Lender). Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, in each case solely in its capacity as Agent and as provided in subsection (d) below (except that in the case of any collateral security held by the Agent on behalf of the Lenders or the L/C Issuer 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), and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section) . 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 the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the

provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Agent was acting as Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (A) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (B) in respect of any actions taken in connection with transferring the agency to any successor Agent.

(d) Any resignation by Bank of America as Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Agent and Other Lenders. Each Lender and the L/C Issuer expressly acknowledges that none of the Agent nor the Arranger has made any representation or warranty to it, and that no act by the Agent or the Arranger hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Agent or the Arranger to any Lender or the L/C Issuer as to any matter, including whether the Agent or the Arranger have disclosed material information in their (or their Related Parties') possession. Each Lender and the L/C Issuer represents to the Agent and the Arranger that it has, independently and without reliance upon the Agent, the Arranger, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Agent, the Arranger, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender and the L/C Issuer represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender or L/C Issuer for the purpose of

making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender or L/C Issuer, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and the L/C Issuer agrees not to assert a claim in contravention of the foregoing. Each Lender and the L/C Issuer represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such L/C Issuer, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, arrangers or other titles listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent, a Lender or the L/C Issuer hereunder.

9.09 Guaranty Matters. So long as no Event of Default exists or would result therefrom, the Lenders and the L/C Issuer irrevocably authorize the Agent, at its option and in its discretion, to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Material Domestic Subsidiary as a result of a transaction permitted under the Loan Documents. Upon request by the Agent at any time, the Required Lenders will confirm in writing the Agent's authority to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.09.

9.10 Certain ERISA Matters.

(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 Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other 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 Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the 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 Letters of Credit, 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, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, 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, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) 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 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 Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the 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, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

9.11 Recovery of Erroneous Payments..

Without limitation of any other provision in this Agreement, if at any time the Agent makes a payment hereunder in error to any Lender or the L/C Issuer (the "Credit Party"), whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Credit Party receiving a Rescindable Amount severally agrees to repay to the Agent forthwith on demand the Rescindable Amount received by such Credit Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation. Each Credit Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Agent shall inform each Credit Party promptly upon determining that any payment made to such Credit Party comprised, in whole or in part, a Rescindable Amount.

ARTICLE X.

MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or Unreimbursed Amounts under Letters of Credit, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such amount; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate and (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(d) change Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(e) release all or substantially all of the value of the Guaranty without the written consent of each Lender, except to the extent the release of any Guarantor is permitted pursuant to Section 9.09 or the provisions of the Guaranty (in which case such release may be made by the Agent acting alone); or

(f) change any provision of this Section or the definition of "Required Lenders" without the written consent of each Lender directly and adversely affected thereby;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above, affect the rights or duties of the Agent under this Agreement or any other Loan Document; (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; (v) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement. (vi) the Autoborrow Agreement and any fee letters executed in connection therewith may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto and (vii) the Agent and the Borrower may make amendments contemplated by Section 3.03(b). Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

In addition, notwithstanding the foregoing, the Borrower may, by written notice to the Agent from time to time, make one or more offers (each, a "Loan Modification Offer") to all the Lenders to make one or more amendments or modifications to (A) allow the maturity of the Committed Loans of the accepting Lenders to be extended and (B) increase the Applicable Rate and/or fees payable with respect to the Committed Loans and Commitments of the accepting Lenders ("Permitted Amendments") pursuant to procedures reasonably specified by the Agent and reasonably acceptable to the Borrower. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective. Permitted Amendments shall become effective only with respect to the Committed Loans and/or Commitments of the Lenders that accept the applicable Loan Modification Offer (such Lenders, the "Accepting Lenders") and, in the case of any Accepting Lender, only with respect to such Lender's Committed Loans and/or Commitments as to which such Lender's acceptance has been made. The Borrower, each other Loan Party and each Accepting Lender shall execute and deliver to the Agent a Loan Modification Agreement and such other documentation as the Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof, and the Loan Parties shall also deliver such resolutions, opinions and other documents as reasonably requested by the Agent. The Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each of the parties hereto hereby agrees that (1) upon the effectiveness of any Loan Modification Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Committed Loans and Commitments of the Accepting Lenders as to which such Lenders' acceptance has been made and (2) any applicable Lender who is not an Accepting Lender may be replaced by the Borrower in accordance with Section 10.13.

Notwithstanding any provision herein to the contrary the Agent and the Borrower may amend, modify or supplement this Agreement or any other Loan Document to cure or correct administrative errors or omissions, any ambiguity, omission, defect or inconsistency or to effect administrative changes, and such amendment shall become effective without any further consent of any other party to such Loan Document so long as (i) such amendment, modification or supplement does not adversely affect the rights of any Lender or other holder of Obligations in any material respect and (ii) the Lenders shall have received at least five Business Days' prior written notice thereof and the Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

10.02 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or any other Loan Party, the Agent, the L/C Issuer or the Swing Line Lender, to the address, fax number, e-mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, fax number, e-mail address or telephone number specified in its Administrative Questionnaire

(including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Agent, the Lenders, the Swing Line Lender and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging, and Internet or intranet websites) pursuant to an electronic communications agreement (or such other procedures approved by the Agent in its sole discretion); provided that the foregoing shall not apply to notices to any Lender, the Swing Line Lender or the L/C Issuer pursuant to Article II if such Lender, the Swing Line Lender or the L/C Issuer, as applicable, has notified the Agent that it is incapable of receiving notices under such Article II by electronic communication. The Agent, the Swing Line Lender, the L/C Issuer or the Borrower may each, 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 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 (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received by the intended recipient upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail address or other written acknowledgement) indicating that such notice or communication is available and identifying the website address therefor; provided that for both clauses (i) and (ii), if such notice or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any other Loan Party's or

the Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party.

(d) Change of Address, Etc. Each of the Borrower, the Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower, the Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Agent from time to time to ensure that the Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, 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 Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Agent, L/C Issuer and Lenders. The Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Committed Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower, except to the extent such losses, costs, expenses and liabilities resulted from the gross negligence or willful misconduct of such Person. All telephonic notices to and other telephonic communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure by any Lender, the L/C Issuer or the Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document (including the imposition of the Default Rate) preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not

prohibit (a) the Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) except as provided in Section 10.06(b)(iv), all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of any counsel for the Agent, any Lender or the L/C Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement, the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liabilities and Costs related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of

the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, 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 (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by the Borrower against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) arise solely from claims of any Indemnitee against one or more other Indemnitees that do not involve or have not resulted from (A) an act or omission of an Indemnitee in its capacity as Agent, L/C Issuer, arranger or bookrunner and (B) an act or omission (or an alleged act or omission) by the Borrower or any Subsidiary. Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Agent (or any sub-agent thereof), the L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent), the L/C Issuer, the Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the outstanding Loans, unfunded Commitments and participation interests in Swing Line Loans and L/C Obligations of all Lenders at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent) or the L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, neither any Loan Party nor any Indemnitee shall assert, and each party hereby waives, any claim against any Indemnitee or any Loan Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof (other than an Indemnitee may assert, and does not waive, a claim against any Loan Party, in respect of any such damages incurred or paid by an Indemnitee to a third party). No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after written demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 10.02(e) shall survive the resignation of the Agent, the L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Agent, the L/C Issuer or any Lender, or the Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or

contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the L/C Issuer and the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided, however, that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. Except as otherwise provided in Section 10.13, such processing and recordation fees, together with the costs and expenses of the Agent incurred in connection with the execution and delivery of such Assignment and Assumption, shall be paid by either the assignor or the assignee.

The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of its Subsidiaries or Affiliates, (B) a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) or (C) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (C).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Agent, the applicable pro rata share of Committed Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Committed Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, and upon receipt of the original Note from the assignor marked "Cancelled," the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection 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 subsection (d) of this Section.

(c) Register. The Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person), a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line 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 Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register

(including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or unless otherwise required by law. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time a Lender acting as L/C Issuer or Swing Line Lender assigns all of its Commitment and Loans pursuant to subsection (b) above, such Lender may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon 30 days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of the applicable Lender as L/C Issuer or Swing Line Lender, as the case may be. Any such appointment of a successor L/C Issuer or Swing Line Lender by the Borrower pursuant to this Section 10.06 shall not become effective until acceptance of the appointment by the successor L/C Issuer or Swing Line Lender. If a Lender resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If a Lender resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the applicable resigning L/C Issuer to effectively assume the obligations of such L/C Issuer with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, its auditors and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related

Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement (or any Eligible Assignee invited to be a Lender pursuant to Section 2.14) or (ii) any actual or prospective counterparty (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the provider of any Platform or other electronic delivery service used by the Agent, the L/C Issuer and/or the Swing Line Lender to deliver Borrower Materials or notices to the Lenders (h) the CUSIP Service Bureau or any similar agency in connection with the application, issuance, publishing and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (i) with the prior written consent of the Borrower or (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.07, (ii) becomes available to the Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or (iii) is independently discovered or developed by a party hereto without utilizing any Information received from the Borrower or violating the terms of this Section 10.07. In addition, the Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents and the Commitments.

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary.

Each of the Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable law, including Federal and state securities laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or the L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 2.16 and, pending such payment, shall be segregated by such Defaulting Lender

from its other funds and deemed held in trust for the benefit of the Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If the Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement and each of the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Agent or the L/C Issuer 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 Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

The parties to the Existing Credit Agreement each hereby agrees that, at such time as this Agreement shall have become effective pursuant to the terms of Section 4.01, (a) the Existing Credit Agreement automatically shall be deemed amended and restated in its entirety by this Agreement, and (b) the Commitments and Loans under the Existing Credit Agreement and as defined therein automatically shall be replaced with the Commitments and Loans hereunder. This Agreement is not a novation of the Existing Credit Agreement.

10.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Agent and each Lender, regardless of any investigation made by the Agent or any Lender or on their behalf and notwithstanding that the Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit

Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Agent the assignment fee (if any) specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR

TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR THE TRANSACTIONS RELATING HERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON

CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Agent, the Arranger, the other lead arranger(s) and the Lenders are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Agent, the Arranger, the other lead arranger(s) and the Lenders, on the other hand, (B) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agent, the Arranger, each other lead arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Agent, the Arranger, any other lead arranger nor any Lender has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agent, the Arranger, the other lead arranger(s) and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Agent, the Arranger, any other lead arranger nor any Lender has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Agent, the Arranger, the other lead arranger(s) or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.17 Electronic Execution of Assignments and Certain Other Documents.

This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. The Borrower agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on the Borrower and each of the other Loan Parties to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of each of the Loan Parties enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Agent and each of the Lenders of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Agent and each of the Lenders may,

at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Agent has agreed to accept such Electronic Signature, the Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party without further verification and (b) upon the request of the Agent or any Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

10.18 USA PATRIOT Act. Each Lender that is subject to the PATRIOT Act (as hereinafter defined) and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act"), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name, address and tax identification numbers of the Loan Parties and other information that will allow such Lender or the Agent, as applicable, to identify the Loan Parties in accordance with the PATRIOT Act. The Borrower shall, promptly following a request by the Agent or any Lender, provide all documentation and other information that the Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

10.19 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Solely to the extent any Lender or L/C Issuer that is an Affected Financial Institution is a party to this Agreement and 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 Lender or L/C Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an Affected Financial Institution; 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 Affected Financial Institution, its parent entity, 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 of the applicable Resolution Authority.

10.20. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.20, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions,

collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

[SIGNATURE PAGES OMITTED]

Letter Agreement Counter Parties

Name	Title	Date Signed
Heilmann, P.	SVP, Chief Legal Officer	October 23, 2014
Lauer, J.	SVP, Ocean Services	April 6, 2015
Cerocke, G.	Senior Vice President	February 25, 2021
Gao, Q.	Senior Vice President	February 25, 2021
Isotoff, L.	Senior Vice President	February 24, 2022
Kinney, R.	Senior Vice President	February 27, 2020
Park, K.	Senior Vice President	February 24, 2022
Rascon, L.	Senior Vice President	February 25, 2021
Scott, C.	Senior Vice President	February 25, 2021
Sullivan, J.	Senior Vice President	February 27, 2020
Stuck, K.	Vice President and Controller	May 11, 2018
Taylor, J.	Vice President	May 16, 2018

Exhibit 10.48

Execution Copy

SHIPBUILDING CONTRACT
Vessel Type ALOHA CLASS L- HULL NO. 040

Contents

Certain information has been excluded from this exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) the type that the registrant treats as private or confidential. The following symbol is included in this exhibit to indicate where such information has been omitted: [*].

In addition, certain other information has been excluded from this exhibit pursuant to Item 601(a)(6) of Regulation S-K because disclosure of such information would constitute a clearly unwarranted invasion of personal privacy. The following symbol is included in this exhibit to indicate where such information has been omitted: [†].

SHIPBUILDING CONTRACT
Vessel Type ALOHA CLASS L- HULL NO. 040

THIS SHIPBUILDING CONTRACT (this "Contract") is made as of November 1, 2022 by and between PHILLY SHIPYARD, INC., a corporation organized under the laws of Pennsylvania, having its principal office at 2100 Kitty Hawk Avenue, Philadelphia, PA 19112 (hereinafter called the "BUILDER"), and MATSON NAVIGATION COMPANY, INC., a corporation organized under the laws of Hawaii, having its corporate offices at 555 12th Street, Oakland, CA 94607 (hereinafter called the "BUYER").

WITNESSETH:

WHEREAS, the BUILDER agrees to design, engineer, build, launch, equip, outfit, install or load the BUYER's Supplies, as hereinafter defined, test, complete at its Philadelphia shipyard (hereinafter called the "Shipyard") and sell and deliver to the BUYER one (1) containership of the ALOHA CLASS L vessel type designated as the BUILDER's Hull No. 040, more fully described in Article 1 hereof (hereinafter called the "VESSEL"), and the BUYER agrees to purchase and take delivery of the VESSEL from the BUILDER and to pay for the same, upon the terms and subject to the conditions hereinafter set forth;

WHEREAS, concurrent with the execution of this Contract, the BUYER and the BUILDER have executed two other Shipbuilding Contracts of even date herewith, each for the purchase of one (1) additional containership of the ALOHA CLASS L type vessel, designated as the BUILDER's Hull Nos. 041 and 042 (hereinafter each called a "Sister Ship Contract" and collectively called the "Sister Ship Contracts"); and

WHEREAS, concurrent with the execution of this Contract, Philly Shipyard ASA (the "Guarantor") has executed the Guaranty Agreement dated as of the date hereof guarantying the performance of this Contract and the Sister Ship Contracts by the BUILDER (the "Guaranty").

WHEREAS, in consideration of the mutual covenants herein, intending to be legally bound, the parties agree as follows.

ARTICLE I – DESCRIPTION AND CLASS

1. Description:

The VESSEL shall have the BUILDER's Hull No. 040 and shall be designed, engineered, constructed, equipped, outfitted, installed or loaded with BUYER's Supplies, tested and completed by BUILDER in accordance with the provisions of this Contract, and the Specification, as defined herein. The Specification for the construction of the VESSEL called "Aloha Class L," Document No. ADE-CD-001 Rev A, dated October 25th, 2022, and the related drawings and plans identified in the Specification, including the General Arrangement, Document No. AA0030BL01 Rev. A, the Container Stowage Plan, Document No. AA0040BL01 Rev. A, and the Capacity Plan, Document No. AA3010BL02 Rev. A, are hereby adopted and agreed and made a part of this Contract with the same force and effect as though herein set out in full (herein collectively called the

"Specification"). It is further understood by the parties that modifications to the Specification may be required to adjust to the BUILDER's building methodologies and practices and the same shall be submitted to the BUYER for the BUYER's approval, which shall not be unreasonably withheld. The BUYER will work with the BUILDER to reach agreement on a specification that meets the technical requirements while at the same time addresses the required goals of the BUILDER for maximizing productivity and minimizing unnecessary costs. The VESSEL shall be constructed, equipped, and maintained to qualify for the ratings of the American Bureau of Shipping (ABS) classification society (herein called the "Classification Society"), as described in the Specification, and to be eligible for U. S. registry and U.S. coastwise trade endorsements.

2. Dimensions and Characteristics:

The VESSEL shall have the following dimensions and characteristics and the other dimensions and characteristics stated in the Specification:

Dimensions:

Overall length:	260.3 m
Length between P.P.:	248.5 m
Breadth moulded:	35.0 m
Depth moulded:	21.0 m
Design draft:	[*] m
Scantling draft	12.6 m

Cargo Capacity:

The VESSEL's deadweight shall be approximately 53,000 metric tons, corresponding to a mean draft in seawater (specific gravity 1.025 metric tons/m3) of 12.6 m. The specified deadweight shall include the items as listed in the Specification.

Container Carrying Capacity:

The VESSEL's container carrying capacity shall be 3,620 TEUs and as otherwise set out in the Specification, of which [*] TEUs are loadable hi-cube containers at a homogeneous weight of [*] MT per TEU at a draft of [*] m (hereinafter the "Guaranteed Loadable Container Capacity").

Propulsion Machinery:

Type: Reversible slow speed two stroke dual fuel gas injection diesel engine.
Max. Continuous power (MCR) approx. 33,660kW.

Auxiliary Generators:

Type: 4 (four stroke) dual fuel gas injection diesel generators.
Max. continuous power approx. 2 (two) 1,620 kW @ 900 rpm; 2 (two) 2,430 kW @ 900 rpm.

Speed:

The VESSEL's average speed on a sea trial undertaken in both directions over a measured distance, with clean hull, in calm weather, wind and sea not exceeding Beaufort [*] and with draft [*] m, shall be at least [*] knots with the main engine at NCR of [*] kW and with [*]% sea margin (the "Guaranteed Speed") and the VESSEL's design shall be in compliance with Energy Efficiency Design Index (EEDI) requirements for containerships at the Guaranteed Speed.

The theoretical calculation of the Carbon Intensity Indicator (CII) for the VESSEL at the Guaranteed Speed, together with all of the underlying assumptions with respect thereto, are set forth for informational purposes in Exhibit 8. BUILDER does not provide any guarantee with respect to the VESSEL being in compliance with the CII during operations.

Early in the design process ship model tests shall be conducted to refine the hull form and improve the overall efficiency over the range of operating drafts and trims anticipated for the VESSEL for the intended service. Model tests shall be conducted at the drafts defined in the Specification but including the design draft, a deep ballast draft and the Summer Load Line draft. In addition, the model basin shall be tasked with providing a procedure for extrapolating the actual sea trial ship speed at a ballast condition to the speed at the design draft and main engine NCR power with [*]% sea margin. This procedure shall be submitted to the BUYER for approval along with the Model Test report.

The sea trial test for determination and verification of the VESSEL's speed at the design draft and main engine NCR shall be based on the following:

1. The sea trial speed test shall be conducted in water with a depth greater than 100m and at a deep ballast draft corresponding to the model tests.

2. Weather and sea conditions shall be Beaufort 6 or less, subject to approval of both parties.

3. Assessment of the distance traveled for determining the performance speed shall be conducted by means of DGPS (Differential Global Positioning System).

4. The influence of rudder helm during the test shall be avoided.

5. The speed trial shall consist of runs in alternate directions at each of four power levels defined in the Specification.

6. Results of speed trial shall be corrected to calm water (no wind, no waves, no current) according to ISO 15016 "Ships and Marine Technology – Guidelines for the Assessment of Speed and Power Performance by Analysis of Speed Trial Data".

7. The results of the speed trial at the ballast condition shall be projected, based on the model test results and the procedure developed by the model basin and approved by BUYER, to determine the speed at the design draft and main engine NCR power level with [*]% sea margin.

Fuel Consumption:

The fuel consumptions of the main engine on the test bed shall not exceed [*] grams per kW per hour plus a [*]% tolerance when the engine develops [*]% of SMCR under ISO conditions and Tier II mode for Ultra Low Sulfur MGO and shall not exceed [*] kJ/kWh of total energy consumption plus [*]% tolerance when the engine develops [*]% of SMCR under ISO conditions under Tier II mode on Natural Gas from Liquefied Natural Gas ("LNG") (hereinafter the "Guaranteed Fuel Consumption of the Main Engine").

The fuel consumptions of the diesel generators on the test bed shall not exceed [*] grams per kW per hour plus a [*]% tolerance when the engine develops [*]% of MCR under ISO conditions and Tier II mode for Ultra Low Sulfur MGO (Based on technical engine specification dated June 2015) or [*] kJ/kWh of total energy consumption plus a [*]% tolerance when the engine develops [*]% of MCR under ISO conditions under Tier II mode for Natural Gas from Liquefied Natural Gas (hereinafter the "Guaranteed Fuel Consumption of the Diesel Generators").

3. Classification, Rules and Regulations:

The VESSEL, including its machinery, equipment and outfittings shall be constructed in accordance with the rules of and under special survey of the Classification Society, with the class notations set forth on Exhibit 9 (herein referred to as the "Class"). Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER a classification certificate with such class notations in accordance with Paragraph 3(d), Article VII hereof. Decisions of the Classification Society as to compliance or non-compliance with the rules thereof shall be final and binding upon both parties hereto.

In its performance of the work under this Contract, the BUILDER shall comply with all applicable laws, rules, regulations, and requirements of the regulatory bodies, which term shall include the Classification Society, the U.S. Coast Guard, and others as set forth in the Specification. At delivery thereof, the VESSEL shall be built and equipped in compliance with all rules and regulations for registration under the flag of the United States of America with a Coastwise endorsement and have all certificates and meet all rules, regulations requirements of the Classification Society and of the regulatory bodies required for operation of the VESSEL in the foreign and domestic trades of the United States as described in the Specification. If work in addition to work required by the Specification is required as a result of any statute enacted after the date of execution of this Contract, or by regulations or rules adopted by any of the regulatory bodies after such date, said work shall be performed pursuant to a Change Order under Article V.

All fees and charges incidental to the classification and with respect to compliance with the above referred rules, regulations and requirements applicable as of the date of this Contract shall be for account of the BUILDER.

4. Subcontracting:

The BUILDER may, at its sole discretion and responsibility, subcontract portions of the construction work of the VESSEL. However, to subcontract more than 15% of the total hull steel weight to a single contractor, the BUILDER will need the prior written consent of the BUYER. The BUILDER shall nevertheless always be responsible under this

Contract for the quality, workmanship and materials of the VESSEL (excluding, however BUYER's Supplies). The BUYER's rights hereunder shall not be in any way reduced in respect of such subcontracted work.

5. Makers List

A makers list of the equipment and machinery for the VESSEL is in Document No. ADE-CD-002 Rev A dated October 25th, 2022 (the "Makers List"). The BUILDER shall have the right to select any of the suppliers listed on the Makers List and may, subject to the BUYER's prior written approval, select additional suppliers not listed on the Makers List. The BUILDER will advise the BUYER of individual suppliers selected by the BUILDER at least 30 days prior to any order being placed. If the BUYER requests the BUILDER to order any equipment or machinery from a supplier not selected by the BUILDER from the Maker's List, the BUILDER will take reasonable steps to comply with such request, but the BUILDER may refuse to comply with the request unless the BUYER assumes the responsibility for the price and schedule impacts and for possible technical deficiencies, if any, compared with the BUILDER nominated supplier. The BUILDER assumes the responsibility for the price and schedule impacts and, subject to ARTICLE IX, for possible technical deficiencies for the BUILDER nominated supplier.

6. Registration:

The VESSEL shall be registered by the BUYER at its own cost and expense.

ARTICLE II – CONTRACT PRICE AND TERMS OF PAYMENT

1. Contract Price:

The purchase price of the VESSEL is THREE HUNDRED FIFTY-FIVE MILLION DOLLARS ($355,000,000) (herein called the "Original Contract Price"). The purchase price of the VESSEL is exclusive of BUYER's Supplies as provided in Article XVIII hereof. The Original Contract Price shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this Contract (herein called the "Contract Price"). The Contract Price is inclusive of all sales, use, excise taxes and customs duties paid or payable with respect to the delivery and acceptance of the VESSEL, and all federal and state income taxes payable by the BUILDER.

The Contract Price includes a BUYER's allowance of up to [*] for spares including the propeller and tailshaft and other supplies to be selected by the BUYER. The BUILDER shall purchase, arrange for delivery and put these supplies on the VESSEL prior to delivery, at the BUILDER'S cost. Any unexpended amounts of this allowance shall be paid to the BUYER or offset against amounts due the BUILDER at delivery of the VESSEL. For the avoidance of doubt, the BUYER is responsible for the cost of spares in excess of the allowance.

2. Terms of Payment:

a. The BUYER shall pay the Contract Price to the BUILDER in: (i) a series of Milestone Payments throughout the construction period as provided in Paragraph 2(b) of this ARTICLE II; (ii) a Delivery Payment as provided in Paragraph 2(c) of this ARTICLE II; and (iii) a Guarantee Payment as provided in Paragraph 2(d) of this ARTICLE II.

b. Milestone Payments shall be calculated as set forth in Exhibit 1. The first Milestone Payment shall be made concurrent with execution of this Contract and the Milestone Payment for Delivery shall be made concurrent with delivery of the VESSEL as provided in subparagraph (c) below. Each other Milestone Payment shall be made within fifteen (15) Business Days after the BUYER's receipt of an invoice for such Milestone Payment from the BUILDER. The BUILDER's invoice for each Milestone Payment shall be accompanied by the Certificate executed by an officer of the BUILDER and the BUYER certifying as to completion of the applicable milestone and including a no lien's representation, in the forms set forth in Exhibits 2 and 7, supported by such other documentation as reasonably may be required by the BUYER. If there shall be any dispute as to the amount payable, then the BUYER shall deposit the disputed amount into escrow in accordance with subparagraph 2(c) of Article VII.

c. The Delivery Payment in the amount set forth in Exhibit 1 shall be paid at delivery of the VESSEL, subject to (i) deferral of payment of the amounts stated in the Delivery Certificate agreed to be withheld under the provisions of ARTICLE VII, Paragraph 2, and (ii) less the amount of liquidated damages, if any, at the time of delivery claimed by the BUYER pursuant to ARTICLE III. If there shall be any dispute as to the amount payable, then the BUYER shall deposit the disputed amount into escrow in accordance with subparagraph 2(c) of Article VII.

d. The Guarantee Payment in the amount set forth in Exhibit 1, less the amount of liquidated damages, if any, agreed to be withheld pursuant to ARTICLE III, shall be deposited by the BUYER at the delivery of the VESSEL into escrow subject to the Escrow Instructions in the form of Exhibit 3 (the "Escrow Instructions") and shall be paid to BUILDER as and when provided under subparagraph 5(f) of ARTICLE IX.

e. The BUYER shall be entitled to withhold from any payment any liquidated damages that are payable under ARTICLE III.

f. No payments shall be made by the BUYER to the BUILDER except upon invoices submitted in the form set forth in Exhibit 4 executed and certified by the BUILDER in such manner as the BUYER may reasonably prescribe. Except for the first Milestone Payment, all payments shall be supported by the certificate as provided in Paragraph 2(d) or 2(e) of ARTICLE XVI, and in the case of Milestone Payments, by the Certificate and any additional information required by Paragraph 2(b) of this ARTICLE II.

g. Any increase or decrease in the Contract Price resulting from a Contract Change under ARTICLE V shall be deemed a part of the Contract Price for the purpose of determining the payments under this ARTICLE II. Timing of payments or credits for a Contract Change will be mutually agreed as part of the Contract Change under Article V.

3. Method of Payment:

The BUYER shall remit the amount of each of the payments required by Paragraph 2 of this Article II by wire transfer in accordance with wire instructions provided by the BUILDER to the BUYER.

4. Adjustment for Increase or Decrease in Steel Cost:

The Contract Price shall be subject to adjustment to reflect any increase or decrease in the cost of steel (inclusive of plates and profiles), determined in accordance with this Paragraph 4. The steel cost adjustment shall be computed using the following formula:

$[*] x ((Actual Steel Price / Base Steel Price) – 1)

For purposes of this calculation:

"Actual Steel Price" means the weighted average of the monthly values of the Index published for the months during which the BUILDER actually orders each amount of steel for the VESSEL. The Actual Steel Price shall be expressed as value/short ton.

"Base Steel Price" means $[*]/short ton ($[*]/metric ton).

"Index" means the CRU Plate Index for A36 Plate as published by the CRU / The Independent Authority™ (CRU) in London, England.

Upon delivery of the VESSEL, the BUILDER shall compute the steel cost adjustment to the Contract Price pursuant to this Paragraph 4. If a positive adjustment results, the BUILDER shall invoice the BUYER and the BUYER shall pay such amount at delivery of the VESSEL. If a negative adjustment results, the BUILDER shall credit such amount against the delivery payment for the VESSEL.

An example of the steel cost adjustment is attached hereto as Exhibit 5 and is incorporated herein and made part of this Contract.

ARTICLE III – LIQUIDATED DAMAGES AND TERMINATION RIGHTS

The Contract Price shall be subject to adjustment, as hereinafter set forth, in the event of the following contingencies (it being understood by both parties that any reduction of the Contract Price is by way of liquidated damages and not by way of penalty). The BUYER shall be entitled to offset or recoup from payments of the Contract Price as provided in Article II liquidated damages, or to exercise the below rights, upon the occurrence of the following:

1. Delivery:

a. The BUILDER shall not pay liquidated damages for the first [*] days of delay of the delivery of the VESSEL beyond the Delivery Date as defined in Article VII hereof (ending at twelve o'clock midnight of the [*] day of delay) (the "Grace Period"). If the last day of the Grace Period does not fall on a Business Day, then the Grace Period shall be extended to the immediately following Business Day. "Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in New York, NY.

b. But, if the delay in delivery of the VESSEL should continue for a period in excess of the Grace Period, then in such event, the BUILDER shall be responsible to the BUYER for payment of liquidated damages in the amount of [*] per day for each day that the delivery of the VESSEL is delayed beyond the end of the Grace Period. The total amount of liquidated damages shall not, however, exceed the amount that would be payable in the case of a delay of [*] days beyond the end of the Grace Period. If the delay in delivery of the VESSEL should continue for a period in excess of [*] days beyond the end of the Grace Period, then BUYER may at its option terminate this Contract in accordance with the provisions of Article X hereof. The BUILDER may, at any time after the expiration of the aforementioned [*] days of delay in delivery beyond the end of the Grace Period, if the BUYER has not served notice of termination as provided in Article X hereof, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within fifteen (15) days after such demand is received by the BUYER, notify the BUILDER of its intention either to terminate this Contract or to consent to the acceptance of the VESSEL at an agreed future date; it being understood by the parties hereto that, if the VESSEL is not delivered by such future date, the BUYER shall have the same right of termination upon the same terms and conditions as hereinabove provided. For clarity, the BUILDER shall not be responsible for, and the BUYER shall not be entitled to receive, liquidated damages for any day of delay of delivery of the VESSEL on account of Permissible Delay as defined in Article VII, Paragraph 1(b).

2. Insufficient Speed

a. The Guaranteed Speed is set forth in Article 1.

b. The Contract Price shall not be affected or changed by reason of the speed of the VESSEL being less than the Guaranteed Speed minus 0.2 knots. However commencing with and including a deficiency of 0.2 knots below the Guaranteed Speed, liquidated damages shall be payable as set forth below:

   1. From 0.2 up to and including 0.5 knots below at $[*] per 0.1 knot below, and

   2. From 0.6 up to and including 1 knots below at $[*] per 0.1 knot below.

c. If the deficiency in the Vessel Speed is more than 1 knot, the BUYER shall have the option of a total of $[*] deduction; or a right to reject the VESSEL and terminate this Contract.

3. Excessive Fuel Consumption of the Main Engine

a. The Guaranteed Fuel Consumptions of the Main Engine for Ultra Low Sulfur MGO and LNG are set forth in Article I. The actual fuel consumptions of the main engine shall be determined by separate shop trials of the model of the VESSEL main engine on the test stand at the manufacturer's Factory Authorized Test.

b. The Contract Price shall not be affected or changed by reason of the fuel consumption of the main engine being more than the Guaranteed Fuel Consumption of the Main Engine up to [*]% over of the Guarantee for Ultra Low Sulfur MGO and LNG. However liquidated damages will be assessed for consumption in excess of the guarantee as follows:

1. Payment of [*] for each full gram/kWh above the [*]% tolerance;

2. Except as provided in subparagraph 3 below, the total amount payable shall not exceed [*]; and

3. If after all efforts and remedies, the Main Engine fuel consumption is more than [*]% above the Guaranteed Fuel Consumption, the liquidated damages will be [*].

4. Insufficient Loadable Container Capacities

a. The Guaranteed Loadable Container Capacities of the VESSEL are set forth in Article 1 and the Specification. The Guaranteed Loadable Container Capacity shall be confirmed by the Class approved Trim & Stability Booklet.

b. If the aggregate loadable container capacity of the VESSEL of TEUs consisting of hi-cube containers at a homogeneous weight of [*] MT per TEU at a draft of [*] m as determined by the Cargomax load program software utilizing the input data defined by the BUILDER is less than the Guaranteed Loadable Container Capacity, the BUYER shall have the option to: (i) obtain payment of liquidated damages at $[*] for each hi-cube TEU lost or (ii) reject the VESSEL and terminate this Contract.

5. **Effect of Termination and Offset**:

Notwithstanding any other provision of this Article III, it is expressly understood and agreed by the parties hereto that: (a) if the BUYER terminates this Contract under this Article III, the BUYER shall not be entitled to any liquidated damages and in the event that any liquidated damages have been paid to the BUYER, the paid amount shall be deducted from the sums stipulated in Article X, Paragraph 1.f which otherwise would be payable to the BUYER; and (b) if BUYER does not terminate this Contract under this Article III, any amount of liquidated damages payable under this Article III may be offset from all payments due on the Contract Price. In the event the BUYER elects to reject the VESSEL and terminate this Contract, the BUYER shall be entitled to elect any of the remedies provided in Article X.

ARTICLE IV – WORK, SUPERVISION AND INSPECTION AND APPROVAL OF PLANS AND DRAWINGS, REPORTING

1. Work and Material

The VESSEL shall be constructed in a good, sound and workmanlike manner, in accordance with the U.S. and international shipbuilding and marine engineering standards and practices defined in the Specification (including, without limitation, those of ISO9001

and ISO9002). All materials incorporated in the VESSEL shall be new, suitable, and of good commercial marine quality for the service intended.

2. Approval of Plans and Drawings:

Within thirty (30) days after the date hereof, the parties hereto shall mutually agree upon a list of the plans and drawings for the VESSEL to be submitted to the BUYER and the submittal schedule therefor. The BUILDER shall submit electronic copies of such plans and drawings in English to the BUYER and the BUYER shall have fourteen (14) days to review and approve, disapprove or comment. The BUYER shall, within such 14-day period, return to the BUILDER electronic copies of such plans and drawings with the BUYER's approval, disapproval or comments, if any. In the event that the BUYER shall fail to return such plans and drawings to the BUILDER within such 14-day period, such plans and drawings shall be deemed to have been automatically approved without any comment. Any disapproval by the BUYER shall include the reasons for the disapproval and shall be a result of nonconformance with the Specification or good shipbuilding practice (as described in Article IV, Paragraph 1). Any request by the BUYER for changes to any of these plans and drawings not in accordance with the Specification or good commercial shipbuilding practice, except those required by regulatory bodies, shall be handled as a request for change to the Specification in accordance with Paragraph 1, Article V. Any plans which subsequent to the BUYER's approval require alteration shall be resubmitted to the BUYER for approval of the alteration and its impact. The BUILDER shall respond to the BUYER's comments or disapproval within fourteen (14) days of receipt. In the event that the BUILDER shall fail to respond to the BUYER's comments within such 14-day period, such comments shall be deemed to have been accepted.

3. Appointment of Buyer's Representative and Builder's Representative:

The BUYER shall appoint, at its cost, two representatives who shall be duly authorized in writing by the BUYER (herein called the "Buyer's Representative(s)") to act on behalf of the BUYER in connection with changes of the Specification, approval of Change Orders, approval of the plans and drawings, attendance at the tests and inspections relating to the VESSEL, its machinery, equipment and outfitting, and any other matters for which he is specifically authorized by the BUYER. In case the Buyer's Representative is not stationed at the Shipyard, the BUYER shall give clear instructions to the BUILDER regarding the authority of other personnel representing the BUYER at the Shipyard.

The BUILDER shall appoint one representative who shall be duly authorized in writing by the BUILDER (herein called "Builder's Representative") to act on behalf of the BUILDER in connection with changes of the Specification, approval of Change Orders, approval of the plans and drawings, attendance at the tests and inspections relating to the VESSEL, its machinery, equipment, and outfitting and any other matters for which he is specifically authorized by the BUILDER. The BUYER has the right to request the BUILDER to replace the Builder's Representative and/or his assistants who may be deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUILDER shall investigate the situation and if the BUILDER considers that such BUYER's request is justified, the BUILDER shall effect such replacement as soon as practicable.

4. Supervision and Inspection:

a. The necessary inspections of the VESSEL, its machinery, equipment and outfittings shall be carried out by the Buyer's Representative, Classification Society, other regulatory bodies and/or an inspection team of the BUILDER throughout the entire period of construction, in order to ensure that the construction of the VESSEL is duly performed in accordance with this Contract. The BUILDER shall assign quality assurance personnel, who are independent of all production, scheduling, and marketing departments to inspect the work and materials to insure that the Contract requirements are met. The BUILDER will employ OEM representatives to supervise the installation of third party equipment as identified on the Makers List.

b. The Buyer's Representative and his assistants shall have, during the construction of the VESSEL, the right to attend all tests, trials and inspections of the VESSEL and its materials. The BUILDER shall give notice to the Buyer's Representative reasonably in advance of the date (which in general shall be given no later than 1400 (2:00pm ET) on the prior Business Day), place and time of such tests, trials and inspections to be attended by him for his convenience. For weekend, or BUILDER holiday inspections, the schedule will be provided by noon on Friday for weekend inspections, or, for holidays, the Business Day preceding the holiday. The BUILDER shall furnish the BUYER an electronic copy of test procedures, related drawings and technical data required to carry out the inspection prior to the test or inspection in English. Failure of the Buyer's Representative and/or his assistants to be present at such tests, trials and inspections after due notice to him as above provided shall be deemed a waiver of his right to be present. The BUILDER shall exercise reasonable efforts to schedule tests and, inspections between the hours of 7am and 6pm on Business Days. Final results shall be furnished to the BUYER for all tests, trials and inspections.

c. In order to help to determine that the VESSEL is being constructed in accordance with the terms of this Contract and the Specification, the Buyer's Representative and his assistants shall, at all times until delivery and acceptance of the VESSEL, have the right to inspect the VESSEL, her engines and all accessories and all work in progress, or material utilized in connection with or intended for the construction of the VESSEL, wherever such work is being done, or such material is stored, including the yards, workshops, stores and offices of the BUILDER and the BUILDER's contractors and subcontractors. The BUILDER shall arrange with its contractors and subcontractors that the Buyer's Representative and his assistants have a similar right of inspection and supervision with respect to the work performed by the contractors and subcontractors.

d. In cases requiring approval from the Classification Society or U.S. Coast Guard, such inspections shall, to the extent possible, be carried out as a joint inspection by the Buyer's Representative and the representative of the Classification Society or U.S. Coast Guard, as applicable.

e. The Buyer's Representative shall, on behalf of the BUYER, make decisions or give advice or suggestions to the BUILDER on all problems arising during the course of or in connection with the construction of the VESSEL with a view to co-operating to the utmost with the BUILDER in the construction process.

f. In the event that the Buyer's Representative discovers any materials, construction or workmanship that is not deemed to conform to the requirements of this Contract, the Buyer's Representative shall promptly give the Builder's Representative a notice in writing as to such non-conformity. Upon receipt of such notice from the Buyer's Representative, the BUILDER shall correct such non-conformity, if the BUILDER agrees to his view. In the event of difference of opinion between the parties hereto, the BUILDER or the BUYER may request resolution of the matter in accordance with the provisions of Article XIV hereof.

g. Any acceptance or approval of the BUYER or the Buyer's Representative or exercise of BUYER's rights hereunder shall in no way alter or diminish the BUILDER's obligations under this Contract or its obligation to comply with regulatory body requirements.

5. Responsibility of the BUILDER:

a. The BUILDER shall furnish the Buyer's Representatives and his assistants with suitably lighted, heated and air conditioned office accommodations and conference facilities for up to ten (10) persons and more particularly as follows:

i. Offices for ten on-site representatives complete with air conditioning and heat and furniture.

ii. Ten dedicated parking spaces proximate to the location of offices.

iii. Lavatory facilities.

iv. At least three individual offices, the remainder of desk locations may be arranged using dividers.

v. Ten internet connections.

vi. Ten telephone lines and telephones. Long distance charges to be billed to the BUYER.

vii. Ten desks, chairs, waste baskets, etc.

viii. Fax machine with dedicated phone line.

ix. Copier able to copy and scan in color, two sided and collate paper sizes of letter, legal and 11x17.

x. Water dispenser with water refill service.

xi. Drawing table.

xii. Ten four drawer legal size file cabinets.

xiii. Conference Table (8 person) with chairs.

xiv. Microwave.

xv. Refrigerator with freezer – 15+ cubic ft.

xvi. Change room with lockers, shower and cleaning services.

6. Liability of the BUILDER:

The Buyer's Representative, and the BUYER'S subcontractors, employees and agents, shall at all times be deemed to be employees or agents of the BUYER. The BUILDER

shall be under no liability whatsoever for personal injuries to, or death of, such Buyer's Representative or employees or agents of the BUYER, or for damage to, or loss or destruction of, their property, unless such injury, death, damage, loss or destruction is shown to have been caused by the gross negligence or willful acts of the BUILDER and/or its subcontractors and/or their employees or agents (including Builder's Representative).

7. Responsibility of the BUYER:

The BUYER shall undertake and assure that the Buyer's Representative shall carry out his duties hereunder in accordance with the normal shipbuilding practices of the BUILDER and in such a way as to avoid any unnecessary increase in building cost, delay in or interference with the design and construction of the VESSEL, and/or any disturbance in the construction schedule of the BUILDER. The BUILDER has the right to request the BUYER to replace the Buyer's Representative and/or his assistants who may be deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUYER shall investigate the situation by sending his representatives to the Shipyard if necessary, and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect such replacement as soon as practicable.

The Buyer's Representative, and BUYER's subcontractors, employees and agents, shall comply with BUILDER's standard security, safety, and environmental policies and procedures (including, without limitation, COVID-19 protocols) and also shall comply with all applicable federal, state, and local safety and environmental laws and regulations. BUILDER may deny access to the Shipyard to any person or entity who fails to comply with such policies, procedures, laws or regulations or has been banned from the Shipyard in the past on such basis.

8. Liability of the BUYER:

The employees, agents and subcontractors of the BUILDER shall at all times be deemed to be employees, agents and subcontractors of the BUILDER. The BUYER shall be under no liability whatsoever for personal injuries to, or death of, such BUILDER's employees, agents, or subcontractors, or for damage to, or loss or destruction of, their property, unless such injury, death, damage, loss or destruction is shown to have been caused by the gross negligence or willful acts of the BUYER, and/or its subcontractors and/or their employees or agents (including Buyer's Representative).

9. Approval by Regulatory Bodies; BUYER's access to Communications with Regulatory Bodies:

All plans or data required by the Classification Society or other relevant regulatory bodies in connection with approval of the VESSEL shall be prepared and submitted by the BUILDER or its subcontractors and suppliers, except such data that is explicitly requested by the relevant regulatory body to be submitted by the BUYER. The BUILDER agrees to provide the BUYER with full reading and copying rights for all plan approval documents and written correspondence sent to or received from the Classification Society and other regulatory bodies and to sign the standard Classification Society authorization allowing such access. The BUILDER further agrees to copy the BUYER on all written

communications with the Classification Society and to make reasonable efforts to include the Buyer's Representative in any in-person meetings with the Classification Society (it being understood that such meetings may proceed without the BUYER's Representative in attendance) to the extent such communications or meetings will cover technical information (including comments originated from ABS design review). The BUILDER is not obligated to include the BUYER in communications or discussions (a) about commercial issues between the BUILDER, subcontractors and ABS, or (b) including documentation with proprietary information, unless expressly authorized by the owner of such information. The BUYER will provide a specific email address to be copied on email conversations to ease the collection burden of this requirement.

The BUILDER, on behalf of itself and any subcontractors, shall grant oversight privileges to the BUYER and other related project team members through ABS Eagle Construct/Engineering Manager to allow the BUYER to review the design review status regarding pending and/or outstanding items and any other relevant technical information about the BUILDER and subcontractor scope.

In addition, the BUILDER on behalf of itself and any subcontractors will give written permission for ABS to inform the BUYER and other related project team members, or notify directly under the BUYER's formal request, the classification status regarding pending and/or outstanding items and any other relevant technical information about the BUILDER and subcontractor's scope. Such permission should be emailed, faxed or mailed to ABS Account Manager, Project Manager, Attending Surveyor or Engineering office by the BUILDER on behalf of itself and any subcontractors.

The BUYER agrees to copy the BUILDER on all written communications with the Classification Society related to the BUILDER's and its subcontractor's scope and to make reasonable efforts to include the BUILDER's Representative in any in-person meetings with the Classification Society (it being understood that such meetings may proceed without the BUILDER's Representative in attendance).

In addition, the BUYER shall not raise any issue or question regarding the VESSEL with ABS without first raising such issue or question with the BUILDER, and then only if the BUILDER's response is unreasonably delayed or deemed inadequate.

10. Master Schedule:

At the time of execution of this Contract, the BUYER shall be provided with the latest official version of the master schedule showing the main production activities for the VESSEL and the main production activities for the final outfitting, mechanical completion and testing of the VESSEL. The master schedule shall include the build strategy, master milestone schedule and key event schedule. The BUILDER shall report to the BUYER as to the purchasing schedule progress and the project progress percentage of completion on the VESSEL and tasks on a bi-weekly basis.

ARTICLE V – MODIFICATIONS

1. Modifications of Specification:

The Specification may only be modified and/or changed by written agreement of the parties hereto. The BUILDER and the BUYER shall first agree, in writing, before such modifications and/or changes are carried out, to alterations in the Contract Price, the Delivery Date and other terms and conditions of this Contract and Specification occasioned by or resulting from such modifications and/or changes. There shall be no cost for the BUILDER'S provision of an estimate regardless whether a proposed change is implemented.

All such agreed changes shall be described on a change order in the form set forth in Exhibit 6 signed by the authorized representatives of the parties hereto manifesting agreements of the parties as to the work to be provided or deleted, and the effect on the Contract Price and the Delivery Date, which shall constitute amendments to this Contract and/or the Specification (each such change, a "Change Order").

The BUILDER may make minor changes to the Specification, if found necessary to suit the BUILDER's local facilities; the availability of materials; introduction of improved production methods or otherwise, provided that the BUILDER shall obtain the BUYER's prior written approval, which shall not be unreasonably withheld.

2. Changes Based on Class Requirements, etc.:

In the event that, after the date of this Contract, any requirements as to class, or as to rules and regulations to which the construction of the VESSEL is required to conform, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, the following provisions shall apply:

a. If such alterations or changes are compulsory for the VESSEL, either of the parties hereto, upon receipt of such information from the Classification Society or such other regulatory bodies, shall promptly transmit the same to the other in writing, and the BUILDER shall thereupon incorporate such alterations or changes into the construction of the VESSEL. The BUILDER shall present to the BUYER the adjustment required by the BUILDER in the Contract Price, the Delivery Date and other terms and conditions of this Contract occasioned by the change. The adjustment shall then be agreed on as a Change Order in accordance with Paragraph 1 of this Article. If the parties cannot agree on the Change Order, then the matter shall be submitted for final decision in accordance with Article XIV hereof. In such case, work on the compulsory alteration or change shall proceed without waiting for the final decision on the Change Order.

b. If such alterations or changes are not compulsory for the VESSEL, but the BUYER desires to incorporate such alterations or changes into the construction of the VESSEL, then, the BUYER shall notify the BUILDER of such intention and such notice shall be treated as a request for a modification or change in accordance with Paragraph 1 of this Article.

3. Substitution of Materials:

In the event that any of the materials required by the Specification or otherwise under this Contract for the construction of the VESSEL cannot be procured in time or are in short supply to maintain the Delivery Date of the VESSEL, or alternative materials are claimed by the BUILDER to be available which are suitable as substitutes by reason of advances in technology, the updating or improvements of, or changes in, specified materials or changes in the manufacture or production thereof; the BUILDER may, provided that the BUILDER shall obtain the BUYER's prior written approval, which shall not be unreasonably withheld, supply other materials capable of meeting the requirements of the Classification Society and of the rules, regulations and requirements with which the construction of the VESSEL must comply. Any agreement as to such substitution of materials shall be effected in the manner provided in Paragraph 1 of this Article, and shall, likewise, include alterations in the Contract Price and other terms and conditions of this Contract occasioned by or resulting from such substitution.

ARTICLE VI – TRIALS

1. Notice:

The BUYER shall receive from the BUILDER at least fourteen (14) days' prior notice in writing of the time and place of the trial run of the VESSEL, and a description of the trials to be performed, and the BUYER shall give prompt written acknowledgment of the receipt of such notice. The BUYER shall have the right to have a reasonable number (up to ten (10)) of authorized representatives, employees, inspectors and any other person reasonably designated by the BUYER present at the trial runs.

The BUILDER may, after due notice as described above, conduct trial runs of the VESSEL without the presence of the Buyer's Representative or other authorized representative of the BUYER provided that the Classification Society and U.S. Coast Guard are present. In such case, the BUYER shall be obligated to accept the results of the trial runs on the basis of a certificate of the BUILDER, confirmed by the Classification Society and U.S. Coast Guard, stating the results of the runs.

2. Weather Conditions:

The trial run shall be carried out under weather conditions deemed favorable enough in the judgment of the BUILDER subject to approval by the BUYER. In the event of unfavorable weather on the date specified for the trial run, the same shall take place on the first available day thereafter that the weather condition permits. It is agreed that, if during the trial run of the VESSEL, the weather should suddenly become so unfavorable that orderly conduct of the trial run can no longer be continued, the trial run shall be discontinued and postponed until the first favorable day next following, unless the BUYER shall assent in writing to acceptance of the VESSEL on the basis of the trial run already made before such discontinuance has occurred.

Any delay of trial run caused by such unfavorable weather condition shall operate to postpone the Delivery Date by the period of delay involved and such delay shall be deemed

as a Permissible Delay in the delivery of the VESSEL. Within twenty-four (24) hours from the cessation of a delay in the trial run caused by unfavorable weather, the BUILDER shall advise the BUYER in writing of the new proposed date for the trial run.

3. How Conducted:

a. All expenses in connection with the trial run are to be for the account of the BUILDER and the BUILDER shall provide at its own expense the necessary crew to comply with conditions of safe navigation. The trial run shall be conducted in the manner prescribed in the Specification, and shall prove fulfillment of the performance requirements for the trial run as set forth in the Specification. The course of trial run shall be determined by the BUILDER.

b. Notwithstanding the foregoing, fuel oil, LNG, lubricating oil, greases and fresh water necessary for the trial run of the VESSEL shall be supplied by the BUILDER at the Shipyard prior to the time of the trial run, and the BUYER shall pay the BUILDER upon delivery of the VESSEL (i) the cost of the quantities of fuel oil, lubricating oil, greases and fresh water not consumed during the trial run at the original purchase price, and (ii) the cost of all LNG (whether or not consumed during the trial run) at the original purchase price. In measuring the consumed quantity, lubricating oils and greases remaining in the main engine, other machinery and their pipes, stern tube and the like, shall be excluded. The BUILDER shall arrange for the quantity of fuel oil, LNG, lubricating oils, greases and fresh water to be loaded on the VESSEL at delivery in accordance with the instructions of the BUYER, at the BUYER'S cost. The BUILDER shall remove all waste and debris about the VESSEL and all sludge and oily water wastes from the VESSEL prior to delivery, at the BUILDER'S cost. The BUYER shall promptly reimburse the BUILDER for the cost of all LNG bunkering operations, including, without limitation, operational procedures, cleaning, and safety measures.

4. Method of Acceptance or Rejection:

a. Upon completion of the trial run, the BUILDER shall give the BUYER written notice of completion of the trial run along with copies of all sea trial test reports, including if the BUILDER considers that the results of the trial run indicate the conformity of the VESSEL to this Contract and the Specification. The BUYER shall, within three (3) days after receipt of such notice from the BUILDER, provide the BUILDER written notice of its intent to accept or reject the VESSEL on the Delivery Date.

b. However, should the results of the trial run indicate that the VESSEL, or any part or equipment thereof, does not conform to the requirements of this Contract and/or the Specification, or if the BUILDER is in agreement as to non-conformity as specified in the BUYER's notice of rejection, then, the BUILDER shall with the written concurrence of the BUYER take the necessary steps to correct such non-conformity. Upon completion of correction and testing of such non-conformity, the BUILDER shall give the BUYER written notice thereof. The BUYER shall, within two (2) days after receipt of such notice from the BUILDER, notify the

BUILDER of its acceptance or rejection of the VESSEL. The BUYER may only demand a new trial run if this is the only way the BUILDER can prove that the nonconformities have been corrected. In the event a new trial run takes place, the provisions set forth in Paragraphs 1, 2 and 3 hereof shall govern this trial run except that the BUILDER shall be entitled to give a written notice of two (2) days for such new trial run. Upon completion of the additional trial run, the provisions of this Paragraph 4 shall apply.

c. In any event that the BUYER rejects the VESSEL, the BUYER shall specify in its notice of rejection in what respect the VESSEL, or any part or equipment thereof does not conform to this Contract.

d. In the event that the BUYER fails to provide the BUILDER written notice of the acceptance of or the rejection together with the reason therefor of the VESSEL within the period as provided in the above subparagraphs (a) or (b), the BUYER shall be deemed to have accepted the VESSEL.

e. The BUILDER may dispute the rejection of the VESSEL by the BUYER under this Paragraph 4, in which case the matter shall be submitted for final decision in accordance with Article XIV hereof.

5. Effect of Acceptance:

a. Acceptance of the VESSEL as above provided shall be final and binding and the VESSEL will be deemed to be in conformity with this Contract except as set forth in subparagraph b immediately below. The BUYER shall not refuse formal delivery of the VESSEL as hereinafter provided, if the BUILDER complies with all other procedural requirements for delivery as provided in Article VII hereof.

b. If minor work or items on the VESSEL are incomplete or missing when the VESSEL otherwise is ready for delivery and such work or items do not materially affect the operation, trade or schedule of the VESSEL nor are likely to cause damage or excessive deterioration to the VESSEL or void warranty requirements, the BUYER shall not withhold its consent to accept delivery of the VESSEL subject to the right of the BUYER to have such items completed by the BUILDER in a reasonable manner and period of time. The parties shall on delivery execute a protocol of outstanding work and a schedule for completion of such work or agree as to an adjustment of the Contract Price in lieu of completion of such work. The BUILDER agrees that any such monetary payments to and repairs done by BUYER shall not void the BUILDER's or any manufacturer's warranties.

ARTICLE VII – DELIVERY

1. Time and Place:

a. The VESSEL shall be delivered by the BUILDER to the BUYER at the Shipyard or at another location acceptable to both parties hereto. The original Delivery Date

for the VESSEL shall be October [*], 2026 (herein called the "Original Delivery Date").

b. Delays on account of such causes which under the terms of this Contract permit the BUILDER to postpone the delivery of the VESSEL shall be understood to be Permissible Delay (herein called "Permissible Delay").

c. The Original Delivery Date shall be adjusted by the total Permissible Delay and the adjusted date shall be the Delivery Date (herein called the "Delivery Date"). The VESSEL shall be delivered by the BUILDER to the BUYER on or before the Delivery Date.

d. The BUILDER advises that it has contracts committing the BUILDER to construct five training ships and up to two subsea rock installation vessels (the "other contracts"). The BUILDER advises that the Original Delivery Date is being committed to taking into account BUILDER's obligations under the other contracts. The BUILDER agrees that its obligations under the other contracts and any delay in its deliveries under the other contracts would not constitute a Permissible Delay as defined in subparagraph b. of this Paragraph 1, or a Force Majeure event under Article VIII of this Contract, unless the conditions under Article VIII apply to or otherwise impact the facilities or workforce at the Shipyard available for the construction of the VESSEL under this Contract.

2. When and How Effected:

a. When the work on the VESSEL is complete or substantially complete in accordance with this Contract and the VESSEL has passed the tests required by this Contract, the VESSEL as completed or substantially completed shall be delivered by the BUILDER and accepted by the BUYER alongside a safe and accessible pier at the Shipyard, or at such other place as may be mutually agreed to by the BUILDER and the BUYER, where there must be sufficient water for the VESSEL always to be afloat and during egress from the berth, custom to the contrary notwithstanding, free and clear of all liens, security interests, and claims of every nature, excepting, however those in favor of a claimant, other than BUILDER, arising out of the acts or omissions of the BUYER, with not less than ten (10) days' prior written notice to the BUYER of such delivery. As used in this Contract, the term "substantially complete" shall mean complete except for minor items not affecting the commercial utility and safe operation of the VESSEL, with all certificates required for operation of the VESSEL, and not violating any requirement of a regulatory body. Unless waived by the BUYER, the VESSEL shall not be deemed to be "substantially complete" if a delivery deficiency will require the VESSEL to be taken out of service prior to the VESSEL'S regular maintenance schedule or if the aggregate value of such delivery deficiencies is in excess of [*]. For the avoidance of doubt, if the Classification Society issues a

Certificate of Class with a condition of class, the BUYER shall not be obligated to accept the VESSEL with such condition of class.

b. Provided that the BUYER shall have fulfilled all of its obligations stipulated under this Contract, delivery of the VESSEL shall be effected forthwith by the concurrent delivery by each of the parties hereto to the other of the PROTOCOL OF DELIVERY AND ACCEPTANCE, acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER. The BUYER and the BUILDER agree to describe in the Protocol of Delivery and Acceptance (i) the amount of reduction in the Contract Price at delivery of the VESSEL in lieu of completion of uncompleted work and correction of defects, deficiencies, or damage by the BUILDER, and, if the amount of the proposed reduction is more than the amounts due from the BUYER at delivery, the amount to be paid by the BUILDER to the BUYER to the extent the price reduction amount is insufficient; and/or (ii) (y) the uncompleted work and defects, deficiencies, or damage to be completed and corrected by the BUILDER after delivery of the VESSEL, such completion and correction to be performed in the same manner as provided for Guarantee work under Article IX, and (z) the amount of the Contract Price to be withheld until the uncompleted work is completed and the defects, deficiencies, or damage are corrected. The BUILDER agrees to perform such completion and correction in such manner after delivery of the VESSEL. The BUYER shall pay the BUILDER for satisfactory performance of such completion and correction after delivery in the manner set forth in ARTICLE IX. If the BUYER and the BUILDER fail to agree as to any of the items to be included in the Protocol of Delivery and Acceptance pursuant to this Article, such items shall be resolved pursuant to ARTICLE XIV.

c. In the event of any dispute concerning any Milestone Payment or the payment due upon delivery of the VESSEL, including the question of the BUYER's right to offset any claim it may have, the BUYER shall pay the undisputed amount to the BUILDER and shall deposit the disputed amount into escrow subject to the Escrow Instructions. The BUILDER cannot in such case refuse to deliver the VESSEL and the BUYER cannot refuse to take delivery of the VESSEL. Any such disputed amount shall be paid as agreed by the parties or as determined by Article XIV.

d. During the period thirty (30) days prior to the expected delivery of the VESSEL, employees of the BUYER or the BUYERS's contractors or agents shall be entitled to access to the VESSEL to engage in such activities and perform such work as the BUYER may specify on a not-to-interfere basis. Two (2) weeks prior to delivery of the VESSEL the BUYER shall have access on a not-to-interfere basis to familiarize the crew with the VESSEL and to provision the VESSEL.

3. Documents to be Delivered to the BUYER:

Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER the following documents, which shall accompany the PROTOCOL OF DELIVERY AND ACCEPTANCE:

a. PROTOCOL OF TRIALS of the VESSEL made pursuant to the Specification.

b. PROTOCOL OF INVENTORY of the equipment of the VESSEL, including spare parts and the like, all as specified in the Specification; and Inventory of Hazardous Material (MEPC.197(2)).

c. PROTOCOL OF STORES OF CONSUMABLE NATURE referred to under subparagraph 3(b) of Article VI hereof, including the original purchase price thereof.

d. ALL CERTIFICATES, clean and free of conditions, including the BUILDER's CERTIFICATE on Form CG-1261, USCG CERTIFICATE OF INSPECTION Form CG-841, USCG approved Automation Test Procedures, USCG approved Bunkering Procedures for LNG, HFO, MGO and Lube Oils, USCG approved Cold Ironing (AMP) Procedures, and CLASSIFICATION CERTIFICATES and all type approval certificates required to be furnished upon delivery of the VESSEL pursuant to this Contract and the Specification or that are required by the regulatory bodies. It is agreed that if, through no fault on the part of the BUILDER, the classification and/or other certificates are not available at the time of delivery of the VESSEL, provisional certificates shall be accepted by the BUYER, provided that the BUILDER shall furnish the BUYER with the formal certificates as promptly as possible after such formal certificates have been issued.

e. DECLARATION OF WARRANTY of the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, charges, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of imposts, taxes or charges imposed by local or federal authorities, as well as of all liabilities of the BUILDER to its subcontractors, employees and crew, and of all liabilities arising from the operation of the VESSEL in trial runs, or otherwise, prior to delivery.

f. DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the Specification together with all drawings required to be submitted to regulatory bodies. Detailed design drawings for hull, structural, electrical, piping and outfitting drawings developed by BUILDER or any design agent for the construction of the VESSEL requested by the BUYER shall be provided in a format to be agreed at an additional cost to be billed at $100.00 per hour.

g. COMMERCIAL INVOICE and BILL OF SALE.

The BUILDER will cooperate with the BUYER to provide any other documents reasonably required by the BUYER to secure financing for the VESSEL.

4. Tender of the VESSEL:

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this Contract without any justifiable reason, the BUILDER shall have the right to tender

delivery of the VESSEL after compliance with all procedural requirements as above provided.

5. Risk:

Notwithstanding the provisions of Article XVI concerning passage of title to the material and the VESSEL during the construction period, the risk of loss of the VESSEL shall pass to the BUYER only upon delivery and acceptance thereof having been completed as stated above; it being expressly understood that, until such delivery is effected, risk of loss of the VESSEL and her equipment shall remain with the BUILDER.

The BUILDER warrants that the BUILDER's entering into this Contract, the performance of the BUILDER'S obligations hereunder and the sale of the VESSEL to BUYER will not result in any violation of or be in conflict with, or result in a breach of or constitute a default under, any term or provision of any agreement, instrument or other restriction to which the BUILDER is a party or by which it is bound.

6. Removal of the VESSEL:

The BUYER shall take possession of the VESSEL immediately upon delivery and acceptance thereof and shall remove the VESSEL from the premises of the Shipyard within ten (10) days after delivery and acceptance thereof is completed. If the BUYER shall not remove the VESSEL from the premises of the Shipyard within the aforesaid ten (10) days, then, in such event the BUYER shall pay to the BUILDER the mooring charges of the VESSEL at the rate of $[*] per day plus utilities. Such additional time on the BUILDER's premises shall not exceed twenty-one (21) days.

ARTICLE VIII – EXTENSION OF TIME FOR DELIVERY DUE TO FORCE MAJEURE AND TERMINATION FOR EXCESSIVE DELAY

1. Causes of Force Majeure:

Force Majeure (herein called "Force Majeure") is any or more of the events defined below:

Acts of God; acts of princes or rulers; requirements of government authorities; delays caused by regulatory bodies whose documents or approvals are required; war or other hostilities or preparations thereto; blockade; revolution; insurrections; mobilizations; civil war; civil commotion; riots; strikes and other labor disturbances including local strikes affecting the BUILDER (not including any strikes or industrial disturbances resulting from unilateral changes made by the BUILDER under existing labor contracts); sabotages; acts of terrorists; lockouts; labor shortages, provided the BUILDER has exercised diligence in the recruitment and training of labor; plague; epidemics; pandemics; fire; flood; typhoons, hurricanes, storms or other weather conditions (other than ordinary storms or ordinary inclement weather conditions); earthquakes; tidal waves; landslides; explosions; collisions; strandings; embargoes; delays in transportation; import restrictions; shortage of materials, equipment or machinery or delay in delivery or inability to take delivery thereof, provided that such materials, equipment or machinery at the time of ordering could reasonably be expected by the BUILDER to be delivered in time, the BUILDER'S choice of a vendor or

subcontractor was reasonable and the BUILDER has exercised due diligence to monitor the actions and to expedite delivery of the vendor or to obtain substitute performance; prolonged failure or restriction of electric current or petroleum; non-delivery or late delivery of BUYER'S Supplies to BUILDER'S custody or other delay caused by any default or omission on the part of the BUYER in carrying out any of its obligations under this Contract; or destruction of or damage to the worksite or other works of the BUILDER, its main subcontractors or to the VESSEL or any part thereof, by any causes heretofore described in this Paragraph and any other causes properly to be considered to be beyond the BUILDER's reasonable control; provided that there shall be excluded any such causes that are in existence as of the date of execution of this Contract or as to a cause impacting a contractor or subcontractor, a cause known to the party as of the date of execution of the contract or subcontract.

The Parties acknowledge the current world events surrounding the COVID-19 pandemic and the Russia-Ukraine military conflict and agree that any future act, event, or circumstance caused by or arising from the COVID-19 pandemic or Russia-Ukraine military conflict otherwise meeting the definition of an event of Force Majeure is not excepted from that definition because of the duration and nature of the pandemic or the military conflict.

Any delay in the delivery of the VESSEL caused by an event of Force Majeure as to which the provisions of this Article VIII have been satisfied shall operate to postpone the Delivery Date by the number of days of delay involved.

2. Notice of Delay:

Within ten (10) days from the date of commencement of the delay on account of Permissible Delays as defined in Paragraph 3 of this Article below, the BUILDER shall advise the BUYER in writing of the date such delay commences and the reasons therefor along with BUILDER's proposed recovery plan. BUILDER shall exercise its commercially reasonable best efforts to develop a recovery plan that addresses the condition causing the delay and minimizes the length of the delay. Failure of the BUILDER to provide notification of any claim for postponement of the Delivery Date within such ten (10) days shall be deemed to be a waiver by the BUILDER of its right to propose such postponement.

Likewise within ten (10) days after such delay ends, the BUILDER shall advise the BUYER in writing of the date such delay ended, and also shall specify the period of time by which the BUILDER asserts that the Delivery Date is postponed by reason of such delay. Within ten (10) days after receipt of such notification, BUYER shall inform BUILDER that BUYER either (1) accepts the new Delivery Date contained in such notification, or (2) disputes BUILDER's postponement of the Delivery Date, which dispute will be resolved under the provisions of Article XIV. Failure of the BUYER to inform the BUILDER that it either accepts the new Delivery Date or disputes the postponement of the Delivery Date within ten (10) days after receipt of BUILDER's notification shall be deemed to be a waiver by the BUYER of its right to object to such postponement.

3. Permissible Delay:

Delays on account of such causes as specified in Paragraph 1 of this Article shall be understood to be Permissible Delays provided that the BUILDER provides the notices set forth in Paragraph 2 of this Article.

4. Right to Terminate for Excessive Delay due to Force Majeure:

If the total accumulated time of all delays on account of the causes specified in Paragraph 1 of this Article only (excluding all other types of delays which, under the terms of this Contract, permit postponement of the Delivery Date), amounts to [*] months or more, then, in such event, the BUYER may terminate this Contract in accordance with the provisions of Article X hereof. The BUILDER may, at any time after the accumulated time of the aforementioned delays justifying termination by the BUYER, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within twenty (20) days after such demand is received by the BUYER, notify the BUILDER in writing of either (1) its intention to terminate this Contract, or (2) consent to a postponement of the Delivery Date to a specific future date. If any further delay occurs beyond such specific future date on account of causes specified in Paragraph 1 of this Article only (and excluding all other types of delays as described above), that amounts to one (1) month or more, the BUYER shall have the same right of termination upon the same terms as hereinabove provided (except that this original six month period is reduced to one month for the further delay described in this sentence).

ARTICLE IX – WARRANTY OF QUALITY

1. Guarantees at Delivery:

a. The BUILDER guarantees that at the time of delivery the VESSEL will: (i) comply with applicable laws, lawful regulations, written standards and written interpretations of the regulatory bodies required for the VESSEL's operation in the foreign and domestic trades of the United States in effect on the date of delivery of the VESSEL, except as noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE; and (ii) meet the requirements in the Specification and plans, except as noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE. The effect of any changes in laws, lawful regulations, standards and written interpretations of the regulatory bodies between the effective date of this Contract and the delivery of the VESSEL shall be incorporated into this Contract by a Change Order under ARTICLE V.

b. The expense of all changes to the VESSEL noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE shall be for the account of the BUILDER, except as provided in subparagraph (a) of ARTICLE V, Paragraph 2.

2. **Warranty:**

a**.** Subject to the provisions hereinafter set forth, the BUILDER undertakes to remedy, free of charge to the BUYER, any deficiency, defects, failure, breaking down or deterioration beyond that caused by ordinary wear and tear (jointly

"defects") in the VESSEL which are due to defective material, faulty design and/or bad workmanship on the part of the BUILDER and/or its contractors or subcontractors, provided that the defects are discovered within a period of twelve (12) months after the date of delivery of the VESSEL (the "Guarantee Period") and a notice thereof is duly given to the BUILDER as hereinbelow provided. In computing the Guarantee Period there shall be excluded any time the VESSEL is prevented from entering or is taken out of service on account of any defect for which the BUILDER is responsible. For the purpose of this Article, the VESSEL shall include her hull, machinery, equipment and gear, but excludes any parts of the VESSEL that have been supplied by or on behalf of the BUYER. Upon expiration of the Guarantee Period, and to the extent permitted by vendors and subcontractors, the BUILDER agrees to transfer any guarantees or warranties supplied to it by vendors and subcontractors.

b. The BUILDER's guarantee of the coatings shall be back to back with the guarantee of the coatings by the coatings manufacturer. During the Guarantee Period, the BUILDER shall be responsible for correction of paint defects in accordance with the guarantee of the coatings by the coatings manufacturer. After the expiration of the VESSEL Guarantee Period, the coating manufacturer's extended warranty shall be transferred to the BUYER under Article IX subparagraph 5d. The coating manufacturer's warranty shall be for at least sixty (60) months from delivery of the VESSEL.

3. Notice of Defects:

The BUYER shall notify the BUILDER in writing of any defects for which claim is made under this guarantee as promptly as possible after discovery thereof. If the defect was discovered during drydocking of the VESSEL, the BUYER must notify the BUILDER in time for the BUILDER to inspect the defect before the VESSEL leaves the drydock if this is necessary for a prudent inspection of the defect. The BUYER's written notice shall in sufficient detail describe the nature and extent of the defects. The BUILDER shall have no obligation for any defects discovered prior to the expiry date of the said twelve (12) months period, unless notice of such defects is received by the BUILDER not later than thirty (30) days after such expiry date.

4. Remedy of Defects:

a. The BUILDER shall promptly remedy, at its expense, any defects, against which the VESSEL is guaranteed under this Article, by making all necessary repairs or replacements at the Shipyard, if practicable. Upon having remedied such defects the BUILDER shall give the BUYER a further guarantee period of six (6) months for the aforementioned repairs or replacements from the date such repair or replacement is accomplished, which extended period shall not reduce the original twelve (12) month Guarantee Period.

b. However, if it is impractical to bring the VESSEL to the Shipyard, or if the BUILDER is unable to remedy the defects within a period of time satisfactory to the BUYER due to the BUILDER'S or the VESSEL's working schedule or any other reason, the

BUYER may cause the necessary repairs or replacements to be made elsewhere which is deemed suitable for the purpose, provided that, in such event, the BUILDER may forward or supply replacement parts or materials to the VESSEL, unless forwarding or supplying thereof to the VESSEL would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL at any other shipyard or works than the Shipyard, the BUYER shall first, but in all events as soon as possible, give the BUILDER notice in writing of the time and place such repairs or replacements will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the BUILDER shall have the right to verify by its own representative(s) the nature and extent of the defects complained of. The BUILDER shall, in such case, promptly advise the BUYER in writing, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided. Upon the BUILDER's acceptance of the defects as justifying remedy under this Article, or upon resolution of a dispute in accordance with the provisions of Article XIV hereof, the BUILDER shall immediately pay to the BUYER for such repairs or replacements the sum of BUYER'S documented costs therefor up to a sum equal to the reasonable cost of making the same repairs or replacements in the Shipyard. Subject to a written agreement with the BUILDER, warranty repairs may be made by the crewmembers of the VESSEL, provided however that the BUYER submits documentation for the work performed and the BUILDER will not reimburse the BUYER at labor rates currently in excess of $68.00 per hour (as escalated at 2.5% per year after delivery). For the avoidance of doubt, if the BUILDER is unable to remedy the defects within a period of time satisfactory to BUYER due to the BUILDER'S or the VESSEL's working schedule or any other reason, BUYER shall not be obligated to operate the VESSEL with a defect even if the Classification Society agrees that the Vessel may be operated with a condition of class, and the BUYER shall be entitled to cause the necessary repairs or replacements to be made as provided in this paragraph.

c. In any case, the VESSEL shall be taken at the BUYER's cost, risk and responsibility to the place elected, ready in all respects for such repairs or replacements. Any preparation, draining of pipes, cleaning of spaces to make them accessible for warranty repairs, marine chemist's certificates, including gas free certificate shall be at the BUILDER's cost.

d. If a defect cannot reasonably be corrected except by drydocking the VESSEL, the BUYER shall be entitled to postpone correction and repair until a subsequent drydocking of the VESSEL. The BUYER may withhold the estimated cost of correction and repair from the Guarantee Payment until such drydocking.

e. Any dispute under this Article shall be referred to dispute resolution in accordance with the provisions of Article XIV hereof.

5. Extent of the BUILDER's Responsibility:

a. The BUILDER shall have no responsibility or liability for any other defects whatsoever in the VESSEL than the defects specified in Paragraphs 1 and 2 of this

Article. Nor shall the BUILDER in any circumstances be responsible or liable for any consequential or special losses, damages or expenses including, but not limited to, loss of time, loss or breach of charters or other contractual commitments, loss of profit or earning or demurrage directly or indirectly occasioned to the BUYER by reason of the defects specified in Paragraphs 1 and 2 of this Article or due to repairs, replacements or other works done to the VESSEL to remedy such defects; except that in the event a defect in an item of equipment or machinery causes any damage to such item of equipment or machinery or to other immediately adjacent equipment, machinery, components or portions of the VESSEL, the BUILDER shall be liable for not only the cost of correcting or repairing the defect but also for the cost of correcting or repairing such damage to such item of equipment or machinery and to such other immediately adjacent equipment, machinery, components or portions of the VESSEL caused by such defect.

b. The BUILDER shall not be responsible for any defects in any part of the VESSEL which may subsequent to delivery of the VESSEL have been replaced or in any way repaired by any other contractor, or for any defects which have been caused or aggravated by omission or improper use and maintenance of the VESSEL on the part of the BUYER, its servants or agents or by ordinary wear and tear or by any other circumstances whatsoever beyond the control of the BUILDER.

c. A final guaranty survey of the VESSEL shall be conducted by the BUYER at or near the expiration of the Guarantee Period. Such survey shall be based on the defects in the contract work appearing or discovered during the Guarantee Period. In the event that the VESSEL is not available for the guarantee survey on or before the end of the Guarantee Period, the BUYER promptly shall submit to the BUILDER a list of all of the defects in the contract work appearing or discovered during the Guarantee Period and all damage for which the BUILDER is liable under the provisions of this Article IX. The final guarantee survey shall be held at such port in the United States as the BUYER designates and seven (7) days' written notice of time and place for such guarantee survey shall be given to the BUILDER by the BUYER. The BUILDER shall have the right to attend the guarantee survey.

d. At the end of the Guarantee Period, the BUILDER agrees to transfer and assign to the BUYER, as to any item of material installed in the VESSEL, the guarantee rights of the BUILDER against the vendor of such item of material where under the terms of such vendor's guarantee the vendor's obligations extend for a period beyond the Guarantee Period; provided that the BUILDER may exclude from such assignment any rights against the vendor in favor of the BUILDER for guarantee deficiencies and damages within the Guarantee Period. The BUILDER shall advise the BUYER of the terms of any such guarantees that are assigned to the BUYER.

e. The guarantee contained as hereinabove in this Article replaces and excludes any other liability, guarantee, warranty and/or condition imposed or implied by the law, customary, statutory or otherwise, by reason of the construction and sale of the VESSEL for and to the BUYER. THE BUILDER MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY

OF MERCHANTABILITY OR FITNESS OF THE VESSEL, ITS MACHINERY OR EQUIPMENT FOR A PARTICULAR PURPOSE.

f. The BUYER may withhold the Guarantee Payment and deposit the full amount into an escrow account as provided in Article II. The BUYER shall pay to the BUILDER the entire Guarantee Payment, less any amount to cover any outstanding defect, upon completion of the Guarantee Period for the VESSEL. Any amounts withheld beyond the end of the Guarantee Period pursuant this Article IX shall be paid upon the correction of each defect for which such amounts were withheld. Any dispute with respect to the amounts due under this Paragraph shall be settled pursuant to Article XIV.

6. Guarantee Engineer:

The BUILDER shall have the right (at its cost) to appoint a guarantee engineer to serve on the VESSEL as its representative for such portion of the guarantee period as the BUILDER may decide. The guarantee engineer shall be a properly documented citizen of the United States. The BUYER and its employees shall give the guarantee engineer full cooperation in carrying out his duties as the representative of the BUILDER on board the VESSEL. The BUYER shall accord the guarantee engineer the treatment comparable to the VESSEL's chief engineer and shall provide him with accommodations and subsistence at no cost of the BUILDER and/or the guarantee engineer.

Pertaining to the detailed particulars of this Paragraph, an agreement will be made according to this effect between the parties hereto upon delivery of the VESSEL.

The guarantee engineer shall, at all times and in all respects, be deemed to be an employee of the BUILDER. The BUYER shall be under no liability whatsoever to the BUILDER or the guarantee engineer for personal injuries, including death, suffered by the guarantee engineer during the time when he is on board the VESSEL, unless such injury or death, is shown to have been caused by the gross negligence or willful acts of the BUYER, and/or its subcontractors and/or their employees or agents (including Buyer's Representative), while acting within the scope of their employment or engagement. Nor shall the BUYER be under any other liability whatsoever to the guarantee engineer.

ARTICLE X – TERMINATION BY THE BUYER AND OPTIONS ON TERMINATION; GUARANTY AGREEMENT AND BUYER'S RIGHT TO ADDITIONAL SECURITY; AUDIT AND INSPECTION RIGHTS

1. Termination

a. Notice: In the event that the BUYER shall exercise its right of termination of this Contract under and pursuant to any of the provisions of this Contract specifically permitting the BUYER to do so, then the BUYER shall notify the BUILDER in writing and such termination shall be effective as of the date notice thereof is received by the BUILDER.

b. Options of BUYER: In the event that the BUYER elects to terminate this Contract, the BUYER may elect to remove the VESSEL, complete the work, sell the work in process or obtain a refund. Such election shall be made by notice to the BUILDER as provided below.

c. Right to Remove: In the event the BUYER shall elect to terminate this Contract, at the BUYER's option the BUYER may elect in writing within [*] days after the termination of this Contract to remove the work in process from the Shipyard. Such removal, including preparation therefor, shall be performed at the BUILDER's expense, and, if reasonably possible, the BUILDER shall furnish forces and equipment for such removal and preparation. The BUYER shall reimburse the BUILDER for the reasonable cost of such removal and preparation. As reasonably practical, the BUILDER shall assign to the BUYER, all existing subcontracts and purchase orders required to complete the VESSEL for which the work in process is being removed as the BUYER may direct.

d. Completion of the Work: In the event the BUYER shall elect to terminate this Contract, at the BUYER's option, the BUYER may elect to have all or part of the work completed. The BUYER for such purposes may take possession and use and occupy so much of the Shipyard and the equipment, tools, machinery, and appliances in the Shipyard as may be needed by the BUYER for such purposes. In such instance as reasonably practical the BUILDER shall assign all subcontracts and orders for material, work, services and supplies to be used in the performance of this Contract to the BUYER as the BUYER may direct. Completion of all or a part of the work shall be performed at the BUILDER's expense with the BUYER to reimburse the BUILDER for the amount that would have been payable to the BUILDER had such work been completed by the BUILDER, and the BUILDER to reimburse the BUYER for any additional costs incurred by the BUYER in completion of such work in accordance with the terms of this Contract (including the plans and specifications referred to herein) as existing on the date of termination of this Contract, evidenced by documented invoices provided to the BUILDER.

e. Sale of the Work: In the event the BUYER shall elect to terminate this Contract and not complete the construction of the VESSEL and the BUYER so notifies the BUILDER, at any time within [*] days from the date of delivering such notice to the BUILDER, the BUYER may sell the VESSEL in a partially completed condition, work in progress, material to be installed in the VESSEL, together with copies of all Plans, Specification, working plans, calculations and other records reasonably required to complete the construction of the VESSEL. The BUYER shall have access to the Shipyard in order to conduct the sale. The sale may be consummated without appraisal or evaluation of the VESSEL, and shall be conducted in the manner determined by the BUYER but the BUYER shall use reasonable efforts to secure the best price possible in respect of the VESSEL. Any purchaser at any such sale shall be given reasonable time, not less than sixty (60) days from the date of sale, within which to remove from the Shipyard the VESSEL, work in progress, and material. Either party may become a purchaser at such a sale. The proceeds of the sale shall be applied first to payment of all costs and

expenses, including reasonable attorneys' fees incurred by the BUYER or its assigns in making such sale; second, to reimburse the BUYER for payments theretofore made by the BUYER to the BUILDER on account of such VESSEL; and, third, to payment of any damages, demands, or deficiencies arising by reason of default of the BUILDER. In the event the proceeds of the sale shall not be sufficient to make the payments required by the preceding sentence, the difference shall be paid by the BUILDER to the BUYER.

f. Refund**:** If the BUYER elects to obtain a refund the BUILDER shall promptly refund to the BUYER the full amount of all sums paid by the BUYER to the BUILDER on account of the VESSEL (unless the BUILDER proceeds to dispute resolution under the provisions of Article XIV hereof). In such event, the BUILDER shall pay the BUYER interest at the rate of 250 basis points per annum above Term SOFR for a three month tenor on the amount required herein to be refunded to the BUYER, computed from the respective dates on which such sums were paid by the BUYER to the BUILDER to the date of remittance by transfer of such refund to the BUYER by the BUILDER, provided, however, that if such rescission by the BUYER is made under the provisions of Paragraph 4 of Article VIII hereof, the BUILDER shall not be required to pay any interest. "Term SOFR" as of any day means (i) the Term SOFR Reference Rate for a 3 month tenor on the applicable day, if such day is a Business Day, as such rate is published by the Term SOFR Administrator and (ii) the Term SOFR Reference Rate for a 3 month tenor on the Business Day most recently preceding such day, if such day is not a Business Day, as such rate was published by the Term SOFR Administrator on such preceding Business Day. "Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the BUYER in its reasonable discretion). "Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

The BUYER shall promptly transfer title to the VESSEL and the work to the BUILDER upon receipt of the payment provided under this subparagraph. Upon such refund by the BUILDER to the BUYER, all obligations, duties and liabilities of each of the parties hereto to the other under this Contract shall be forthwith completely discharged.

2. Guaranty; the BUYER's Right to Receive Additional Financial Information; the BUYER's Right to Demand Additional Security

a. In consideration of the obligations assumed by the BUYER under this Contract, and as an inducement to the BUYER to enter into this Contract, the GUARANTOR has furnished to the BUYER the Guaranty guarantying the BUILDER'S performance of its obligations under this Contract. The commitment made by the Guarantor under the Guaranty is an important consideration to the BUYER under this Contract.

b. The financial conditions of the BUILDER and the GUARANTOR are an important consideration to the BUYER under this Contract. The BUILDER shall provide the

BUYER with annual and quarterly financial statements of both the BUILDER and the GUARANTOR in accordance with paragraph (d) below.

c. In the event that there occurs a breach of a "material" covenant (i.e., financial covenant or negative covenant) or any payment default under any bond, debenture, note or other evidence of indebtedness of the BUILDER or the GUARANTOR, in an aggregate principal amount of at least [*], or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, which breach or default gives the holder the right to accelerate such indebtedness and which breach or default is not cured within any applicable grace or cure period, then, in order to secure the performance by the BUILDER under this Contract, the BUILDER or the GUARANTOR shall provide or maintain upon the BUYER'S request either (x) cash collateral in the amount of [*] deposited in an escrow account, in form and substance reasonably satisfactory to the BUYER (the "Cash Collateral") or (y) a letter of credit or similar instrument, in form and substance reasonably satisfactory to the BUYER, and issued by a bank or other financial institution reasonably satisfactory to the BUYER, in the face amount of [*] (the "Letter of Credit"); and if the BUILDER or the GUARANTOR fails to provide the Cash Collateral or to provide or maintain the Letter of Credit (as applicable, the "Security") within [*] days after the BUYER's request, then the BUYER shall be entitled to terminate this Contract and exercise any of the rights in Paragraph 1 of this Article X. If, after the Security is provided to the BUYER, the underlying breach or default is cured or waived, unless the BUILDER has elected to cure a BUILDER's Default under Article XII, subparagraph 1(g) by providing Security, then the requirement to provide the Security shall cease to apply and the Cash Collateral shall be returned or the Letter of Credit shall be cancelled, as applicable. The provision of the Security to the BUYER under this Paragraph 2(c) will also satisfy the requirements of Paragraph 2(c) of Article X of the Sister Ship Contracts. The BUYER shall not access the Cash Collateral or draw on the Letter of Credit unless and until this Contract has been terminated by the BUYER.

d. The BUILDER will provide the BUYER with: (i) audited annual financial statements of the GUARANTOR and its subsidiaries, on a consolidated basis, that shall be accompanied by an opinion thereon of KPMG AS or other independent certified public accountants of recognized standing that such statements present fairly, in all material respects, the consolidated financial position of the companies being reported, within one hundred twenty (120) days of the close of each fiscal year, and (ii) unaudited quarterly financial statements of the GUARANTOR and its subsidiaries, on a consolidated basis, certified, as appropriate, by a senior financial officer of the BUILDER or the GUARANTOR on behalf of such entity as fairly presenting, in all material respects, the consolidated financial position of the companies being reported, within sixty (60) days of the close of each fiscal quarter (other than the fourth fiscal quarter of each fiscal year). The BUILDER shall provide unaudited quarterly financial statements of the BUILDER on a stand-alone basis to the extent there is any material difference in such unaudited quarterly financial statements and the unaudited quarterly financial statements required by clause (ii) above with respect to any fiscal quarter.

ARTICLE XI – BUYER'S DEFAULT

1. Definition of BUYER's Default:

The BUYER shall be deemed to be in default of performance of its obligations under this Contract in the following cases:

a. If the BUYER fails to take delivery of the VESSEL, when the VESSEL is duly tendered for delivery by the BUILDER under the provisions of Article VII hereof.

b. If the BUYER fails to make any payment under Article II in this Contract when such payment is due, absent a good faith dispute about the amount payable, and such failure is not remedied within [*] days after written notice thereof from BUILDER.

c. The BUYER being dissolved or adjudged bankrupt or making a general assignment for the benefit of its creditors, or the appointment of a receiver or receivers of any kind whatsoever, whether or not appointed in bankruptcy, common law or equity proceedings, whether temporary or permanent, for the property of the BUYER, or the filing by the BUYER of a petition for reorganization or other proceedings with reference to the BUYER, under the Bankruptcy Code of the United States or any similar law, state or federal or in any other jurisdiction in which the BUYER has assets or is registered to do business, or the filing of such petition of creditors and approval thereof by the Court, whether proposed by a creditor, a stockholder or any other person whatsoever, or the filing of an answer to such a petition admitting insolvency or inability to pay its debts.

2. Interest and Charge:

If the BUYER is in default of a payment as to any installment as provided in Paragraph 1(a) and (b) of this Article, the BUYER shall pay interest on such installment at Term SOFR for a three month tenor plus 250 basis points per annum from the due date thereof to the date of payment to the BUILDER on the full amount including interest. In case the BUYER shall fail to take delivery of the VESSEL as provided in Paragraph 1(a) of this Article, the BUYER shall be deemed in default of the final payment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the BUILDER. In any event of default by the BUYER, the BUYER shall also pay all charges and expenses incurred by the BUILDER in connection with such default.

3. Effect of Default:

a. If any default by the BUYER occurs as provided hereinbefore, the Delivery Date shall be postponed for the period of continuance of such default by the BUYER.

b. If any default by the BUYER continues for a period of fifteen (15) days after receipt of written notice from the BUILDER, the BUILDER may, at its option, terminate this Contract by giving notice of such effect to the BUYER in writing. Upon receipt by the BUYER of such notice of termination, this Contract shall forthwith become terminated and any of the BUYER's Supplies in the BUILDER's custody shall be tendered to the BUYER and if not promptly removed up by the BUYER shall become the sole property of the BUILDER.

c. In the event of such termination of this Contract, the BUILDER shall be entitled to retain any installments theretofore paid by the BUYER to the BUILDER on account of this Contract in trust (both for itself and the BUYER) until disposition of the VESSEL as hereinafter provided, whereupon the same shall be applied as provided in Paragraph 4 below.

4. Sale of the VESSEL:

a. In the event of termination of this Contract as above provided, the BUILDER shall have full right and power either to complete or not to complete the VESSEL as it deems fit, and to sell the VESSEL at a public or private sale on such terms and conditions as the BUILDER thinks fit without being answerable for any loss or damage.

b. In the event of the sale of the VESSEL in its completed state, the proceeds of the sale received by the BUILDER shall be applied as follows: first, to the payment of all expenses attending such sale and otherwise incurred by the BUILDER as a result of the BUYER's default; and second, to payment of all unpaid installments of the Contract Price and interest on such installments at Term SOFR for a three month tenor plus 250 basis points per annum from the respective due dates thereof to the date of application.

c. In the event of sale of the VESSEL in its incomplete state, the proceeds of sale received by the BUILDER shall be applied as follows: first, to all expenses attending such sale and otherwise incurred by the BUILDER as a result of the BUYER's default; second, to payment of all costs of construction of the VESSEL less the installments paid to the BUILDER; and third, to payment of compensation to the BUILDER in an amount equal to ten percent (10%) of all costs of construction of the VESSEL, representing a reasonable loss of profit on such costs due to the termination of this Contract.

d. In either of the above events of sale, if the proceeds of sale exceed the total of amounts to which such proceeds are to be applied under subparagraphs b or c of this Paragraph 4, the BUILDER shall promptly pay the excess to the BUYER without interest, provided, however, that the amount of such payment to the BUYER shall in no event exceed the total amount of installments already paid by the BUYER.

e. If the proceeds of sale are insufficient to pay such total amounts payable under subparagraphs b or c of this Paragraph 4, the BUYER shall promptly pay the

deficiency, plus interest thereon at Term SOFR for a three month tenor plus two percent (2%) per annum running on and from the date of the sale closing until the date the full amount of said deficiency and interest is received by the BUILDER, to the BUILDER upon request.

ARTICLE XII – BUILDER'S DEFAULT

1. **Definition of BUILDER's Default:**

The following shall constitute events of default of the BUILDER under this Contract (each a "BUILDER'S Default"):

a. If the BUILDER fails to timely perform any obligation of the BUILDER under this Contract, and such failure is material and not remedied within thirty (30) days after written notice thereof from the BUYER; provided that if such default is not capable of cure within such 30-day period, the BUILDER shall not be in default hereunder if within such 30-day period the BUILDER has commenced the work or performance required to cure such failure and thereafter diligently prosecutes to completion all such work and performance required to cure such failure.

b. The BUILDER or the GUARANTOR (the "BUILDER PARTIES") being dissolved or adjudged as bankrupt or making a general assignment for the benefit of its creditors, or the appointment of a receiver or receivers of any kind whatsoever, whether or not appointed in bankruptcy, common law or equity proceedings, whether temporary or permanent, for the property of the BUILDER, or the filing by any of the BUILDER PARTIES of a petition for reorganization or other proceedings with reference to any of the BUILDER PARTIES, under any of the provisions of the Bankruptcy Code of the United States or any similar law, state or federal or in any jurisdiction in which any of the BUILDER PARTIES has assets or is registered to do business, or the filing of such petition by creditors and approval thereof by the Court, whether proposed by a creditor, a stockholder or any other person whatsoever, or the filing of an answer to such petition admitting insolvency or inability to pay its debts, or if the BUILDER fails to assume this Contract within thirty (30) days of the filing of a petition by or against the BUILDER under the U.S. Bankruptcy Code or similar law.

c. The failure of the BUILDER to prosecute the work with such diligence and in such manner as will clearly prevent it from completing said work in accordance with the Delivery Date as adjusted plus [*] days, except and to the extent that such failure is due to one or more of the causes stated in ARTICLE VIII, which default continues unremedied for a period of thirty (30) days after written notice to the BUILDER thereof; provided that if such default is not capable of cure within such 30-day period, the BUILDER shall not be in default hereunder if within such 30-day period the BUILDER has commenced the work or performance required to cure such failure and thereafter diligently prosecutes to completion all such work and performance required to cure such failure;

d. If solely due to the fault of the BUILDER a total of [*] days of delay in delivery of the

VESSEL has elapsed after the Delivery Date as adjusted; or

e. Any BUILDER's Default under either of the Sister Ship Contracts continues unremedied beyond any applicable notice and cure period specified therein.

f. Any representation, warranty or statement made or deemed to be made by the BUILDER herein or in any statement or certificate delivered or required to be delivered by an officer of the BUILDER pursuant hereto shall prove to be untrue in any material respect on the date as of which it was made or deemed to have been made.

g. If (i) there occurs a default under any bond, debenture, note or other evidence of indebtedness of the BUILDER or the GUARANTOR, or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, which default gives the holder the right to accelerate such indebtedness and which breach is not cured within any applicable grace or cure period, and (ii) such default results in the acceleration of the maturity of indebtedness in an aggregate principal amount of at least [*], unless the BUILDER and/or the GUARANTOR provides Security to the BUYER. Any Security provided to cure a BUILDER's Default under this Article XII subparagraph 1(g) shall be maintained by the BUILDER for the benefit of the BUYER until the earlier of (x) delivery of the VESSEL and the vessels subject to the Sister Ship Contracts or (y) four (4) consecutive quarters of debt compliance during which the BUILDER is not in bankruptcy.

2. BUYER's Remedies:

Upon the occurrence of a BUILDER's Default, the BUYER may, at its option, cease to make payments hereunder and exercise any other remedy available to it by law, including without limitation, to terminate this Contract by giving notice of such effect to the BUILDER in accordance with ARTICLE X hereof, which termination shall be effective, without further act or deed immediately upon the receipt of such notice provided, such termination shall not prevent either party from initiating proceedings pursuant to the provisions of Article XIV with respect to any claim it may allege concerning rights and obligations under this Contract. Upon the giving of such notice, the BUYER may elect any of the options set forth in Article X.

ARTICLE XIII – INSURANCE

1. Builder's Insurance:

At any and all times during the term of this Contract, BUILDER shall at its own expense maintain, with an insurance company or companies, with a minimum rating by A.M. Best Company and/or Standard & Poor's of A minus or equivalent, and authorized to do business in the state in which work is to be performed, insurance and surety coverage's of the kind and in the minimum amounts as follows:

a. Cargo Insurance, Builder's Risk Insurance and Property Insurance:

(i) Cargo Insurance. BUILDER shall maintain All Risk Marine/War Risk Cargo Insurance subject to a limit of $[*] any one conveyance on all machinery, materials or equipment to be installed as part of the VESSEL, at all times commencing with the earlier of BUILDER taking title or having an insurable interest and while in transit until such machinery, materials or equipment reaches the Shipyard and risk of loss is properly transferred to a Property Insurance policy or a Hull Builder's Risk Insurance policy. In the event that any shipment (by sea, air, etc.) exceeds the $[*] limit, then five (5) days before such shipment, BUILDER will disclose the value of such shipment to BUYER and verify that adequate insurance is in place. BUILDER shall promptly provide BUYER with a certificate evidencing the cargo insurance if a new policy is procured.

(ii) Property Insurance. From the time that the first machinery, material or equipment to be installed or included as part of each VESSEL enters the Shipyard, and until the laying of the keel of the VESSEL, BUILDER, at its expense, shall keep all such machinery, material and equipment, including all items furnished by BUYER to the extent that BUYER has declared the value of such items to BUILDER, insured at all times under BUILDER'S existing property insurance policy and/or a Hull Builder's Risk Insurance policy.

(iii) Hull Builder's risk insurance:

(1) Requirement. From the time of the laying of the keel of the VESSEL, and until delivery of the VESSEL, BUILDER, at its expense, shall keep the VESSEL and all machinery, material and equipment to be installed in the VESSEL, including all items furnished by BUYER (to the extent that BUYER has declared the value of such items to BUILDER) insured at all times under an all-risk form Marine Builders Risk policy, acceptable to BUYER (such acceptance not to be unreasonably withheld), it being agreed that if such policy is acceptable to the lender(s) providing construction period financing for the VESSEL, if any, then such policy shall be deemed to be acceptable to BUYER. BUILDER may utilize existing policies of insurance that cover the risks listed in subparagraph (a)(iii)(2) of this Article, provided that such policies are maintained by BUILDER in accordance with the provisions of paragraph (a) of this Article.

(2) Coverage. The insurance shall cover all usual marine risks, and in particular, but without prejudice to the generality of the foregoing, shall cover the following risks to the extent such insurance is available on commercially reasonable terms:

(i) All risks of loss or damage, including earthquake, volcanic eruption, hurricane, named windstorm and tidal wave, in respect of the VESSEL and all machinery, material and equipment, whether at the Shipyard or BUILDER's suppliers' premises or in

transit to the Shipyard or other place of BUILDER custody, including and during launching and trials;

(ii) Strikes, riots, civil commotions, and malicious damage;

(iii) Hull War Risks while the VESSEL is at the Shipyard or other premises of BUILDER or any subcontractor, including after the VESSEL has been launched and is either dockside or in sea trials;

(iv) Coverage for Terrorism while the VESSEL is at the Shipyard or other premises of BUILDER or any subcontractor, including after the VESSEL has been launched and is either dockside or in sea trials;

(v) Protection and indemnity coverage including full Collision.

Coverage shall include [*] percent ([*]%) cost escalation coverage and coverage for soft costs including liquidated damages for delay, additional construction financing interest, construction loan fees, engineering expenses/fees, insurance premiums, accounting fees, project administration expenses, attorneys' fees and fees and other costs associated with such damage or loss and with Regulatory Agency approvals. Policy deductible shall be no more than $[*] per occurrence. Coverage shall be the equivalent of the American Institute Builder's Risk Clauses (Feb 8, 1979) and American Hull Insurance Syndicate Addendum No. 1 (May 15, 1985, SRCC) and shall include Pre-Keel coverage. Coverage shall be written without risk of liability of the BUYER for payment and without deduction for depreciation. There shall be no coinsurance penalty provision in any such policy.

In addition to liability for physical loss of, damage to, or damage caused by the VESSEL imposed upon the BUILDER by law or by the Contract, the Marine Builder's Risk Insurance Policy shall be written to specifically include, in part:

(i) All Ship underway activity as often as necessary for completion and testing of the VESSEL;
(ii) Coverage for BUYER's Supplies, if any, from the time of delivery of the BUYER's Supplies to the BUILDER;
(iii) A statement that the policy is primary to all other collectible insurance; and
(iv) Underwriters' waiver of subrogation in favor of the BUYER and all subcontractors of any tier.

(3) Minimum Sum. The minimum sum insured, and the limit of the BUILDER's liability, at any date from at the point of laying the keel onward, shall be the value of the contract work completed to such date, which shall not be less than the total sum of Milestone Payments paid to

date, plus the value declared by the BUYER to the BUILDER for the BUYER's Supplies.

b. Other Insurance:

BUILDER, at its expense, shall keep and maintain in effect the following additional insurance for the duration of this Contract:

(1) Commercial General Liability coverage to include, but not limited to, broad form property damage, personal injury, premises, completed operations and products liability, non-owned watercraft coverage with an "in rem" endorsement, and contractual liability covering all liability assumed by BUILDER under the terms of this Contract and with limits of liability not less than $5,000,000 any one occurrence or series of occurrences arising out of any one event, subject to an aggregate limit of $5,000,000 in the period of insurance for Products Liability. The BUILDER shall maintain such insurance through the expiration of the Guarantee Period. This coverage shall include broad form property damage, personal injury, broad form blanket contractual liability, products and completed operations (for one year following final acceptance of the VESSEL), and insured indemnity obligations.

(2) Automobile Liability insurance with a combined single limit of $2,000,000 each accident for bodily injury and property damage.

(3) Worker's Compensation and Longshore and Harbor Worker's Compensation Act insurance (or an authorized and approved program of self-insurance therefor) conforming to the statutory requirements of the Commonwealth of Pennsylvania and the United States of America, respectively, and including Employers Liability with minimum limits of $1,000,000 each accident.

(4) Maritime Employer's Liability Insurance (including transportation, wages, Maintenance and Cure) for limits not less than $2,000,000 each person and each occurrence.

(5) Excess Liability insurance in the minimum amount of $[*] per occurrence, subject to an aggregate limit of $[*] in the period of insurance for Products Liability, in excess of the liability coverages specified in Article XIII, subparagraphs (b)(1), (b)(2), (b)(3) for employers liability only, and (b)(4).

(6) Pollution Liability insurance to include coverage for a) sudden and accidental pollution prior to the Vessel being launched in an amount not less than $5,000,000 per occurrence; and b) shipyard/vessel pollution after the Vessel is launched in an amount not less than $5,000,000 per occurrence containing customary terms and conditions that are acceptable to BUYER and no more restrictive than provided under WQIS policy forms or equivalent. This requirement may be satisfied by either coverage

under the Commercial General Liability policy required by Article 13 (1)(b)(1) or a separate pollution liability policy.

The insurance coverage limits stated above can be met utilizing the BUILDER's umbrella/excess liability policy.

c. Certificates of Insurance:

(1) Each policy identified in paragraph (a) of Article XIII shall provide that it is primary insurance to and noncontributing with any other insurance carried by the BUYER, and shall obligate the insurer to give the BUYER not less than 14 days prior written notice in the event of policy cancellation (except for war risk insurance, which shall be not less than 7 days advance written notification). Each policy identified in paragraphs (b)(1) and (2) of Article XIII shall provide that it is primary insurance to and noncontributing with any other insurance carried by the BUYER, and shall obligate the insurer to give the BUYER not less than 30 days' prior written notice in the event of policy cancellation (or 10 days' prior written notice in the event of policy cancellation due to failure to pay premiums). Primary and noncontributing language shall be stated affirmatively on the certificates, and the insurance required under subparagraphs (a)(2)(iii) and (b)(1, 2, and 5) of Article XIII shall include appropriate endorsements evidencing such additional insured language required of the BUILDER and the insurance required under subparagraphs (a)(2)(iii) and (b)(1, 2, 3, 4, and 5) of Article XIII shall include appropriate endorsements evidencing waiver of subrogation language required of the BUILDER.

(2) Certificates evidencing the policies described in this Article, in a form reasonably satisfactory to the BUYER, shall be delivered to the BUYER within ten (10) days of the date of this Contract and renewals thereof shall be delivered to the BUYER within ten (10) days after expiration of the respective policy terms. Not later than 60 days prior to commencement of Work, the BUILDER shall provide summaries of the policies referred to in Article XIII (1)(a) and Article XIII (1) (b) and a complete copy of the policy referred to in Article XIII (1) (c); provided, however, that the BUILDER may redact itemized pricing information for machinery, material and equipment from those policies not related to VESSEL but, if such information is redacted, then the BUILDER at a minimum will provide the aggregate total value for such machinery, material and equipment .

(3) The policies referred to in Paragraph (a) of Article XIII shall name the BUYER and its assigns as loss payee as their interests may appear, subject to the prior senior assignment of such policies to the lender(s) providing construction period financing for the VESSEL, if any.

(4) With respect to the policies referenced in subparagraphs (b) (3) and (4) of Article XIII, the BUILDER agrees that for all Worker's Compensation and

Longshore and Harbor Worker's Compensation Act Insurance, or authorized and approved self-insurance therefor, and all Employer's Liability and Maritime Employer's Liability Insurance policies, they shall contain waivers of rights of subrogation against the BUYER and its parent, subsidiaries, and affiliated companies.

(5) With respect to the policies referenced in subparagraphs (a)(2)(iii), and (b) (1) and (2) of Article XIII, the BUILDER agrees that for all Collision, Protection and Indemnity Liability, Commercial General Liability and Automobile Liability that the BUYER and its parent, subsidiaries, and affiliated companies shall be named as additional assured on those policies and such policies shall contain waivers of underwriter's rights of subrogation. It is agreed that such naming and waiving shall apply only to the extent of the legally enforceable indemnity obligations and risks assumed by the BUILDER in this Contract.

(6) If BUILDER does not provide insurance that meets BUYER's coverage requirements as set forth in Article XIII Paragraphs 1(a) – (c), or if BUILDER fails to provide insurance documentation as required by Article XIII, Paragraph 1.c.(2) and such failure is not cured within thirty (30) days after notice from BUYER, then BUYER reserves the right, but not the obligation, to procure and maintain any or all of the insurance required by Article XIII, Paragraphs 1(a)- (c), for and in the name of BUILDER, in lieu of BUILDER provided insurance with terms reasonably agreeable to BUILDER. If such insurance is purchased by BUYER, BUILDER shall deduct the actual premium cost thereof (as substantiated by documentation reasonably satisfactory to BUYER) from the Contract Price.

d. Deductibles. Policy deductibles shall be no more than USD $[*] per occurrence. BUILDER is responsible for and will pay all deductible payments and self-insured retentions under the required insurance, and BUILDER will act as BUYER's insurer for the amount of those deductibles and retentions under the terms and conditions of the policies to which the deductibles pertain. Coverage shall be written without risk of liability of BUYER for payment and without deduction for depreciation. There shall be no coinsurance penalty provision in any such policy.

e. Coverage Limits and BUILDER's Liability. The insurance coverage limits stated in this Article XIII are minimum insurance coverage requirements, not limits of BUILDER's liability. Notwithstanding the above-required insurance policies, BUILDER shall be obligated for the full and total amount of any damage, injury, expense or loss to the extent provided in this Contract. Should BUILDER fail to procure or maintain any of these insurance coverages, or by any act or omission vitiate or invalidate any of the aforesaid insurance coverages, BUILDER shall pay to BUYER all losses and indemnify BUYER against all claims and demands which would otherwise have been covered by such insurance.

2. Application of Recovered Amount:

a. Partial Loss:

In the event the VESSEL shall be damaged by any insured cause whatsoever prior to acceptance thereof by the BUYER and in the further event that such damage shall not constitute an actual or a constructive total loss of the VESSEL, the BUILDER shall apply the amount recovered under the insurance policy referred to in Paragraph 1 of this Article to the repair of such damage satisfactory to the Classification Society, and the BUYER shall accept the VESSEL under this Contract if completed in accordance with this Contract and Specification.

b. Total Loss:

However, in the event that the VESSEL is determined to be an actual or constructive total loss, the BUILDER shall by the mutual agreement between the parties hereto, either:

i. Proceed in accordance with the terms of this Contract, in which case the amount recovered under said insurance policy shall be applied to the reconstruction of the VESSEL and/or replacement of any damaged BUYER's Supplies, provided the parties hereto shall have first agreed in writing to such reasonable postponement of the Delivery Date and adjustment of other terms of this Contract including the Contract Price as may be necessary for the completion of such reconstruction; or

ii. Refund immediately to the BUYER the amount of all installments paid to the BUILDER under this Contract without any interest and the value of all BUYER's Supplies in BUILDER custody that were damaged or not returned to the BUYER, whereupon this Contract shall be deemed to be terminated and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate forthwith.

If the parties hereto fail to reach such agreement within two (2) months after the VESSEL is determined to be an actual or constructive total loss, the provisions of subparagraph (b)(ii) as above shall apply.

c. Termination of the BUILDER's Obligation to Insure:

The BUILDER's obligation to insure the VESSEL hereunder shall cease and terminate forthwith upon delivery thereof and acceptance by the BUYER.

ARTICLE XIV – DISPUTE RESOLUTION

1. Technical Disputes:

Any dispute or any difference of opinion between the parties hereto relating to conformity of the construction of the VESSEL or material used to Classification requirements ("Technical Disputes") shall be referred to the Classification Society or the USCG (MSC) for matters within their authority for settlement by and between the parties and the Classification Society or USCG (MSC), as applicable. Decisions of the Classification Society or USCG (MSC) with regards to conformity with the rules shall be final and binding upon both parties hereto.

2. Resolution by Senior Executives:

Before proceeding with Arbitration as set forth below in Paragraph 3 of this Article, the Buyer's Representative and the Builder's Representative will attempt to discuss and negotiate in good faith to resolve any dispute, difference of opinion, or controversy arising out of or in connection with this Contract or the transactions contemplated hereby, other than Technical Disputes, which shall be resolved as provided in Paragraph 1 of this Article. If the Buyer's Representative and the Builder's Representative cannot resolve the matter, a party may give notice to the other party that it wishes to employ the dispute resolution mechanism set forth in this Paragraph 2 of this Article. Such notice will designate a senior executive officer who is not involved directly on a day-to-day basis with the construction of the Vessel and who the designating party will vest with the necessary authority to address and resolve the matter (a "Senior Executive"), and who shall be available for regular meetings and negotiations with a Senior Executive designated by the other party. Promptly, but no later than seven (7) days after a party receives such notice, it shall designate its Senior Executive for purposes of this Paragraph. If despite the good faith efforts of the Senior Executives the dispute, difference of opinion, or controversy cannot be resolved within thirty (30) days from the date of the first notice referred to in this Paragraph, the parties may proceed to Arbitration as described below in Paragraph 3 of this Article. This thirty-day period may be waived, shortened, or extended by mutual agreement of the parties.

3. Arbitration:

Except for cases which are settled under Paragraphs 1 or 2 hereof, all claims, counterclaims, demands, controversies, disputes, actions or causes of action of any nature or character arising out of or in connection with this Contract or the transactions contemplated hereby or thereby, whether legal or equitable, known or unknown, contingent or otherwise ("Claims") shall be finally settled by arbitration, held in the city of New York, New York, pursuant to the Rules of the Society of Maritime Arbitrators, Inc. ("SMA"), before a single arbitrator. The party that wishes to arbitrate a matter shall specify in its demand for arbitration the name and address of the person such party proposes be appointed as the sole arbitrator, who shall be an attorney practicing maritime law. If the party upon whom the demand for arbitration is served fails to approve or disapprove the proposed sole arbitrator within ten (10) days, such proposed sole arbitrator shall be deemed

approved by such party. If the parties fail to reach agreement on the sole arbitrator within fifteen (15) days after the demand for arbitration is served, the sole arbitrator shall be appointed by the Society of Maritime Arbitrators, Inc. The decision of the sole arbitrator on any point or points shall be final and binding and may include costs, including reasonable attorneys' fees. The arbitrator shall be directed to undertake proceedings on an expedited basis so that a prompt decision of the question or questions can be announced by the arbitrator to the parties. Upon the selection of the arbitrator, each of the parties shall be entitled to commence reasonable discovery through exchange of documents, requests for admissions or depositions, subject to the sole discretion of the arbitrator, provided, however, that the arbitrator shall limit depositions, if any, to those deemed essential to the fair and reasonable resolution of the Claim. The parties shall use their reasonable best efforts to have the arbitral proceeding concluded and a judgment rendered by the arbitrator within forty-five (45) days of the initiation of the arbitration proceeding. The arbitrator shall be entitled to award interest, but shall not be entitled to award special, incidental, consequential or punitive damages. Judgment may be entered upon any award made hereunder, in any court having jurisdiction, and the parties hereby waive any right to appeal such award on the merits or to challenge the award except on the grounds set forth under United States Law (Federal Arbitration Act). Notwithstanding the foregoing agreement to arbitrate, the parties expressly reserve the right to seek provisional relief from any court of competent jurisdiction to preserve their respective rights pending arbitration, and in seeking such relief shall not waive the right of arbitration. Any dispute relating to claims of $100,000 or less in the aggregate shall be governed by the Shortened Arbitration Procedures adopted by the SMA.

4. Alteration of Delivery Date:

In the event of arbitration of any dispute arising or occurring prior to delivery of the VESSEL, an award of the arbitrator shall include a finding as to whether or not the Delivery Date of the VESSEL is in any way altered thereby.

ARTICLE XV – ASSIGNMENT OF CONTRACT

The benefits and obligations of this Contract shall inure to and be binding upon the successors and assigns of the original parties hereto, respectively; provided, however, that no assignment of this Contract (other than a Permitted Financing Assignment made by the BUYER) shall be made by either party without the prior written consent of the other. "Permitted Financing Assignment" shall mean any granting of any security interest or lien, or any other assignment (including without limitation any assignment in connection with the exercise of remedies by any Lender Party, as defined below) by the BUYER of (a) this Contract and the BUYER's rights hereunder, and/or (b) the BUYER'S rights to and with respect to the VESSEL and the work in process with respect to the VESSEL, in each case to or for the benefit of MARAD, as defined in Article XIX, or any lender providing construction period financing to the BUYER or any affiliate of the BUYER or any other financing or refinancing to the BUYER or any affiliate of the BUYER relating to or secured directly or indirectly by this Contract, the VESSEL and/or any work in process (any such lender, a "Lender Party"), or any designee of any such Lender Party; provided that no such assignment shall diminish the BUYER'S obligations to perform under this Contract. The

term Lender Party shall include MARAD. The BUILDER hereby expressly consents to any such Permitted Financing Assignment by the BUYER. Notwithstanding the foregoing, at delivery of the VESSEL, the BUYER shall have the right, subject to BUILDER's prior written consent, which shall not be unreasonably withheld or delayed, to assign this Contract to a third party nominee for delivery and final delivery payment purposes, provided the BUYER shall remain responsible for the performance by such assignee of the obligations of the BUYER under this Contract.

ARTICLE XVI – TITLE AND LIENS

1. Title:

Title to the BUYER's Supplies is and shall continue to be vested in the BUYER and title to all material paid for by the BUYER shall vest in the BUYER and shall continue to be vested in the BUYER until delivery of the VESSEL. To the extent not so vested in the BUYER, title to the VESSEL, to the extent completed, and title to all work and material performed upon or installed in the VESSEL or placed on board the VESSEL shall vest in the BUYER; provided, however, that except as may otherwise be provided in this Contract, the risk of loss of or damage to such material and the VESSEL shall remain with the BUILDER, and the BUYER shall not be deemed to have waived its rights to require the BUILDER to replace, at the BUILDER's expense, defective, damaged or destroyed work or material, and to deliver the VESSEL with the work completed and material furnished, as provided in this Contract. Title to all scrap and title to any material which is surplus to the requirements of this Contract shall vest in the BUILDER.

2. Liens:

a. The term "Liens" means any lien, security interest, encumbrance or other right in rem against the VESSEL, work or material enforceable in a court of competent jurisdiction, other than the liens in favor of the BUYER or its assignees.

b. The BUILDER shall not permit or cause any Lien to come into existence arising out of the BUILDER's performance under this Contract, the BUILDER waives any and all rights to any Lien, and the BUILDER shall not permit or cause any claim against the BUILDER or any subcontractor furnishing or performing work or material under this Contract to lie or attach against the VESSEL, work or material.

c. If a Lien is filed or asserted against or attached upon the VESSEL, work or material (whether or not arising under this Contract), the BUILDER shall promptly notify the BUYER. The BUILDER shall secure the discharge or release of any such Lien arising out of the BUILDER's performance or the performance of the BUILDER's subcontractors or vendors under this Contract not later than [*] days after it is filed, asserted or attached, provided that the BUILDER may contest such Lien or the claim upon which it is based, and if the BUILDER shall not have secured the discharge or release of such Lien by court order within the time provided in this Contract, then the BUILDER shall furnish to the BUYER, or the appropriate court having jurisdiction in such matters, such bond or security therefor as the BUYER or such

court shall reasonably require, and the BUILDER shall indemnify the BUYER and save the BUYER harmless from all costs, charges, damages and attorneys' fees by reason of such Lien or claims in any way attributable thereto.

d. At the time of each Milestone Payment to the BUILDER, the BUILDER shall furnish to the BUYER a certificate executed by the BUILDER certifying freedom of the VESSEL, work and material from Liens arising out of the BUILDER's performance or the performance of the BUILDER's subcontractors or vendors under this Contract in the form of Exhibit 7.

e. At the time of delivery of the VESSEL, the BUILDER shall deliver the VESSEL to the BUYER free and clear of all Liens other than those Liens resulting from an act or omission on the part of the BUYER. At the time of delivery of the VESSEL, the BUILDER shall furnish to the BUYER a certificate executed by the BUILDER certifying freedom of the VESSEL from such Liens and confirming the indemnity stated above in the form of Exhibit 7, provided the BUYER has paid to the BUILDER or into escrow all amounts required to be paid into escrow by ARTICLE II.

ARTICLE XVII – PATENTS, TRADEMARKS, COPYRIGHTS, ETC.

1. Patents, Trademarks and Copyrights:

Machinery and equipment of the VESSEL may bear the patent number, trademarks or trade names of the manufacturers.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyrights in equipment covered by this Contract, and all such rights are hereby expressly reserved to the true and lawful owners thereof.

2. General Plans, Specification and Working Drawings:

The BUILDER retains all rights with respect to the Specification, and plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER undertakes therefore not to disclose the same or divulge any information contained therein to any third parties, without the prior written consent of the BUILDER, excepting where it is necessary for usual operation, repair and maintenance of the VESSEL.

The BUILDER grants to the BUYER and its assignees and any subsequent purchaser or operator of the VESSEL a perpetual, worldwide, royalty-free license to use the Specification, and the plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL (jointly the “BUILDER’s Vessel Design Materials”) as may be required for the operation, repair, maintenance, modification, or classification of the VESSEL or must otherwise be provided to regulatory authorities in connection therewith, subject to confidentiality requirements for any third party contractor. The BUILDER

warrants that it has full right, title and interest in the BUILDER's Vessel Design Materials and is entitled to grant the licenses to the BUYER under this Contract and that the BUILDER's contribution to the BUILDER's Vessel Design Materials, including the plans, will not infringe the patent, copyright, trademark or trade secrets rights of any third party. In making any disclosures of any BUILDER's Vessel Design Materials to any third party contractor, the BUYER shall impose upon such third persons restrictions relating to the safeguarding to the same extent as have been imposed on the BUYER. The BUYER shall not be liable for unauthorized actions of its employees in disclosing the BUILDER's Vessel Design Materials, provided that the BUYER has taken commercially reasonable precautions to safeguard such data.

3. Non-infringement:

The BUILDER shall defend, indemnify and save harmless the BUYER and its affiliates, agents, contractors, servants or employees from and against all loss, cost, liability and claims, plus attorneys' fees, resulting from any claim by any third party that the VESSEL, or any material used in the construction of the VESSEL or incorporated in the VESSEL by the BUILDER, other than (x) the BUYER's Supplies, (y) a design feature of the VESSEL specified by the BUYER, or (z) material for which the BUYER has specified the sole acceptable manufacturer, infringes any United States or foreign patent, copyright, trademark or trade secret rights ("BUYER's Exclusions"). If the VESSEL or any material incorporated in the VESSEL by the BUILDER, other than the BUYER's Exclusions, shall be held by a court having jurisdiction to constitute such an infringement and the use thereof shall be enjoined, the BUILDER shall procure for the BUYER at its sole cost and expense (i) the right to continue using the VESSEL with any such infringement, (ii) replace infringing material with noninfringing material of equal quality, function and performance, or (iii) modify the VESSEL so it becomes noninfringing, as may be required to eliminate all problems of infringement. Prompt written notice of the assertion of any claim or the bringing of any suit shall be given by the BUYER to the BUILDER, and thirty (30) days shall be given to the BUILDER from giving of such notice to settle or defend it as the parties may see fit. The BUYER shall provide every reasonable assistance in settling or defending such claim or suit. If, at the end of thirty (30) days, the BUILDER failed to undertake such settlement or defense, the BUYER shall undertake settlement or defense as it sees fit, with full reimbursement for damages, costs and attorneys' fees as herein provided, it being understood and agreed that the BUYER, in such case, shall keep the BUILDER informed, on a regular basis, of the progress of the matter and shall not settle any claims without the prior written approval of the BUILDER, which approval shall not be unreasonably withheld. The BUYER warrants that the technical contribution to the Specification contributed solely by the BUYER will not infringe the patent, copyright, trademark or trade secrets of any third party. With respect to any such infringement, the BUYER will indemnify, defend and hold the BUILDER or its subcontractors or vendors harmless from and against any and all liability, cost, or expense resulting from such infringement.

ARTICLE XVIII – BUYER'S SUPPLIES

1. Responsibility of the BUYER:

a. The BUYER shall, at its own risk, cost and expense, including the payment of any applicable sales, use or excise taxes, supply and deliver to the BUILDER all of the items to be furnished by the BUYER according to an agreed list, which list is included in the Specification and is incorporated herein and made part of this Contract ("BUYER'S Contract Equipment", and together with BUYER'S supplies, materials, stores, spares and gear, herein jointly called the "BUYER's Supplies"), at a warehouse or other storage facility of the Shipyard in the proper condition ready for installation in or on the VESSEL, in accordance with the time schedule designated by the BUILDER. The BUILDER shall, within one hundred twenty (120) days after the effective date of this Contract, submit to the BUYER a schedule setting out the timing for the BUYER's delivery to the BUILDER of the BUYER's Supplies. Such schedule shall (i) be reviewed and approved by the BUYER, such approval to not be unreasonably withheld, and any comments provided to the BUILDER shall be made within thirty (30) days of receipt of the schedule, provided always that the schedule shall enable BUILDER to deliver the VESSEL in accordance with this Contract, and (ii) be updated as needed and, following any such required update, be resubmitted to the BUYER for review and approval, as aforesaid.

b. In order to facilitate installation or loading by the BUILDER of the BUYER's Supplies in or on the VESSEL, the BUYER shall furnish the BUILDER with necessary specifications, plans, drawings, instruction books, manuals, test reports and certificates required by the applicable rules and regulations. The BUYER, if so requested by the BUILDER, shall, without any charge to the BUILDER, cause the representatives of the manufacturers of the BUYER's Supplies to assist the BUILDER in installation thereof in or on the VESSEL and/or to carry out installation thereof by themselves or to make necessary adjustments thereof at the Shipyard.

c. Any and all of the BUYER's Supplies shall be subject to the BUILDER's reasonable right of rejection, as and if they are found to be unsuitable or in improper condition for installation. However, if so requested by the BUYER, the BUILDER may repair or adjust the BUYER's Supplies without prejudice to the BUILDER's other rights hereunder and without being responsible for any consequences therefrom. In such case, the BUYER shall reimburse the BUILDER for all costs and expenses incurred by the BUILDER in such repair or adjustment and the Delivery Date shall be postponed for a period of time necessary for such repair or replacement to the extent it impacts the construction schedule and such schedule cannot reasonably be adjusted by the BUILDER to meet the Delivery Date.

d. Should the BUYER fail to deliver any of the BUYER's Supplies within the time designated, the Delivery Date shall be extended for a period of such delay in delivery if such delay affects the Delivery Date and the effects of the delayed

delivery cannot reasonably be made up in the construction schedule. In such event, the BUYER shall be responsible for and pay to the BUILDER all losses and damages incurred by the BUILDER by reason of such delay in delivery of the BUYER's Supplies and such payment shall be made upon delivery of the VESSEL. If delay in delivery of any of the BUYER's Supplies exceeds thirty (30) days, then, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation thereof in or on the VESSEL, without prejudice to the BUILDER's other rights as hereinabove provided, and the BUYER shall accept and take delivery of the VESSEL so constructed.

2. Responsibility of BUILDER:

The BUILDER shall, at its own risk and expense, receive, inspect, check as to agreement with bill of lading, store, protect and handle with reasonable care all of the BUYER's Supplies after delivery thereof at the Shipyard, and shall install or load them in or on the VESSEL, unless otherwise provided herein or agreed by the parties hereto, provided, always, that the BUILDER shall not be responsible for quality, efficiency and/or performance of any of the BUYER's Supplies.

If the BUILDER does not deliver the VESSEL, except as otherwise expressly provided herein, the BUILDER shall return all of the BUYER's Supplies to the BUYER or shall reimburse the BUYER for the cost of such supplies, at the BUYER'S option.

3. Title and Risk

a. Title to the BUYER's Supplies shall remain in the BUYER at all times while such items are in the custody of the BUILDER, as provided in ARTICLE XVIII. The BUILDER shall be liable to the BUYER for all damage to or loss of the BUYER's Supplies occurring during the BUILDER's custody thereof, which may arise from any event, excepting from acts or omissions of the BUYER, and excluding all war risks, except to the extent such war risks are insurable at the time and place of loss and the BUYER has requested the BUILDER to insure such war risks at the BUYER's expense under a Change Order. The BUYER shall have reasonable access to the BUYER's Supplies during the construction. The BUILDER shall not be deemed to have extended to the BUYER any warranty as to the BUYER's Supplies other than the warranty of workmanship in the installation thereof, as set forth in ARTICLE IX.

b. If the BUYER requests that the BUILDER furnish all or any of the BUYER's Supplies, the furnishing of such BUYER's Supplies by the BUILDER shall be treated as a Change Order under ARTICLE IX, and such equipment shall be treated as material.

ARTICLE XIX – COOPERATION REGARDING FINANCING AND RELATED MATTERS

The BUYER contemplates that it will seek financing under the Title XI program administered by the United States Department of Transportation, acting by and through the Maritime Administrator

("MARAD"), under 46 U.S.C. chapter 537 ("Title XI"), and/or private or bank financing. The BUYER intends to make qualified withdrawals from its Capital Construction Fund ("CCF") for some or all of the construction cost. Commencing on the date of execution of this Contract and continuing through the date that is one year following the Delivery Date of the VESSEL, the BUILDER agrees to reasonably cooperate with the BUYER to assist the BUYER in arranging construction period or permanent financing in connection with the VESSEL. At this time it is anticipated that this cooperation will entail the following:

a. providing information of any nature with respect to the VESSEL, its construction, and the BUILDER (including confidential information) in the possession of the BUILDER or its suppliers and not otherwise readily available to the BUYER that is reasonably requested by (i) MARAD as a condition to processing or approving any application for Title XI financing submitted by the BUYER, including Forms MA-163, MA-440 and MA-133, and (ii) the lenders under a non-Title XI financing; and in all cases as soon as reasonably practicable after it is requested;

b. (i) making any amendments to this Contract and the Guaranty that are reasonably requested by MARAD as a condition to processing or approving any application for Title XI financing submitted by the BUYER or any affiliate of the BUYER, or that are reasonably requested by any non-Title XI lenders, provided such amendments are customarily requested by MARAD or such non-Title XI lenders in connection with other financings and do not unreasonably increase the obligations or decrease the rights of the BUILDER or the GUARANTOR, it being understood that such amendments may include, without limitation, documentation in support of invoices, audit, inspection, and consent rights, copies of drawings, notices, insurance coverages and loss payable clauses, naming MARAD or such lenders as beneficiary of the Guaranty or any other security provided in respect of BUILDER's performance under this Contract, any amendments or supplements relating to the assignment of, or the granting of security interest in, this Contract to MARAD or any other Lender Party as security for the Title XI financing or any private or bank financing, allowing the Lender Parties to have reasonable access to the Shipyard to inspect the work in process on the VESSEL, certifying substantial completion of the VESSEL at delivery, and attending any tests and sea trials; and (ii) providing documentation evidencing (x) its consent to any assignment of, or the granting of security interest in, this Contract, the VESSEL or any work in process with respect to the VESSEL as security for the Title XI financing or any private or bank financing or otherwise in connection therewith, including without limitation any Permitted Financing Assignment, in each case in form and substance reasonably requested by MARAD or any other applicable Lender Party; and (y) its consent to subordination of its interests herein and with respect to the VESSEL and any work in process with respect to the VESSEL to any such lien or security interest of the Lender Parties to the extent of the aggregate of the initial payments and all milestone payments made by BUYER from time to time, in each case in form and substance reasonably requested by MARAD or any other applicable Lender Party;

c. identifying and tracking from the time the BUILDER places orders for the same, the foreign components and services that will be utilized in the construction of the

VESSEL and providing all information requested by MARAD in the possession of the BUILDER or its suppliers and not otherwise readily available to the BUYER that is (i) to support a waiver to include in "Actual Cost" the cost of any foreign components (including information that substantiates the choice of foreign over domestic), and (ii) to support the BUYER in complying with MARAD's cargo preference requirements and policies regarding the transport of such foreign components to the U.S. by ocean on U.S.-flag vessels in order to satisfy MARAD's foreign components waiver requirements, and providing such information as soon as reasonably practicable after it is requested;

d. supporting the BUYER's efforts to secure any grants or awards that might be available related to the LNG features or TIER 3 engines on the VESSEL; and

e. applying for and providing the BUYER a U.S. Coast Guard ruling confirming the U.S. construction of the VESSEL to enable the BUYER to treat the VESSEL as a "qualified vessel" under the BUYER's CCF for purposes of 46 USC Chapter 535 §53501(2)(B) and 46 C.F.R. §390.5.

All of the foregoing the BUILDER shall perform with no changes to the Delivery Date and with no costs to the BUYER other than such actual out-of-pocket costs paid by the BUILDER to third parties which the BUYER shall have previously approved in writing. For clarity, (1) the BUILDER shall not be required to incur any out-of-pocket costs if the BUYER refuses to approve and reimburse those costs, and (2) the BUILDER will not pay any increased costs of carriage in connection with the BUYER's compliance with MARAD's cargo preference requirements and policies.

ARTICLE XX – NOTICE

1. Address:

Any and all notices and communications in connection with this Contract shall be addressed as follows:

To the BUYER:

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Senior Vice President –Vessel Operations and Engineering
Telephone No.: [†]
Email: [†]

with a copy to (which shall not constitute notice):

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Vice President -- Vessel Operations and Engineering
Telephone No.: [†]

Email: [†]

and

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Executive Vice President, Chief Administrative Officer and General Counsel
Telephone No.: [†]
Email: [†]
To the BUILDER:

Philly Shipyard, Inc.
2100 Kitty Hawk Avenue
Philadelphia, PA 19112
Attn: Thomas Grunwald, Vice President
Telephone No.: [†]
E-mail: [†]

with a copy to (which shall not constitute notice):

Philly Shipyard, Inc.
2100 Kitty Hawk Avenue
Philadelphia, PA 19112
Attn: Dean E. Grabelle, Senior Vice President & General Counsel
Telephone No.: [†]
E-mail: [†]

Any notice, including any written notice, required hereunder, shall be effected and deemed received only as follows:

a. In the case of e-mail, at the time of transmission recorded on the message if such time is within normal business hours on a working day at the place of receipt, otherwise at the commencement of normal business hours on the next such working day.

b. In the case of a letter, whether sent by registered mail or delivered by hand or by courier, at the date and time of its actual delivery if delivered within normal business hours on a working day at the place of receipt, otherwise at the commencement of normal business hours on the next such working day.

2. Language:

Any and all notices and communications in connection with this Contract shall be written in the English language.

ARTICLE XXI – INTERPRETATION

1. Laws Applicable:

The parties hereto agree that the validity and interpretation of this Contract and of each Article and part thereof shall be governed by the laws of the State of New York applicable to a contract executed and performed in such State without giving effect to the conflicts of laws principles thereof.

2. Discrepancies:

If there is any discrepancy, difference or conflict between the provisions of the Articles of this Contract and the Specification, then to the extent of such discrepancy, difference or conflict only, the Specification shall be ineffectual and the provisions of the Articles of this Contract shall prevail; but in all other aspects, the Specification shall be in full force and effect.

If there is any discrepancy, difference or conflict between the plans of the Specification and the text of the Specification, then to the extent of such discrepancy, difference or conflict the text of the Specification shall prevail; provided, however, any work called for by the text of the Specification and not shown on the plans of the Specification and any work shown on the plans of the Specification but not called for in the text of the Specification shall be performed by the BUILDER as part of the Contract work.

Any discrepancy, difference or conflict described hereabove discovered by one of the parties hereto shall be brought to the attention of the other party hereto promptly in writing.

3. Counterparts:

This Contract may be executed and delivered, including execution and delivery by facsimile or portable data format (PDF) transmission, in counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

4. Prior Agreements:

This Contract, including the Specification and Plans and Exhibits, which are incorporated herein and made part of this Contract, and the Guaranty constitute the entire agreement of the parties with respect to the subject matter hereof and thereof and shall supersede any and all prior negotiations, understandings and agreements between the parties, including, without limitation, the Right of First Refusal and Advance Design Agreement between the parties dated as of April 25, 2022.

5. Amendments and Waivers:

Any provision of this Contract may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of any amendment, by each party to this Contract, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall

operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

6. Third Party Beneficiaries:

No provision of this Contract is intended to confer upon any party other than the parties hereto any rights or remedies hereunder.

7. Rules of Construction:

Unless the context otherwise requires:

a) "or" is not exclusive;
b) "including" means "including, without limitation";
c) words in the singular include the plural and words in the plural include the singular;
d) for purposes of computation of periods of time hereunder, the word "days" means calendar days, "from" means "from and including" and the words "to" and "until" each mean "to but excluding";
e) references in this Contract to Articles, Paragraphs, subparagraphs or Exhibits shall be to Articles, Paragraphs, subparagraphs or Exhibits of or to this Contract unless otherwise specifically provided;
f) the headings of the Articles, Paragraphs and other parts hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Contract; and
g) the term "contractor" includes "subcontractor" and vice versa.

ARTICLE XXII – LIMITATION OF LIABILITY; INDEMNIFICATION AND NO BROKERAGE; AND FEDERAL CONTRACTOR REQUIREMENTS

1. Limitation of Liability:

The parties confirm that the express remedies and measures of damages provided in this Contract satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of damages is provided, such express remedy or measure of damages shall be the sole and exclusive remedy or measure of damages therefor. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct actual damages only; such direct actual damages shall be the sole and exclusive remedy. The parties confirm and agree that under this Contract, notwithstanding anything to the contrary set forth herein, no party shall be required to pay or be liable for special, consequential, incidental, punitive, exemplary or indirect damages, including, without limitation, lost profit, revenue or business interruption damages, by statute, in tort, contract or otherwise. For clarity, the foregoing limitation of liability does not limit the liability of any party for direct lost profit damages under this Contract. To the extent any damages required to be paid hereunder are liquidated damages, the parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient and the liquidated damages constitute a reasonable approximation of the harm and loss.

2. Indemnification:

The BUILDER shall also be responsible for, and shall defend, indemnify and hold harmless the BUYER and its agents against and from any and all loss, expense, attorneys' fees, claims, actions or liability for injuries to or death of any person or persons including employees of the BUILDER and damage to property occurring at or prior to delivery of the VESSEL in the course of or in connection with the BUILDER's performance of this Contract caused in whole or in part, or alleged to be caused in whole or in part, by any act of the BUILDER, its agents, employees or subcontractors or their employees, but only as and to the extent the liability is alleged to be that of the BUILDER, its agents, employees or subcontractors. It is the intention of the parties hereto that the indemnity provisions herein pertaining to employees of the BUILDER shall be effective despite the provisions of 33 U.S.C. § 905(b) as and to the extent that in any claim or action liability is alleged to be that of the BUILDER, its agents, employees, or subcontractors, it being agreed that for purposes of said section the VESSEL being constructed shall not become a "vessel" until such time as the VESSEL is officially documented by the United States Coast Guard and the Classification Society and becomes a vessel capable of being legally used for transportation of goods on water. The BUILDER's indemnity set forth hereinabove shall not apply to any injury or death of any person or to any damage to or loss of property of third parties occurring in connection with the VESSEL after the delivery and acceptance of the VESSEL by the BUYER, provided that this exclusion shall not apply to claims for injury or death of any person, or to any damage to or loss of property of third parties occurring prior to delivery but for which a claim is not instituted until after delivery and acceptance of the VESSEL by the BUYER.

3. Brokerage:

No third party shall be entitled to receive any brokerage commissions, finder’s fees, fees for financial advisory services or similar compensation in connection with the transaction contemplated by this Contract based on any arrangement or agreement made by or on behalf of the BUYER or the BUILDER.

4. Federal Contractor Requirements:

The BUILDER warrants that the BUILDER is not (a) a person or entity identified on any U.S. restricted party list, including those published by the Office of Foreign Assets Control, U.S. Department of the Treasury, such as the Specially Designated Nationals and Blocked Persons List, or otherwise required to be treated as such (“Restricted Party”); or (b) a department, agency or instrumentality of the government of, or is otherwise directly or indirectly controlled by or acting on behalf of, or is ordinarily resident in, a location subject to comprehensive U.S. economic sanctions administered by OFAC, currently Cuba, Iran, North Korea, Syria, and the Crimea, Donetsk, and Luhansk regions of Ukraine.

ARTICLE XXIII – CONFIDENTIALITY; PUBLIC ANNOUNCEMENTS

1. Confidentiality:

a. All information and data disclosed by either party to the other party pursuant to this Contract is the sole and exclusive property of the disclosing party and shall be deemed proprietary, secret, and confidential, regardless of the manner in which it is or was delivered, disclosed or furnished, and whether prepared by or on behalf of the disclosing party and whether delivered, disclosed or furnished prior to, on or after the date of this Contract (collectively, "Confidential Information"); provided that Confidential Information does not include information:

(i) that was in the public domain at the time of the disclosing party's communication thereof to the other;
(ii) that becomes publicly available after the communication thereof other than through a breach of this Confidentiality provision;
(iii) that was in the receiving party's possession free of any obligation of confidentiality at the time of disclosure thereof; or
(iv) that was developed by the receiving party independently of and without reference to any Confidential Information or other proprietary information that the disclosing party has disclosed in confidence to the other.

b. The parties hereto agree that all Confidential Information shall remain the property of the disclosing party, shall be kept in strictest confidence by the receiving party, its parent and its and their directors, officers, direct employees, contractors, attorneys and advisors, and other parties engaged to carry out a party's obligations hereunder and who need to know such information for such purpose (collectively, the "Party's Representatives"), and shall not be disclosed to any other party except as provided herein, without the express prior written consent of the disclosing party. Each party hereto hereby acknowledges (i) that a breach hereof by either party or its Party's Representatives may endanger and damage the other irreparably, and that (ii) money damages may not be a sufficient remedy for any such breach and that the non-breaching party may be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Each party agrees to be responsible for any breach of this Contract by its respective Party's Representatives.

c. The parties agree that Confidential Information may be retained and disclosed as follows:

(i) Confidential Information of the BUYER may be disclosed by the BUILDER to third parties as may be required for the design and construction of the VESSEL; and Confidential Information of the BUILDER may be retained and copied by the BUYER or any transferees of the VESSEL for the life of the VESSEL and may be disclosed by such parties to third parties as may be required in connection with the design, operation, repair, modification, chartering, insuring, financing, or sale of the VESSEL; provided that in each case the BUILDER or the BUYER or a transferee has entered into a confidentiality agreement having provisions

providing substantially the same protections as in this Article XXIII, Paragraph 1.

(ii) Confidential Information that is required to be disclosed by applicable law or by order of a court or governmental authority may be disclosed by either party; provided, however, that the receiving party will give notice to the disclosing party in sufficient time as to permit a protective order to be sought by the disclosing party thereon.

(iii) Confidential Information that is required to be disclosed to a regulatory body in furtherance of the purposes of this Contract, or that is required to be disclosed in a filing with the Securities and Exchange Commission or other government agency having jurisdiction over a party may be disclosed by such party, provided, however, that to the extent such regulatory bodies or government agencies permit a party to assert a claim of confidentiality with respect to such filings, the party making the filings will assert the same.

2. Public Announcements:

The parties hereto will coordinate the issuance of any public announcement (including a press release or public filing) by them or their affiliates with respect to this Contract and the transactions contemplated hereby (an "Announcement"). Neither party hereto nor any of its affiliates may issue an Announcement unless that party has consulted with and received approval for such Announcement from the other party hereto with respect to the content and timing of such Announcement; provided that a party hereto or its affiliates may make an Announcement as may be required by applicable law or any listing agreement related to the trading of the shares of such party or its affiliates on any securities exchange without such approval upon advance written notice to each other party.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Shipbuilding Contract to be duly executed as of the date first written above.

PHILLY SHIPYARD, INC.	MATSON NAVIGATION COMPANY, INC.
By: /s/ Steinar Nerbovik	By: /s/ John W. Sullivan
Steinar Nerbovik	Name: John W. Sullivan
President and Chief Executive Officer	Title: Senior Vice President

Signature page to
Shipbuilding Contract – Hull No. 040

Exhibit 10.49

Execution Copy

SHIPBUILDING CONTRACT
Vessel Type ALOHA CLASS L- HULL NO. 041

Contents

Certain information has been excluded from this exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) the type that the registrant treats as private or confidential. The following symbol is included in this exhibit to indicate where such information has been omitted: [*].

In addition, certain other information has been excluded from this exhibit pursuant to Item 601(a)(6) of Regulation S-K because disclosure of such information would constitute a clearly unwarranted invasion of personal privacy. The following symbol is included in this exhibit to indicate where such information has been omitted: [†].

SHIPBUILDING CONTRACT
Vessel Type ALOHA CLASS L- HULL NO. 041

THIS SHIPBUILDING CONTRACT (this "Contract") is made as of November 1, 2022 by and between PHILLY SHIPYARD, INC., a corporation organized under the laws of Pennsylvania, having its principal office at 2100 Kitty Hawk Avenue, Philadelphia, PA 19112 (hereinafter called the "BUILDER"), and MATSON NAVIGATION COMPANY, INC., a corporation organized under the laws of Hawaii, having its corporate offices at 555 12th Street, Oakland, CA 94607 (hereinafter called the "BUYER").

WITNESSETH:

WHEREAS, the BUILDER agrees to design, engineer, build, launch, equip, outfit, install or load the BUYER's Supplies, as hereinafter defined, test, complete at its Philadelphia shipyard (hereinafter called the "Shipyard") and sell and deliver to the BUYER one (1) containership of the ALOHA CLASS L vessel type designated as the BUILDER's Hull No. 041, more fully described in Article 1 hereof (hereinafter called the "VESSEL"), and the BUYER agrees to purchase and take delivery of the VESSEL from the BUILDER and to pay for the same, upon the terms and subject to the conditions hereinafter set forth;

WHEREAS, concurrent with the execution of this Contract, the BUYER and the BUILDER have executed two other Shipbuilding Contracts of even date herewith, each for the purchase of one (1) additional containership of the ALOHA CLASS L type vessel, designated as the BUILDER's Hull Nos. 040 and 042 (hereinafter each called a "Sister Ship Contract" and collectively called the "Sister Ship Contracts"); and

WHEREAS, concurrent with the execution of this Contract, Philly Shipyard ASA (the "Guarantor") has executed the Guaranty Agreement dated as of the date hereof guarantying the performance of this Contract and the Sister Ship Contracts by the BUILDER (the "Guaranty").

WHEREAS, in consideration of the mutual covenants herein, intending to be legally bound, the parties agree as follows.

ARTICLE I – DESCRIPTION AND CLASS

1. Description:

The VESSEL shall have the BUILDER's Hull No. 041 and shall be designed, engineered, constructed, equipped, outfitted, installed or loaded with BUYER's Supplies, tested and completed by BUILDER in accordance with the provisions of this Contract, and the Specification, as defined herein. The Specification for the construction of the VESSEL called "Aloha Class L," Document No. ADE-CD-001 Rev A, dated October 25th, 2022, and the related drawings and plans identified in the Specification, including the General Arrangement, Document No. AA0030BL01 Rev. A, the Container Stowage Plan, Document No. AA0040BL01 Rev. A, and the Capacity Plan, Document No. AA3010BL02 Rev. A, are hereby adopted and agreed and made a part of this Contract with the same force and effect as though herein set out in full (herein collectively called the

"Specification"). It is further understood by the parties that modifications to the Specification may be required to adjust to the BUILDER's building methodologies and practices and the same shall be submitted to the BUYER for the BUYER's approval, which shall not be unreasonably withheld. The BUYER will work with the BUILDER to reach agreement on a specification that meets the technical requirements while at the same time addresses the required goals of the BUILDER for maximizing productivity and minimizing unnecessary costs. The VESSEL shall be constructed, equipped, and maintained to qualify for the ratings of the American Bureau of Shipping (ABS) classification society (herein called the "Classification Society"), as described in the Specification, and to be eligible for U. S. registry and U.S. coastwise trade endorsements.

2. Dimensions and Characteristics:

The VESSEL shall have the following dimensions and characteristics and the other dimensions and characteristics stated in the Specification:

Dimensions:

Overall length:	260.3 m
Length between P.P.:	248.5 m
Breadth moulded:	35.0 m
Depth moulded:	21.0 m
Design draft:	[*] m
Scantling draft	12.6 m

Cargo Capacity:

The VESSEL's deadweight shall be approximately 53,000 metric tons, corresponding to a mean draft in seawater (specific gravity 1.025 metric tons/m3) of 12.6 m. The specified deadweight shall include the items as listed in the Specification.

Container Carrying Capacity:

The VESSEL's container carrying capacity shall be 3,620 TEUs and as otherwise set out in the Specification, of which [*] TEUs are loadable hi-cube containers at a homogeneous weight of [*] MT per TEU at a draft of [*] m (hereinafter the "Guaranteed Loadable Container Capacity").

Propulsion Machinery:

Type: Reversible slow speed two stroke dual fuel gas injection diesel engine.
Max. Continuous power (MCR) approx. 33,660kW.

Auxiliary Generators:

Type: 4 (four stroke) dual fuel gas injection diesel generators.
Max. continuous power approx. 2 (two) 1,620 kW @ 900 rpm; 2 (two) 2,430 kW @ 900 rpm.

Speed:

The VESSEL's average speed on a sea trial undertaken in both directions over a measured distance, with clean hull, in calm weather, wind and sea not exceeding Beaufort [*] and with draft [*] m, shall be at least [*] knots with the main engine at NCR of [*] kW and with [*]% sea margin (the "Guaranteed Speed") and the VESSEL's design shall be in compliance with Energy Efficiency Design Index (EEDI) requirements for containerships at the Guaranteed Speed.

The theoretical calculation of the Carbon Intensity Indicator (CII) for the VESSEL at the Guaranteed Speed, together with all of the underlying assumptions with respect thereto, are set forth for informational purposes in Exhibit 8. BUILDER does not provide any guarantee with respect to the VESSEL being in compliance with the CII during operations.

Early in the design process ship model tests shall be conducted to refine the hull form and improve the overall efficiency over the range of operating drafts and trims anticipated for the VESSEL for the intended service. Model tests shall be conducted at the drafts defined in the Specification but including the design draft, a deep ballast draft and the Summer Load Line draft. In addition, the model basin shall be tasked with providing a procedure for extrapolating the actual sea trial ship speed at a ballast condition to the speed at the design draft and main engine NCR power with [*]% sea margin. This procedure shall be submitted to the BUYER for approval along with the Model Test report.

The sea trial test for determination and verification of the VESSEL's speed at the design draft and main engine NCR shall be based on the following:

1. The sea trial speed test shall be conducted in water with a depth greater than 100m and at a deep ballast draft corresponding to the model tests.
2. Weather and sea conditions shall be Beaufort 6 or less, subject to approval of both parties.
3. Assessment of the distance traveled for determining the performance speed shall be conducted by means of DGPS (Differential Global Positioning System).
4. The influence of rudder helm during the test shall be avoided.
5. The speed trial shall consist of runs in alternate directions at each of four power levels defined in the Specification.
6. Results of speed trial shall be corrected to calm water (no wind, no waves, no current) according to ISO 15016 "Ships and Marine Technology – Guidelines for the Assessment of Speed and Power Performance by Analysis of Speed Trial Data".
7. The results of the speed trial at the ballast condition shall be projected, based on the model test results and the procedure developed by the model basin and approved by BUYER, to determine the speed at the design draft and main engine NCR power level with [*]% sea margin.

Fuel Consumption:

The fuel consumptions of the main engine on the test bed shall not exceed [*] grams per kW per hour plus a [*]% tolerance when the engine develops [*]% of SMCR under ISO conditions and Tier II mode for Ultra Low Sulfur MGO and shall not exceed [*] kJ/kWh of total energy consumption plus [*]% tolerance when the engine develops [*]% of SMCR under ISO conditions under Tier II mode on Natural Gas from Liquefied Natural Gas ("LNG") (hereinafter the "Guaranteed Fuel Consumption of the Main Engine").

The fuel consumptions of the diesel generators on the test bed shall not exceed [*] grams per kW per hour plus a [*]% tolerance when the engine develops [*]% of MCR under ISO conditions and Tier II mode for Ultra Low Sulfur MGO (Based on technical engine specification dated June 2015) or [*] kJ/kWh of total energy consumption plus a [*]% tolerance when the engine develops [*]% of MCR under ISO conditions under Tier II mode for Natural Gas from Liquefied Natural Gas (hereinafter the "Guaranteed Fuel Consumption of the Diesel Generators").

3. Classification, Rules and Regulations:

The VESSEL, including its machinery, equipment and outfittings shall be constructed in accordance with the rules of and under special survey of the Classification Society, with the class notations set forth on Exhibit 9 (herein referred to as the "Class"). Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER a classification certificate with such class notations in accordance with Paragraph 3(d), Article VII hereof. Decisions of the Classification Society as to compliance or non-compliance with the rules thereof shall be final and binding upon both parties hereto.

In its performance of the work under this Contract, the BUILDER shall comply with all applicable laws, rules, regulations, and requirements of the regulatory bodies, which term shall include the Classification Society, the U.S. Coast Guard, and others as set forth in the Specification. At delivery thereof, the VESSEL shall be built and equipped in compliance with all rules and regulations for registration under the flag of the United States of America with a Coastwise endorsement and have all certificates and meet all rules, regulations requirements of the Classification Society and of the regulatory bodies required for operation of the VESSEL in the foreign and domestic trades of the United States as described in the Specification. If work in addition to work required by the Specification is required as a result of any statute enacted after the date of execution of this Contract, or by regulations or rules adopted by any of the regulatory bodies after such date, said work shall be performed pursuant to a Change Order under Article V.

All fees and charges incidental to the classification and with respect to compliance with the above referred rules, regulations and requirements applicable as of the date of this Contract shall be for account of the BUILDER.

4. Subcontracting:

The BUILDER may, at its sole discretion and responsibility, subcontract portions of the construction work of the VESSEL. However, to subcontract more than 15% of the total hull steel weight to a single contractor, the BUILDER will need the prior written consent of the BUYER. The BUILDER shall nevertheless always be responsible under this

Contract for the quality, workmanship and materials of the VESSEL (excluding, however BUYER's Supplies). The BUYER's rights hereunder shall not be in any way reduced in respect of such subcontracted work.

5. Makers List

A makers list of the equipment and machinery for the VESSEL is in Document No. ADE-CD-002 Rev A dated October 25th, 2022 (the "Makers List"). The BUILDER shall have the right to select any of the suppliers listed on the Makers List and may, subject to the BUYER's prior written approval, select additional suppliers not listed on the Makers List. The BUILDER will advise the BUYER of individual suppliers selected by the BUILDER at least 30 days prior to any order being placed. If the BUYER requests the BUILDER to order any equipment or machinery from a supplier not selected by the BUILDER from the Maker's List, the BUILDER will take reasonable steps to comply with such request, but the BUILDER may refuse to comply with the request unless the BUYER assumes the responsibility for the price and schedule impacts and for possible technical deficiencies, if any, compared with the BUILDER nominated supplier. The BUILDER assumes the responsibility for the price and schedule impacts and, subject to ARTICLE IX, for possible technical deficiencies for the BUILDER nominated supplier.

6. Registration:

The VESSEL shall be registered by the BUYER at its own cost and expense.

ARTICLE II – CONTRACT PRICE AND TERMS OF PAYMENT

1. Contract Price:

The purchase price of the VESSEL is THREE HUNDRED TWENTY-THREE MILLION DOLLARS ($323,000,000) (herein called the "Original Contract Price"). The purchase price of the VESSEL is exclusive of BUYER's Supplies as provided in Article XVIII hereof. The Original Contract Price shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this Contract (herein called the "Contract Price"). The Contract Price is inclusive of all sales, use, excise taxes and customs duties paid or payable with respect to the delivery and acceptance of the VESSEL, and all federal and state income taxes payable by the BUILDER.

The Contract Price includes a BUYER's allowance of up to [*] for spares including the propeller and tailshaft and other supplies to be selected by the BUYER. The BUILDER shall purchase, arrange for delivery and put these supplies on the VESSEL prior to delivery, at the BUILDER'S cost. Any unexpended amounts of this allowance shall be paid to the BUYER or offset against amounts due the BUILDER at delivery of the VESSEL. For the avoidance of doubt, the BUYER is responsible for the cost of spares in excess of the allowance.

2. **Terms of Payment**:

a. The BUYER shall pay the Contract Price to the BUILDER in: (i) a series of Milestone Payments throughout the construction period as provided in Paragraph 2(b) of this ARTICLE II; (ii) a Delivery Payment as provided in Paragraph 2(c) of this ARTICLE II; and (iii) a Guarantee Payment as provided in Paragraph 2(d) of this ARTICLE II.

b. Milestone Payments shall be calculated as set forth in Exhibit 1. The first Milestone Payment shall be made concurrent with execution of this Contract and the Milestone Payment for Delivery shall be made concurrent with delivery of the VESSEL as provided in subparagraph (c) below. Each other Milestone Payment shall be made within fifteen (15) Business Days after the BUYER's receipt of an invoice for such Milestone Payment from the BUILDER. The BUILDER's invoice for each Milestone Payment shall be accompanied by the Certificate executed by an officer of the BUILDER and the BUYER certifying as to completion of the applicable milestone and including a no lien's representation, in the forms set forth in Exhibits 2 and 7, supported by such other documentation as reasonably may be required by the BUYER. If there shall be any dispute as to the amount payable, then the BUYER shall deposit the disputed amount into escrow in accordance with subparagraph 2(c) of Article VII.

c. The Delivery Payment in the amount set forth in Exhibit 1 shall be paid at delivery of the VESSEL, subject to (i) deferral of payment of the amounts stated in the Delivery Certificate agreed to be withheld under the provisions of ARTICLE VII, Paragraph 2, and (ii) less the amount of liquidated damages, if any, at the time of delivery claimed by the BUYER pursuant to ARTICLE III. If there shall be any dispute as to the amount payable, then the BUYER shall deposit the disputed amount into escrow in accordance with subparagraph 2(c) of Article VII.

d. The Guarantee Payment in the amount set forth in Exhibit 1, less the amount of liquidated damages, if any, agreed to be withheld pursuant to ARTICLE III, shall be deposited by the BUYER at the delivery of the VESSEL into escrow subject to the Escrow Instructions in the form of Exhibit 3 (the "Escrow Instructions") and shall be paid to BUILDER as and when provided under subparagraph 5(f) of ARTICLE IX.

e. The BUYER shall be entitled to withhold from any payment any liquidated damages that are payable under ARTICLE III.

f. No payments shall be made by the BUYER to the BUILDER except upon invoices submitted in the form set forth in Exhibit 4 executed and certified by the BUILDER in such manner as the BUYER may reasonably prescribe. Except for the first Milestone Payment, all payments shall be supported by the certificate as provided in Paragraph 2(d) or 2(e) of ARTICLE XVI, and in the case of Milestone Payments, by the Certificate and any additional information required by Paragraph 2(b) of this ARTICLE II.

g. Any increase or decrease in the Contract Price resulting from a Contract Change under ARTICLE V shall be deemed a part of the Contract Price for the purpose of determining the payments under this ARTICLE II. Timing of payments or credits for a Contract Change will be mutually agreed as part of the Contract Change under Article V.

3. **Method of Payment**:

The BUYER shall remit the amount of each of the payments required by Paragraph 2 of this Article II by wire transfer in accordance with wire instructions provided by the BUILDER to the BUYER.

4. **Adjustment for Increase or Decrease in Steel Cost**:

The Contract Price shall be subject to adjustment to reflect any increase or decrease in the cost of steel (inclusive of plates and profiles), determined in accordance with this Paragraph 4. The steel cost adjustment shall be computed using the following formula:

$[*] x ((Actual Steel Price / Base Steel Price) – 1)

For purposes of this calculation:

"Actual Steel Price" means the weighted average of the monthly values of the Index published for the months during which the BUILDER actually orders each amount of steel for the VESSEL. The Actual Steel Price shall be expressed as value/short ton.

"Base Steel Price" means $[*]/short ton ($[*]/metric ton).

"Index" means the CRU Plate Index for A36 Plate as published by the CRU / The Independent Authority™ (CRU) in London, England.

Upon delivery of the VESSEL, the BUILDER shall compute the steel cost adjustment to the Contract Price pursuant to this Paragraph 4. If a positive adjustment results, the BUILDER shall invoice the BUYER and the BUYER shall pay such amount at delivery of the VESSEL. If a negative adjustment results, the BUILDER shall credit such amount against the delivery payment for the VESSEL.

An example of the steel cost adjustment is attached hereto as Exhibit 5 and is incorporated herein and made part of this Contract.

ARTICLE III – LIQUIDATED DAMAGES AND TERMINATION RIGHTS

The Contract Price shall be subject to adjustment, as hereinafter set forth, in the event of the following contingencies (it being understood by both parties that any reduction of the Contract Price is by way of liquidated damages and not by way of penalty). The BUYER shall be entitled to offset or recoup from payments of the Contract Price as provided in Article II liquidated damages, or to exercise the below rights, upon the occurrence of the following:

1. **Delivery**:

a. The BUILDER shall not pay liquidated damages for the first [*] days of delay of the delivery of the VESSEL beyond the Delivery Date as defined in Article VII hereof (ending at twelve o'clock midnight of the [*] day of delay) (the "Grace Period"). If the last day of the Grace Period does not fall on a Business Day, then the Grace Period shall be extended to the immediately following Business Day. "Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in New York, NY.

b. But, if the delay in delivery of the VESSEL should continue for a period in excess of the Grace Period, then in such event, the BUILDER shall be responsible to the BUYER for payment of liquidated damages in the amount of [*] per day for each day that the delivery of the VESSEL is delayed beyond the end of the Grace Period. The total amount of liquidated damages shall not, however, exceed the amount that would be payable in the case of a delay of [*] days beyond the end of the Grace Period. If the delay in delivery of the VESSEL should continue for a period in excess of [*] days beyond the end of the Grace Period, then BUYER may at its option terminate this Contract in accordance with the provisions of Article X hereof. The BUILDER may, at any time after the expiration of the aforementioned [*] days of delay in delivery beyond the end of the Grace Period, if the BUYER has not served notice of termination as provided in Article X hereof, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within fifteen (15) days after such demand is received by the BUYER, notify the BUILDER of its intention either to terminate this Contract or to consent to the acceptance of the VESSEL at an agreed future date; it being understood by the parties hereto that, if the VESSEL is not delivered by such future date, the BUYER shall have the same right of termination upon the same terms and conditions as hereinabove provided. For clarity, the BUILDER shall not be responsible for, and the BUYER shall not be entitled to receive, liquidated damages for any day of delay of delivery of the VESSEL on account of Permissible Delay as defined in Article VII, Paragraph 1(b).

2. Insufficient Speed

a. The Guaranteed Speed is set forth in Article 1.

b. The Contract Price shall not be affected or changed by reason of the speed of the VESSEL being less than the Guaranteed Speed minus 0.2 knots. However commencing with and including a deficiency of 0.2 knots below the Guaranteed Speed, liquidated damages shall be payable as set forth below:

1. From 0.2 up to and including 0.5 knots below at $[*] per 0.1 knot below, and

2. From 0.6 up to and including 1 knots below at $[*] per 0.1 knot below.

c. If the deficiency in the Vessel Speed is more than 1 knot, the BUYER shall have the option of a total of $[*] deduction; or a right to reject the VESSEL and terminate this Contract.

3. Excessive Fuel Consumption of the Main Engine

a. The Guaranteed Fuel Consumptions of the Main Engine for Ultra Low Sulfur MGO and LNG are set forth in Article I. The actual fuel consumptions of the main engine shall be determined by separate shop trials of the model of the VESSEL main engine on the test stand at the manufacturer's Factory Authorized Test.

b. The Contract Price shall not be affected or changed by reason of the fuel consumption of the main engine being more than the Guaranteed Fuel Consumption of the Main Engine up to [*]% over of the Guarantee for Ultra Low Sulfur MGO and LNG. However liquidated damages will be assessed for consumption in excess of the guarantee as follows:

1. Payment of [*] for each full gram/kWh above the [*]% tolerance;

2. Except as provided in subparagraph 3 below, the total amount payable shall not exceed [*]; and

3. If after all efforts and remedies, the Main Engine fuel consumption is more than [*]% above the Guaranteed Fuel Consumption, the liquidated damages will be [*].

4. Insufficient Loadable Container Capacities

a. The Guaranteed Loadable Container Capacities of the VESSEL are set forth in Article 1 and the Specification. The Guaranteed Loadable Container Capacity shall be confirmed by the Class approved Trim & Stability Booklet.

b. If the aggregate loadable container capacity of the VESSEL of TEUs consisting of hi-cube containers at a homogeneous weight of [*] MT per TEU at a draft of [*] m as determined by the Cargomax load program software utilizing the input data defined by the BUILDER is less than the Guaranteed Loadable Container Capacity, the BUYER shall have the option to: (i) obtain payment of liquidated damages at $[*] for each hi-cube TEU lost or (ii) reject the VESSEL and terminate this Contract.

5. Effect of Termination and Offset:

Notwithstanding any other provision of this Article III, it is expressly understood and agreed by the parties hereto that: (a) if the BUYER terminates this Contract under this Article III, the BUYER shall not be entitled to any liquidated damages and in the event that any liquidated damages have been paid to the BUYER, the paid amount shall be deducted from the sums stipulated in Article X, Paragraph 1.f which otherwise would be payable to the BUYER; and (b) if BUYER does not terminate this Contract under this Article III, any amount of liquidated damages payable under this Article III may be offset from all payments due on the Contract Price. In the event the BUYER elects to reject the VESSEL and terminate this Contract, the BUYER shall be entitled to elect any of the remedies provided in Article X.

ARTICLE IV – WORK, SUPERVISION AND INSPECTION AND APPROVAL OF PLANS AND DRAWINGS, REPORTING

1. Work and Material

The VESSEL shall be constructed in a good, sound and workmanlike manner, in accordance with the U.S. and international shipbuilding and marine engineering standards and practices defined in the Specification (including, without limitation, those of ISO9001

and ISO9002). All materials incorporated in the VESSEL shall be new, suitable, and of good commercial marine quality for the service intended.

2. Approval of Plans and Drawings:

Within thirty (30) days after the date hereof, the parties hereto shall mutually agree upon a list of the plans and drawings for the VESSEL to be submitted to the BUYER and the submittal schedule therefor. The BUILDER shall submit electronic copies of such plans and drawings in English to the BUYER and the BUYER shall have fourteen (14) days to review and approve, disapprove or comment. The BUYER shall, within such 14-day period, return to the BUILDER electronic copies of such plans and drawings with the BUYER's approval, disapproval or comments, if any. In the event that the BUYER shall fail to return such plans and drawings to the BUILDER within such 14-day period, such plans and drawings shall be deemed to have been automatically approved without any comment. Any disapproval by the BUYER shall include the reasons for the disapproval and shall be a result of nonconformance with the Specification or good shipbuilding practice (as described in Article IV, Paragraph 1). Any request by the BUYER for changes to any of these plans and drawings not in accordance with the Specification or good commercial shipbuilding practice, except those required by regulatory bodies, shall be handled as a request for change to the Specification in accordance with Paragraph 1, Article V. Any plans which subsequent to the BUYER's approval require alteration shall be resubmitted to the BUYER for approval of the alteration and its impact. The BUILDER shall respond to the BUYER's comments or disapproval within fourteen (14) days of receipt. In the event that the BUILDER shall fail to respond to the BUYER's comments within such 14-day period, such comments shall be deemed to have been accepted.

3. Appointment of Buyer's Representative and Builder's Representative:

The BUYER shall appoint, at its cost, two representatives who shall be duly authorized in writing by the BUYER (herein called the "Buyer's Representative(s)") to act on behalf of the BUYER in connection with changes of the Specification, approval of Change Orders, approval of the plans and drawings, attendance at the tests and inspections relating to the VESSEL, its machinery, equipment and outfitting, and any other matters for which he is specifically authorized by the BUYER. In case the Buyer's Representative is not stationed at the Shipyard, the BUYER shall give clear instructions to the BUILDER regarding the authority of other personnel representing the BUYER at the Shipyard.

The BUILDER shall appoint one representative who shall be duly authorized in writing by the BUILDER (herein called "Builder's Representative") to act on behalf of the BUILDER in connection with changes of the Specification, approval of Change Orders, approval of the plans and drawings, attendance at the tests and inspections relating to the VESSEL, its machinery, equipment, and outfitting and any other matters for which he is specifically authorized by the BUILDER. The BUYER has the right to request the BUILDER to replace the Builder's Representative and/or his assistants who may be deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUILDER shall investigate the situation and if the BUILDER considers that such BUYER's request is justified, the BUILDER shall effect such replacement as soon as practicable.

4. Supervision and Inspection:

a. The necessary inspections of the VESSEL, its machinery, equipment and outfittings shall be carried out by the Buyer's Representative, Classification Society, other regulatory bodies and/or an inspection team of the BUILDER throughout the entire period of construction, in order to ensure that the construction of the VESSEL is duly performed in accordance with this Contract. The BUILDER shall assign quality assurance personnel, who are independent of all production, scheduling, and marketing departments to inspect the work and materials to insure that the Contract requirements are met. The BUILDER will employ OEM representatives to supervise the installation of third party equipment as identified on the Makers List.

b. The Buyer's Representative and his assistants shall have, during the construction of the VESSEL, the right to attend all tests, trials and inspections of the VESSEL and its materials. The BUILDER shall give notice to the Buyer's Representative reasonably in advance of the date (which in general shall be given no later than 1400 (2:00pm ET) on the prior Business Day), place and time of such tests, trials and inspections to be attended by him for his convenience. For weekend, or BUILDER holiday inspections, the schedule will be provided by noon on Friday for weekend inspections, or, for holidays, the Business Day preceding the holiday. The BUILDER shall furnish the BUYER an electronic copy of test procedures, related drawings and technical data required to carry out the inspection prior to the test or inspection in English. Failure of the Buyer's Representative and/or his assistants to be present at such tests, trials and inspections after due notice to him as above provided shall be deemed a waiver of his right to be present. The BUILDER shall exercise reasonable efforts to schedule tests and, inspections between the hours of 7am and 6pm on Business Days. Final results shall be furnished to the BUYER for all tests, trials and inspections.

c. In order to help to determine that the VESSEL is being constructed in accordance with the terms of this Contract and the Specification, the Buyer's Representative and his assistants shall, at all times until delivery and acceptance of the VESSEL, have the right to inspect the VESSEL, her engines and all accessories and all work in progress, or material utilized in connection with or intended for the construction of the VESSEL, wherever such work is being done, or such material is stored, including the yards, workshops, stores and offices of the BUILDER and the BUILDER's contractors and subcontractors. The BUILDER shall arrange with its contractors and subcontractors that the Buyer's Representative and his assistants have a similar right of inspection and supervision with respect to the work performed by the contractors and subcontractors.

d. In cases requiring approval from the Classification Society or U.S. Coast Guard, such inspections shall, to the extent possible, be carried out as a joint inspection by the Buyer's Representative and the representative of the Classification Society or U.S. Coast Guard, as applicable.

e. The Buyer's Representative shall, on behalf of the BUYER, make decisions or give advice or suggestions to the BUILDER on all problems arising during the course of or in connection with the construction of the VESSEL with a view to co-operating to the utmost with the BUILDER in the construction process.

f. In the event that the Buyer's Representative discovers any materials, construction or workmanship that is not deemed to conform to the requirements of this Contract, the Buyer's Representative shall promptly give the Builder's Representative a notice in writing as to such non-conformity. Upon receipt of such notice from the Buyer's Representative, the BUILDER shall correct such non-conformity, if the BUILDER agrees to his view. In the event of difference of opinion between the parties hereto, the BUILDER or the BUYER may request resolution of the matter in accordance with the provisions of Article XIV hereof.

g. Any acceptance or approval of the BUYER or the Buyer's Representative or exercise of BUYER's rights hereunder shall in no way alter or diminish the BUILDER's obligations under this Contract or its obligation to comply with regulatory body requirements.

5. Responsibility of the BUILDER:

a. The BUILDER shall furnish the Buyer's Representatives and his assistants with suitably lighted, heated and air conditioned office accommodations and conference facilities for up to ten (10) persons and more particularly as follows:

i. Offices for ten on-site representatives complete with air conditioning and heat and furniture.
ii. Ten dedicated parking spaces proximate to the location of offices.
iii. Lavatory facilities.
iv. At least three individual offices, the remainder of desk locations may be arranged using dividers.
v. Ten internet connections.
vi. Ten telephone lines and telephones. Long distance charges to be billed to the BUYER.
vii. Ten desks, chairs, waste baskets, etc.
viii. Fax machine with dedicated phone line.
ix. Copier able to copy and scan in color, two sided and collate paper sizes of letter, legal and 11x17.
x. Water dispenser with water refill service.
xi. Drawing table.
xii. Ten four drawer legal size file cabinets.
xiii. Conference Table (8 person) with chairs.
xiv. Microwave.
xv. Refrigerator with freezer – 15+ cubic ft.
xvi. Change room with lockers, shower and cleaning services.

6. Liability of the BUILDER:

The Buyer's Representative, and the BUYER'S subcontractors, employees and agents, shall at all times be deemed to be employees or agents of the BUYER. The BUILDER

shall be under no liability whatsoever for personal injuries to, or death of, such Buyer's Representative or employees or agents of the BUYER, or for damage to, or loss or destruction of, their property, unless such injury, death, damage, loss or destruction is shown to have been caused by the gross negligence or willful acts of the BUILDER and/or its subcontractors and/or their employees or agents (including Builder's Representative).

7. Responsibility of the BUYER:

The BUYER shall undertake and assure that the Buyer's Representative shall carry out his duties hereunder in accordance with the normal shipbuilding practices of the BUILDER and in such a way as to avoid any unnecessary increase in building cost, delay in or interference with the design and construction of the VESSEL, and/or any disturbance in the construction schedule of the BUILDER. The BUILDER has the right to request the BUYER to replace the Buyer's Representative and/or his assistants who may be deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUYER shall investigate the situation by sending his representatives to the Shipyard if necessary, and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect such replacement as soon as practicable.

The Buyer's Representative, and BUYER's subcontractors, employees and agents, shall comply with BUILDER's standard security, safety, and environmental policies and procedures (including, without limitation, COVID-19 protocols) and also shall comply with all applicable federal, state, and local safety and environmental laws and regulations. BUILDER may deny access to the Shipyard to any person or entity who fails to comply with such policies, procedures, laws or regulations or has been banned from the Shipyard in the past on such basis.

8. Liability of the BUYER:

The employees, agents and subcontractors of the BUILDER shall at all times be deemed to be employees, agents and subcontractors of the BUILDER. The BUYER shall be under no liability whatsoever for personal injuries to, or death of, such BUILDER's employees, agents, or subcontractors, or for damage to, or loss or destruction of, their property, unless such injury, death, damage, loss or destruction is shown to have been caused by the gross negligence or willful acts of the BUYER, and/or its subcontractors and/or their employees or agents (including Buyer's Representative).

9. Approval by Regulatory Bodies; BUYER's access to Communications with Regulatory Bodies:

All plans or data required by the Classification Society or other relevant regulatory bodies in connection with approval of the VESSEL shall be prepared and submitted by the BUILDER or its subcontractors and suppliers, except such data that is explicitly requested by the relevant regulatory body to be submitted by the BUYER. The BUILDER agrees to provide the BUYER with full reading and copying rights for all plan approval documents and written correspondence sent to or received from the Classification Society and other regulatory bodies and to sign the standard Classification Society authorization allowing such access. The BUILDER further agrees to copy the BUYER on all written

communications with the Classification Society and to make reasonable efforts to include the Buyer's Representative in any in-person meetings with the Classification Society (it being understood that such meetings may proceed without the BUYER's Representative in attendance) to the extent such communications or meetings will cover technical information (including comments originated from ABS design review). The BUILDER is not obligated to include the BUYER in communications or discussions (a) about commercial issues between the BUILDER, subcontractors and ABS, or (b) including documentation with proprietary information, unless expressly authorized by the owner of such information. The BUYER will provide a specific email address to be copied on email conversations to ease the collection burden of this requirement.

The BUILDER, on behalf of itself and any subcontractors, shall grant oversight privileges to the BUYER and other related project team members through ABS Eagle Construct/Engineering Manager to allow the BUYER to review the design review status regarding pending and/or outstanding items and any other relevant technical information about the BUILDER and subcontractor scope.

In addition, the BUILDER on behalf of itself and any subcontractors will give written permission for ABS to inform the BUYER and other related project team members, or notify directly under the BUYER's formal request, the classification status regarding pending and/or outstanding items and any other relevant technical information about the BUILDER and subcontractor's scope. Such permission should be emailed, faxed or mailed to ABS Account Manager, Project Manager, Attending Surveyor or Engineering office by the BUILDER on behalf of itself and any subcontractors.

The BUYER agrees to copy the BUILDER on all written communications with the Classification Society related to the BUILDER's and its subcontractor's scope and to make reasonable efforts to include the BUILDER's Representative in any in-person meetings with the Classification Society (it being understood that such meetings may proceed without the BUILDER's Representative in attendance).

In addition, the BUYER shall not raise any issue or question regarding the VESSEL with ABS without first raising such issue or question with the BUILDER, and then only if the BUILDER's response is unreasonably delayed or deemed inadequate.

10. Master Schedule:

At the time of execution of this Contract, the BUYER shall be provided with the latest official version of the master schedule showing the main production activities for the VESSEL and the main production activities for the final outfitting, mechanical completion and testing of the VESSEL. The master schedule shall include the build strategy, master milestone schedule and key event schedule. The BUILDER shall report to the BUYER as to the purchasing schedule progress and the project progress percentage of completion on the VESSEL and tasks on a bi-weekly basis.

ARTICLE V – MODIFICATIONS

1. Modifications of Specification:

The Specification may only be modified and/or changed by written agreement of the parties hereto. The BUILDER and the BUYER shall first agree, in writing, before such modifications and/or changes are carried out, to alterations in the Contract Price, the Delivery Date and other terms and conditions of this Contract and Specification occasioned by or resulting from such modifications and/or changes. There shall be no cost for the BUILDER'S provision of an estimate regardless whether a proposed change is implemented.

All such agreed changes shall be described on a change order in the form set forth in Exhibit 6 signed by the authorized representatives of the parties hereto manifesting agreements of the parties as to the work to be provided or deleted, and the effect on the Contract Price and the Delivery Date, which shall constitute amendments to this Contract and/or the Specification (each such change, a "Change Order").

The BUILDER may make minor changes to the Specification, if found necessary to suit the BUILDER's local facilities; the availability of materials; introduction of improved production methods or otherwise, provided that the BUILDER shall obtain the BUYER's prior written approval, which shall not be unreasonably withheld.

2. Changes Based on Class Requirements, etc.:

In the event that, after the date of this Contract, any requirements as to class, or as to rules and regulations to which the construction of the VESSEL is required to conform, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, the following provisions shall apply:

a. If such alterations or changes are compulsory for the VESSEL, either of the parties hereto, upon receipt of such information from the Classification Society or such other regulatory bodies, shall promptly transmit the same to the other in writing, and the BUILDER shall thereupon incorporate such alterations or changes into the construction of the VESSEL. The BUILDER shall present to the BUYER the adjustment required by the BUILDER in the Contract Price, the Delivery Date and other terms and conditions of this Contract occasioned by the change. The adjustment shall then be agreed on as a Change Order in accordance with Paragraph 1 of this Article. If the parties cannot agree on the Change Order, then the matter shall be submitted for final decision in accordance with Article XIV hereof. In such case, work on the compulsory alteration or change shall proceed without waiting for the final decision on the Change Order.

b. If such alterations or changes are not compulsory for the VESSEL, but the BUYER desires to incorporate such alterations or changes into the construction of the VESSEL, then, the BUYER shall notify the BUILDER of such intention and such notice shall be treated as a request for a modification or change in accordance with Paragraph 1 of this Article.

3. Substitution of Materials:

In the event that any of the materials required by the Specification or otherwise under this Contract for the construction of the VESSEL cannot be procured in time or are in short supply to maintain the Delivery Date of the VESSEL, or alternative materials are claimed by the BUILDER to be available which are suitable as substitutes by reason of advances in technology, the updating or improvements of, or changes in, specified materials or changes in the manufacture or production thereof; the BUILDER may, provided that the BUILDER shall obtain the BUYER's prior written approval, which shall not be unreasonably withheld, supply other materials capable of meeting the requirements of the Classification Society and of the rules, regulations and requirements with which the construction of the VESSEL must comply. Any agreement as to such substitution of materials shall be effected in the manner provided in Paragraph 1 of this Article, and shall, likewise, include alterations in the Contract Price and other terms and conditions of this Contract occasioned by or resulting from such substitution.

ARTICLE VI – TRIALS

1. Notice:

The BUYER shall receive from the BUILDER at least fourteen (14) days' prior notice in writing of the time and place of the trial run of the VESSEL, and a description of the trials to be performed, and the BUYER shall give prompt written acknowledgment of the receipt of such notice. The BUYER shall have the right to have a reasonable number (up to ten (10)) of authorized representatives, employees, inspectors and any other person reasonably designated by the BUYER present at the trial runs.

The BUILDER may, after due notice as described above, conduct trial runs of the VESSEL without the presence of the Buyer's Representative or other authorized representative of the BUYER provided that the Classification Society and U.S. Coast Guard are present. In such case, the BUYER shall be obligated to accept the results of the trial runs on the basis of a certificate of the BUILDER, confirmed by the Classification Society and U.S. Coast Guard, stating the results of the runs.

2. Weather Conditions:

The trial run shall be carried out under weather conditions deemed favorable enough in the judgment of the BUILDER subject to approval by the BUYER. In the event of unfavorable weather on the date specified for the trial run, the same shall take place on the first available day thereafter that the weather condition permits. It is agreed that, if during the trial run of the VESSEL, the weather should suddenly become so unfavorable that orderly conduct of the trial run can no longer be continued, the trial run shall be discontinued and postponed until the first favorable day next following, unless the BUYER shall assent in writing to acceptance of the VESSEL on the basis of the trial run already made before such discontinuance has occurred.

Any delay of trial run caused by such unfavorable weather condition shall operate to postpone the Delivery Date by the period of delay involved and such delay shall be deemed

as a Permissible Delay in the delivery of the VESSEL. Within twenty-four (24) hours from the cessation of a delay in the trial run caused by unfavorable weather, the BUILDER shall advise the BUYER in writing of the new proposed date for the trial run.

3. How Conducted:

a. All expenses in connection with the trial run are to be for the account of the BUILDER and the BUILDER shall provide at its own expense the necessary crew to comply with conditions of safe navigation. The trial run shall be conducted in the manner prescribed in the Specification, and shall prove fulfillment of the performance requirements for the trial run as set forth in the Specification. The course of trial run shall be determined by the BUILDER.

b. Notwithstanding the foregoing, fuel oil, LNG, lubricating oil, greases and fresh water necessary for the trial run of the VESSEL shall be supplied by the BUILDER at the Shipyard prior to the time of the trial run, and the BUYER shall pay the BUILDER upon delivery of the VESSEL (i) the cost of the quantities of fuel oil, lubricating oil, greases and fresh water not consumed during the trial run at the original purchase price, and (ii) the cost of all LNG (whether or not consumed during the trial run) at the original purchase price. In measuring the consumed quantity, lubricating oils and greases remaining in the main engine, other machinery and their pipes, stern tube and the like, shall be excluded. The BUILDER shall arrange for the quantity of fuel oil, LNG, lubricating oils, greases and fresh water to be loaded on the VESSEL at delivery in accordance with the instructions of the BUYER, at the BUYER'S cost. The BUILDER shall remove all waste and debris about the VESSEL and all sludge and oily water wastes from the VESSEL prior to delivery, at the BUILDER'S cost. The BUYER shall promptly reimburse the BUILDER for the cost of all LNG bunkering operations, including, without limitation, operational procedures, cleaning, and safety measures.

4. Method of Acceptance or Rejection:

a. Upon completion of the trial run, the BUILDER shall give the BUYER written notice of completion of the trial run along with copies of all sea trial test reports, including if the BUILDER considers that the results of the trial run indicate the conformity of the VESSEL to this Contract and the Specification. The BUYER shall, within three (3) days after receipt of such notice from the BUILDER, provide the BUILDER written notice of its intent to accept or reject the VESSEL on the Delivery Date.

b. However, should the results of the trial run indicate that the VESSEL, or any part or equipment thereof, does not conform to the requirements of this Contract and/or the Specification, or if the BUILDER is in agreement as to non-conformity as specified in the BUYER's notice of rejection, then, the BUILDER shall with the written concurrence of the BUYER take the necessary steps to correct such non-conformity. Upon completion of correction and testing of such non-conformity, the BUILDER shall give the BUYER written notice thereof. The BUYER shall, within two (2) days after receipt of such notice from the BUILDER, notify the

BUILDER of its acceptance or rejection of the VESSEL. The BUYER may only demand a new trial run if this is the only way the BUILDER can prove that the nonconformities have been corrected. In the event a new trial run takes place, the provisions set forth in Paragraphs 1, 2 and 3 hereof shall govern this trial run except that the BUILDER shall be entitled to give a written notice of two (2) days for such new trial run. Upon completion of the additional trial run, the provisions of this Paragraph 4 shall apply.

c. In any event that the BUYER rejects the VESSEL, the BUYER shall specify in its notice of rejection in what respect the VESSEL, or any part or equipment thereof does not conform to this Contract.

d. In the event that the BUYER fails to provide the BUILDER written notice of the acceptance of or the rejection together with the reason therefor of the VESSEL within the period as provided in the above subparagraphs (a) or (b), the BUYER shall be deemed to have accepted the VESSEL.

e. The BUILDER may dispute the rejection of the VESSEL by the BUYER under this Paragraph 4, in which case the matter shall be submitted for final decision in accordance with Article XIV hereof.

5. Effect of Acceptance:

a. Acceptance of the VESSEL as above provided shall be final and binding and the VESSEL will be deemed to be in conformity with this Contract except as set forth in subparagraph b immediately below. The BUYER shall not refuse formal delivery of the VESSEL as hereinafter provided, if the BUILDER complies with all other procedural requirements for delivery as provided in Article VII hereof.

b. If minor work or items on the VESSEL are incomplete or missing when the VESSEL otherwise is ready for delivery and such work or items do not materially affect the operation, trade or schedule of the VESSEL nor are likely to cause damage or excessive deterioration to the VESSEL or void warranty requirements, the BUYER shall not withhold its consent to accept delivery of the VESSEL subject to the right of the BUYER to have such items completed by the BUILDER in a reasonable manner and period of time. The parties shall on delivery execute a protocol of outstanding work and a schedule for completion of such work or agree as to an adjustment of the Contract Price in lieu of completion of such work. The BUILDER agrees that any such monetary payments to and repairs done by BUYER shall not void the BUILDER's or any manufacturer's warranties.

ARTICLE VII – DELIVERY

1. Time and Place:

a. The VESSEL shall be delivered by the BUILDER to the BUYER at the Shipyard or at another location acceptable to both parties hereto. The original Delivery Date

for the VESSEL shall be April [*], 2027 (herein called the "Original Delivery Date").

b. Delays on account of such causes which under the terms of this Contract permit the BUILDER to postpone the delivery of the VESSEL shall be understood to be Permissible Delay (herein called "Permissible Delay").

c. The Original Delivery Date shall be adjusted by the total Permissible Delay and the adjusted date shall be the Delivery Date (herein called the "Delivery Date"). The VESSEL shall be delivered by the BUILDER to the BUYER on or before the Delivery Date.

d. The BUILDER advises that it has contracts committing the BUILDER to construct five training ships and up to two subsea rock installation vessels (the "other contracts"). The BUILDER advises that the Original Delivery Date is being committed to taking into account BUILDER's obligations under the other contracts. The BUILDER agrees that its obligations under the other contracts and any delay in its deliveries under the other contracts would not constitute a Permissible Delay as defined in subparagraph b. of this Paragraph 1, or a Force Majeure event under Article VIII of this Contract, unless the conditions under Article VIII apply to or otherwise impact the facilities or workforce at the Shipyard available for the construction of the VESSEL under this Contract.

2. When and How Effected:

a. When the work on the VESSEL is complete or substantially complete in accordance with this Contract and the VESSEL has passed the tests required by this Contract, the VESSEL as completed or substantially completed shall be delivered by the BUILDER and accepted by the BUYER alongside a safe and accessible pier at the Shipyard, or at such other place as may be mutually agreed to by the BUILDER and the BUYER, where there must be sufficient water for the VESSEL always to be afloat and during egress from the berth, custom to the contrary notwithstanding, free and clear of all liens, security interests, and claims of every nature, excepting, however those in favor of a claimant, other than BUILDER, arising out of the acts or omissions of the BUYER, with not less than ten (10) days' prior written notice to the BUYER of such delivery. As used in this Contract, the term "substantially complete" shall mean complete except for minor items not affecting the commercial utility and safe operation of the VESSEL, with all certificates required for operation of the VESSEL, and not violating any requirement of a regulatory body. Unless waived by the BUYER, the VESSEL shall not be deemed to be "substantially complete" if a delivery deficiency will require the VESSEL to be taken out of service prior to the VESSEL'S regular maintenance schedule or if the aggregate value of such delivery deficiencies is in excess of [*]. For the avoidance of doubt, if the Classification Society issues a

Certificate of Class with a condition of class, the BUYER shall not be obligated to accept the VESSEL with such condition of class.

b. Provided that the BUYER shall have fulfilled all of its obligations stipulated under this Contract, delivery of the VESSEL shall be effected forthwith by the concurrent delivery by each of the parties hereto to the other of the PROTOCOL OF DELIVERY AND ACCEPTANCE, acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER. The BUYER and the BUILDER agree to describe in the Protocol of Delivery and Acceptance (i) the amount of reduction in the Contract Price at delivery of the VESSEL in lieu of completion of uncompleted work and correction of defects, deficiencies, or damage by the BUILDER, and, if the amount of the proposed reduction is more than the amounts due from the BUYER at delivery, the amount to be paid by the BUILDER to the BUYER to the extent the price reduction amount is insufficient; and/or (ii) (y) the uncompleted work and defects, deficiencies, or damage to be completed and corrected by the BUILDER after delivery of the VESSEL, such completion and correction to be performed in the same manner as provided for Guarantee work under Article IX, and (z) the amount of the Contract Price to be withheld until the uncompleted work is completed and the defects, deficiencies, or damage are corrected. The BUILDER agrees to perform such completion and correction in such manner after delivery of the VESSEL. The BUYER shall pay the BUILDER for satisfactory performance of such completion and correction after delivery in the manner set forth in ARTICLE IX. If the BUYER and the BUILDER fail to agree as to any of the items to be included in the Protocol of Delivery and Acceptance pursuant to this Article, such items shall be resolved pursuant to ARTICLE XIV.

c. In the event of any dispute concerning any Milestone Payment or the payment due upon delivery of the VESSEL, including the question of the BUYER's right to offset any claim it may have, the BUYER shall pay the undisputed amount to the BUILDER and shall deposit the disputed amount into escrow subject to the Escrow Instructions. The BUILDER cannot in such case refuse to deliver the VESSEL and the BUYER cannot refuse to take delivery of the VESSEL. Any such disputed amount shall be paid as agreed by the parties or as determined by Article XIV.

d. During the period thirty (30) days prior to the expected delivery of the VESSEL, employees of the BUYER or the BUYERS's contractors or agents shall be entitled to access to the VESSEL to engage in such activities and perform such work as the BUYER may specify on a not-to-interfere basis. Two (2) weeks prior to delivery of the VESSEL the BUYER shall have access on a not-to-interfere basis to familiarize the crew with the VESSEL and to provision the VESSEL.

3. Documents to be Delivered to the BUYER:

Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER the following documents, which shall accompany the PROTOCOL OF DELIVERY AND ACCEPTANCE:

a. PROTOCOL OF TRIALS of the VESSEL made pursuant to the Specification.

b. PROTOCOL OF INVENTORY of the equipment of the VESSEL, including spare parts and the like, all as specified in the Specification; and Inventory of Hazardous Material (MEPC.197(2)).

c. PROTOCOL OF STORES OF CONSUMABLE NATURE referred to under subparagraph 3(b) of Article VI hereof, including the original purchase price thereof.

d. ALL CERTIFICATES, clean and free of conditions, including the BUILDER's CERTIFICATE on Form CG-1261, USCG CERTIFICATE OF INSPECTION Form CG-841, USCG approved Automation Test Procedures, USCG approved Bunkering Procedures for LNG, HFO, MGO and Lube Oils, USCG approved Cold Ironing (AMP) Procedures, and CLASSIFICATION CERTIFICATES and all type approval certificates required to be furnished upon delivery of the VESSEL pursuant to this Contract and the Specification or that are required by the regulatory bodies. It is agreed that if, through no fault on the part of the BUILDER, the classification and/or other certificates are not available at the time of delivery of the VESSEL, provisional certificates shall be accepted by the BUYER, provided that the BUILDER shall furnish the BUYER with the formal certificates as promptly as possible after such formal certificates have been issued.

e. DECLARATION OF WARRANTY of the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, charges, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of imposts, taxes or charges imposed by local or federal authorities, as well as of all liabilities of the BUILDER to its subcontractors, employees and crew, and of all liabilities arising from the operation of the VESSEL in trial runs, or otherwise, prior to delivery.

f. DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the Specification together with all drawings required to be submitted to regulatory bodies. Detailed design drawings for hull, structural, electrical, piping and outfitting drawings developed by BUILDER or any design agent for the construction of the VESSEL requested by the BUYER shall be provided in a format to be agreed at an additional cost to be billed at $100.00 per hour.

g. COMMERCIAL INVOICE and BILL OF SALE.

The BUILDER will cooperate with the BUYER to provide any other documents reasonably required by the BUYER to secure financing for the VESSEL.

4. Tender of the VESSEL:

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this Contract without any justifiable reason, the BUILDER shall have the right to tender

delivery of the VESSEL after compliance with all procedural requirements as above provided.

5. Risk:

Notwithstanding the provisions of Article XVI concerning passage of title to the material and the VESSEL during the construction period, the risk of loss of the VESSEL shall pass to the BUYER only upon delivery and acceptance thereof having been completed as stated above; it being expressly understood that, until such delivery is effected, risk of loss of the VESSEL and her equipment shall remain with the BUILDER.

The BUILDER warrants that the BUILDER's entering into this Contract, the performance of the BUILDER'S obligations hereunder and the sale of the VESSEL to BUYER will not result in any violation of or be in conflict with, or result in a breach of or constitute a default under, any term or provision of any agreement, instrument or other restriction to which the BUILDER is a party or by which it is bound.

6. Removal of the VESSEL:

The BUYER shall take possession of the VESSEL immediately upon delivery and acceptance thereof and shall remove the VESSEL from the premises of the Shipyard within ten (10) days after delivery and acceptance thereof is completed. If the BUYER shall not remove the VESSEL from the premises of the Shipyard within the aforesaid ten (10) days, then, in such event the BUYER shall pay to the BUILDER the mooring charges of the VESSEL at the rate of $[*] per day plus utilities. Such additional time on the BUILDER's premises shall not exceed twenty-one (21) days.

ARTICLE VIII -- EXTENSION OF TIME FOR DELIVERY DUE TO FORCE MAJEURE AND TERMINATION FOR EXCESSIVE DELAY

1. Causes of Force Majeure:

Force Majeure (herein called "Force Majeure") is any or more of the events defined below:

Acts of God; acts of princes or rulers; requirements of government authorities; delays caused by regulatory bodies whose documents or approvals are required; war or other hostilities or preparations thereto; blockade; revolution; insurrections; mobilizations; civil war; civil commotion; riots; strikes and other labor disturbances including local strikes affecting the BUILDER (not including any strikes or industrial disturbances resulting from unilateral changes made by the BUILDER under existing labor contracts); sabotages; acts of terrorists; lockouts; labor shortages, provided the BUILDER has exercised diligence in the recruitment and training of labor; plague; epidemics; pandemics; fire; flood; typhoons, hurricanes, storms or other weather conditions (other than ordinary storms or ordinary inclement weather conditions); earthquakes; tidal waves; landslides; explosions; collisions; strandings; embargoes; delays in transportation; import restrictions; shortage of materials, equipment or machinery or delay in delivery or inability to take delivery thereof, provided that such materials, equipment or machinery at the time of ordering could reasonably be expected by the BUILDER to be delivered in time, the BUILDER'S choice of a vendor or

subcontractor was reasonable and the BUILDER has exercised due diligence to monitor the actions and to expedite delivery of the vendor or to obtain substitute performance; prolonged failure or restriction of electric current or petroleum; non-delivery or late delivery of BUYER'S Supplies to BUILDER'S custody or other delay caused by any default or omission on the part of the BUYER in carrying out any of its obligations under this Contract; or destruction of or damage to the worksite or other works of the BUILDER, its main subcontractors or to the VESSEL or any part thereof, by any causes heretofore described in this Paragraph and any other causes properly to be considered to be beyond the BUILDER's reasonable control; provided that there shall be excluded any such causes that are in existence as of the date of execution of this Contract or as to a cause impacting a contractor or subcontractor, a cause known to the party as of the date of execution of the contract or subcontract.

The Parties acknowledge the current world events surrounding the COVID-19 pandemic and the Russia-Ukraine military conflict and agree that any future act, event, or circumstance caused by or arising from the COVID-19 pandemic or Russia-Ukraine military conflict otherwise meeting the definition of an event of Force Majeure is not excepted from that definition because of the duration and nature of the pandemic or the military conflict.

Any delay in the delivery of the VESSEL caused by an event of Force Majeure as to which the provisions of this Article VIII have been satisfied shall operate to postpone the Delivery Date by the number of days of delay involved.

2. Notice of Delay:

Within ten (10) days from the date of commencement of the delay on account of Permissible Delays as defined in Paragraph 3 of this Article below, the BUILDER shall advise the BUYER in writing of the date such delay commences and the reasons therefor along with BUILDER's proposed recovery plan. BUILDER shall exercise its commercially reasonable best efforts to develop a recovery plan that addresses the condition causing the delay and minimizes the length of the delay. Failure of the BUILDER to provide notification of any claim for postponement of the Delivery Date within such ten (10) days shall be deemed to be a waiver by the BUILDER of its right to propose such postponement.

Likewise within ten (10) days after such delay ends, the BUILDER shall advise the BUYER in writing of the date such delay ended, and also shall specify the period of time by which the BUILDER asserts that the Delivery Date is postponed by reason of such delay. Within ten (10) days after receipt of such notification, BUYER shall inform BUILDER that BUYER either (1) accepts the new Delivery Date contained in such notification, or (2) disputes BUILDER's postponement of the Delivery Date, which dispute will be resolved under the provisions of Article XIV. Failure of the BUYER to inform the BUILDER that it either accepts the new Delivery Date or disputes the postponement of the Delivery Date within ten (10) days after receipt of BUILDER's notification shall be deemed to be a waiver by the BUYER of its right to object to such postponement.

3. Permissible Delay:

Delays on account of such causes as specified in Paragraph 1 of this Article shall be understood to be Permissible Delays provided that the BUILDER provides the notices set forth in Paragraph 2 of this Article.

4. Right to Terminate for Excessive Delay due to Force Majeure:

If the total accumulated time of all delays on account of the causes specified in Paragraph 1 of this Article only (excluding all other types of delays which, under the terms of this Contract, permit postponement of the Delivery Date), amounts to [*] months or more, then, in such event, the BUYER may terminate this Contract in accordance with the provisions of Article X hereof. The BUILDER may, at any time after the accumulated time of the aforementioned delays justifying termination by the BUYER, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within twenty (20) days after such demand is received by the BUYER, notify the BUILDER in writing of either (1) its intention to terminate this Contract, or (2) consent to a postponement of the Delivery Date to a specific future date. If any further delay occurs beyond such specific future date on account of causes specified in Paragraph 1 of this Article only (and excluding all other types of delays as described above), that amounts to one (1) month or more, the BUYER shall have the same right of termination upon the same terms as hereinabove provided (except that this original six month period is reduced to one month for the further delay described in this sentence).

ARTICLE IX-WARRANTY OF QUALITY

1. Guarantees at Delivery:

a. The BUILDER guarantees that at the time of delivery the VESSEL will: (i) comply with applicable laws, lawful regulations, written standards and written interpretations of the regulatory bodies required for the VESSEL's operation in the foreign and domestic trades of the United States in effect on the date of delivery of the VESSEL, except as noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE; and (ii) meet the requirements in the Specification and plans, except as noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE. The effect of any changes in laws, lawful regulations, standards and written interpretations of the regulatory bodies between the effective date of this Contract and the delivery of the VESSEL shall be incorporated into this Contract by a Change Order under ARTICLE V.

b. The expense of all changes to the VESSEL noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE shall be for the account of the BUILDER, except as provided in subparagraph (a) of ARTICLE V, Paragraph 2.

2. **Warranty:**

a. Subject to the provisions hereinafter set forth, the BUILDER undertakes to remedy, free of charge to the BUYER, any deficiency, defects, failure, breaking down or deterioration beyond that caused by ordinary wear and tear (jointly

"defects") in the VESSEL which are due to defective material, faulty design and/or bad workmanship on the part of the BUILDER and/or its contractors or subcontractors, provided that the defects are discovered within a period of twelve (12) months after the date of delivery of the VESSEL (the "Guarantee Period") and a notice thereof is duly given to the BUILDER as hereinbelow provided. In computing the Guarantee Period there shall be excluded any time the VESSEL is prevented from entering or is taken out of service on account of any defect for which the BUILDER is responsible. For the purpose of this Article, the VESSEL shall include her hull, machinery, equipment and gear, but excludes any parts of the VESSEL that have been supplied by or on behalf of the BUYER. Upon expiration of the Guarantee Period, and to the extent permitted by vendors and subcontractors, the BUILDER agrees to transfer any guarantees or warranties supplied to it by vendors and subcontractors.

b. The BUILDER's guarantee of the coatings shall be back to back with the guarantee of the coatings by the coatings manufacturer. During the Guarantee Period, the BUILDER shall be responsible for correction of paint defects in accordance with the guarantee of the coatings by the coatings manufacturer. After the expiration of the VESSEL Guarantee Period, the coating manufacturer's extended warranty shall be transferred to the BUYER under Article IX subparagraph 5d. The coating manufacturer's warranty shall be for at least sixty (60) months from delivery of the VESSEL.

3. Notice of Defects:

The BUYER shall notify the BUILDER in writing of any defects for which claim is made under this guarantee as promptly as possible after discovery thereof. If the defect was discovered during drydocking of the VESSEL, the BUYER must notify the BUILDER in time for the BUILDER to inspect the defect before the VESSEL leaves the drydock if this is necessary for a prudent inspection of the defect. The BUYER's written notice shall in sufficient detail describe the nature and extent of the defects. The BUILDER shall have no obligation for any defects discovered prior to the expiry date of the said twelve (12) months period, unless notice of such defects is received by the BUILDER not later than thirty (30) days after such expiry date.

4. Remedy of Defects:

a. The BUILDER shall promptly remedy, at its expense, any defects, against which the VESSEL is guaranteed under this Article, by making all necessary repairs or replacements at the Shipyard, if practicable. Upon having remedied such defects the BUILDER shall give the BUYER a further guarantee period of six (6) months for the aforementioned repairs or replacements from the date such repair or replacement is accomplished, which extended period shall not reduce the original twelve (12) month Guarantee Period.

b. However, if it is impractical to bring the VESSEL to the Shipyard, or if the BUILDER is unable to remedy the defects within a period of time satisfactory to the BUYER due to the BUILDER'S or the VESSEL's working schedule or any other reason, the

BUYER may cause the necessary repairs or replacements to be made elsewhere which is deemed suitable for the purpose, provided that, in such event, the BUILDER may forward or supply replacement parts or materials to the VESSEL, unless forwarding or supplying thereof to the VESSEL would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL at any other shipyard or works than the Shipyard, the BUYER shall first, but in all events as soon as possible, give the BUILDER notice in writing of the time and place such repairs or replacements will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the BUILDER shall have the right to verify by its own representative(s) the nature and extent of the defects complained of. The BUILDER shall, in such case, promptly advise the BUYER in writing, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided. Upon the BUILDER's acceptance of the defects as justifying remedy under this Article, or upon resolution of a dispute in accordance with the provisions of Article XIV hereof, the BUILDER shall immediately pay to the BUYER for such repairs or replacements the sum of BUYER'S documented costs therefor up to a sum equal to the reasonable cost of making the same repairs or replacements in the Shipyard. Subject to a written agreement with the BUILDER, warranty repairs may be made by the crewmembers of the VESSEL, provided however that the BUYER submits documentation for the work performed and the BUILDER will not reimburse the BUYER at labor rates currently in excess of $68.00 per hour (as escalated at 2.5% per year after delivery). For the avoidance of doubt, if the BUILDER is unable to remedy the defects within a period of time satisfactory to BUYER due to the BUILDER'S or the VESSEL's working schedule or any other reason, BUYER shall not be obligated to operate the VESSEL with a defect even if the Classification Society agrees that the Vessel may be operated with a condition of class, and the BUYER shall be entitled to cause the necessary repairs or replacements to be made as provided in this paragraph.

c. In any case, the VESSEL shall be taken at the BUYER's cost, risk and responsibility to the place elected, ready in all respects for such repairs or replacements. Any preparation, draining of pipes, cleaning of spaces to make them accessible for warranty repairs, marine chemist's certificates, including gas free certificate shall be at the BUILDER's cost.

d. If a defect cannot reasonably be corrected except by drydocking the VESSEL, the BUYER shall be entitled to postpone correction and repair until a subsequent drydocking of the VESSEL. The BUYER may withhold the estimated cost of correction and repair from the Guarantee Payment until such drydocking.

e. Any dispute under this Article shall be referred to dispute resolution in accordance with the provisions of Article XIV hereof.

5. Extent of the BUILDER's Responsibility:

a. The BUILDER shall have no responsibility or liability for any other defects whatsoever in the VESSEL than the defects specified in Paragraphs 1 and 2 of this

Article. Nor shall the BUILDER in any circumstances be responsible or liable for any consequential or special losses, damages or expenses including, but not limited to, loss of time, loss or breach of charters or other contractual commitments, loss of profit or earning or demurrage directly or indirectly occasioned to the BUYER by reason of the defects specified in Paragraphs 1 and 2 of this Article or due to repairs, replacements or other works done to the VESSEL to remedy such defects; except that in the event a defect in an item of equipment or machinery causes any damage to such item of equipment or machinery or to other immediately adjacent equipment, machinery, components or portions of the VESSEL, the BUILDER shall be liable for not only the cost of correcting or repairing the defect but also for the cost of correcting or repairing such damage to such item of equipment or machinery and to such other immediately adjacent equipment, machinery, components or portions of the VESSEL caused by such defect.

b. The BUILDER shall not be responsible for any defects in any part of the VESSEL which may subsequent to delivery of the VESSEL have been replaced or in any way repaired by any other contractor, or for any defects which have been caused or aggravated by omission or improper use and maintenance of the VESSEL on the part of the BUYER, its servants or agents or by ordinary wear and tear or by any other circumstances whatsoever beyond the control of the BUILDER.

c. A final guaranty survey of the VESSEL shall be conducted by the BUYER at or near the expiration of the Guarantee Period. Such survey shall be based on the defects in the contract work appearing or discovered during the Guarantee Period. In the event that the VESSEL is not available for the guarantee survey on or before the end of the Guarantee Period, the BUYER promptly shall submit to the BUILDER a list of all of the defects in the contract work appearing or discovered during the Guarantee Period and all damage for which the BUILDER is liable under the provisions of this Article IX. The final guarantee survey shall be held at such port in the United States as the BUYER designates and seven (7) days' written notice of time and place for such guarantee survey shall be given to the BUILDER by the BUYER. The BUILDER shall have the right to attend the guarantee survey.

d. At the end of the Guarantee Period, the BUILDER agrees to transfer and assign to the BUYER, as to any item of material installed in the VESSEL, the guarantee rights of the BUILDER against the vendor of such item of material where under the terms of such vendor's guarantee the vendor's obligations extend for a period beyond the Guarantee Period; provided that the BUILDER may exclude from such assignment any rights against the vendor in favor of the BUILDER for guarantee deficiencies and damages within the Guarantee Period. The BUILDER shall advise the BUYER of the terms of any such guarantees that are assigned to the BUYER.

e. The guarantee contained as hereinabove in this Article replaces and excludes any other liability, guarantee, warranty and/or condition imposed or implied by the law, customary, statutory or otherwise, by reason of the construction and sale of the VESSEL for and to the BUYER. THE BUILDER MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY

OF MERCHANTABILITY OR FITNESS OF THE VESSEL, ITS MACHINERY OR EQUIPMENT FOR A PARTICULAR PURPOSE.

f. The BUYER may withhold the Guarantee Payment and deposit the full amount into an escrow account as provided in Article II. The BUYER shall pay to the BUILDER the entire Guarantee Payment, less any amount to cover any outstanding defect, upon completion of the Guarantee Period for the VESSEL. Any amounts withheld beyond the end of the Guarantee Period pursuant this Article IX shall be paid upon the correction of each defect for which such amounts were withheld. Any dispute with respect to the amounts due under this Paragraph shall be settled pursuant to Article XIV.

6. Guarantee Engineer:

The BUILDER shall have the right (at its cost) to appoint a guarantee engineer to serve on the VESSEL as its representative for such portion of the guarantee period as the BUILDER may decide. The guarantee engineer shall be a properly documented citizen of the United States. The BUYER and its employees shall give the guarantee engineer full cooperation in carrying out his duties as the representative of the BUILDER on board the VESSEL. The BUYER shall accord the guarantee engineer the treatment comparable to the VESSEL's chief engineer and shall provide him with accommodations and subsistence at no cost of the BUILDER and/or the guarantee engineer.

Pertaining to the detailed particulars of this Paragraph, an agreement will be made according to this effect between the parties hereto upon delivery of the VESSEL.

The guarantee engineer shall, at all times and in all respects, be deemed to be an employee of the BUILDER. The BUYER shall be under no liability whatsoever to the BUILDER or the guarantee engineer for personal injuries, including death, suffered by the guarantee engineer during the time when he is on board the VESSEL, unless such injury or death, is shown to have been caused by the gross negligence or willful acts of the BUYER, and/or its subcontractors and/or their employees or agents (including Buyer's Representative), while acting within the scope of their employment or engagement. Nor shall the BUYER be under any other liability whatsoever to the guarantee engineer.

ARTICLE X – TERMINATION BY THE BUYER AND OPTIONS ON TERMINATION; GUARANTY AGREEMENT AND BUYER'S RIGHT TO ADDITIONAL SECURITY; AUDIT AND INSPECTION RIGHTS

1. Termination

a. Notice: In the event that the BUYER shall exercise its right of termination of this Contract under and pursuant to any of the provisions of this Contract specifically permitting the BUYER to do so, then the BUYER shall notify the BUILDER in writing and such termination shall be effective as of the date notice thereof is received by the BUILDER.

b. Options of BUYER: In the event that the BUYER elects to terminate this Contract, the BUYER may elect to remove the VESSEL, complete the work, sell the work in process or obtain a refund. Such election shall be made by notice to the BUILDER as provided below.

c. Right to Remove: In the event the BUYER shall elect to terminate this Contract, at the BUYER's option the BUYER may elect in writing within [*] days after the termination of this Contract to remove the work in process from the Shipyard. Such removal, including preparation therefor, shall be performed at the BUILDER's expense, and, if reasonably possible, the BUILDER shall furnish forces and equipment for such removal and preparation. The BUYER shall reimburse the BUILDER for the reasonable cost of such removal and preparation. As reasonably practical, the BUILDER shall assign to the BUYER, all existing subcontracts and purchase orders required to complete the VESSEL for which the work in process is being removed as the BUYER may direct.

d. Completion of the Work: In the event the BUYER shall elect to terminate this Contract, at the BUYER's option, the BUYER may elect to have all or part of the work completed. The BUYER for such purposes may take possession and use and occupy so much of the Shipyard and the equipment, tools, machinery, and appliances in the Shipyard as may be needed by the BUYER for such purposes. In such instance as reasonably practical the BUILDER shall assign all subcontracts and orders for material, work, services and supplies to be used in the performance of this Contract to the BUYER as the BUYER may direct. Completion of all or a part of the work shall be performed at the BUILDER's expense with the BUYER to reimburse the BUILDER for the amount that would have been payable to the BUILDER had such work been completed by the BUILDER, and the BUILDER to reimburse the BUYER for any additional costs incurred by the BUYER in completion of such work in accordance with the terms of this Contract (including the plans and specifications referred to herein) as existing on the date of termination of this Contract, evidenced by documented invoices provided to the BUILDER.

e. Sale of the Work: In the event the BUYER shall elect to terminate this Contract and not complete the construction of the VESSEL and the BUYER so notifies the BUILDER, at any time within [*] days from the date of delivering such notice to the BUILDER, the BUYER may sell the VESSEL in a partially completed condition, work in progress, material to be installed in the VESSEL, together with copies of all Plans, Specification, working plans, calculations and other records reasonably required to complete the construction of the VESSEL. The BUYER shall have access to the Shipyard in order to conduct the sale. The sale may be consummated without appraisal or evaluation of the VESSEL, and shall be conducted in the manner determined by the BUYER but the BUYER shall use reasonable efforts to secure the best price possible in respect of the VESSEL. Any purchaser at any such sale shall be given reasonable time, not less than sixty (60) days from the date of sale, within which to remove from the Shipyard the VESSEL, work in progress, and material. Either party may become a purchaser at such a sale. The proceeds of the sale shall be applied first to payment of all costs and

expenses, including reasonable attorneys' fees incurred by the BUYER or its assigns in making such sale; second, to reimburse the BUYER for payments theretofore made by the BUYER to the BUILDER on account of such VESSEL; and, third, to payment of any damages, demands, or deficiencies arising by reason of default of the BUILDER. In the event the proceeds of the sale shall not be sufficient to make the payments required by the preceding sentence, the difference shall be paid by the BUILDER to the BUYER.

f. Refund**:** If the BUYER elects to obtain a refund the BUILDER shall promptly refund to the BUYER the full amount of all sums paid by the BUYER to the BUILDER on account of the VESSEL (unless the BUILDER proceeds to dispute resolution under the provisions of Article XIV hereof). In such event, the BUILDER shall pay the BUYER interest at the rate of 250 basis points per annum above Term SOFR for a three month tenor on the amount required herein to be refunded to the BUYER, computed from the respective dates on which such sums were paid by the BUYER to the BUILDER to the date of remittance by transfer of such refund to the BUYER by the BUILDER, provided, however, that if such rescission by the BUYER is made under the provisions of Paragraph 4 of Article VIII hereof, the BUILDER shall not be required to pay any interest. "Term SOFR" as of any day means (i) the Term SOFR Reference Rate for a 3 month tenor on the applicable day, if such day is a Business Day, as such rate is published by the Term SOFR Administrator and (ii) the Term SOFR Reference Rate for a 3 month tenor on the Business Day most recently preceding such day, if such day is not a Business Day, as such rate was published by the Term SOFR Administrator on such preceding Business Day. "Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the BUYER in its reasonable discretion). "Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

The BUYER shall promptly transfer title to the VESSEL and the work to the BUILDER upon receipt of the payment provided under this subparagraph. Upon such refund by the BUILDER to the BUYER, all obligations, duties and liabilities of each of the parties hereto to the other under this Contract shall be forthwith completely discharged.

2. Guaranty; the BUYER's Right to Receive Additional Financial Information; the BUYER's Right to Demand Additional Security

a. In consideration of the obligations assumed by the BUYER under this Contract, and as an inducement to the BUYER to enter into this Contract, the GUARANTOR has furnished to the BUYER the Guaranty guarantying the BUILDER'S performance of its obligations under this Contract. The commitment made by the Guarantor under the Guaranty is an important consideration to the BUYER under this Contract.

b. The financial conditions of the BUILDER and the GUARANTOR are an important consideration to the BUYER under this Contract. The BUILDER shall provide the

BUYER with annual and quarterly financial statements of both the BUILDER and the GUARANTOR in accordance with paragraph (d) below.

c. In the event that there occurs a breach of a "material" covenant (i.e., financial covenant or negative covenant) or any payment default under any bond, debenture, note or other evidence of indebtedness of the BUILDER or the GUARANTOR, in an aggregate principal amount of at least [*], or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, which breach or default gives the holder the right to accelerate such indebtedness and which breach or default is not cured within any applicable grace or cure period, then, in order to secure the performance by the BUILDER under this Contract, the BUILDER or the GUARANTOR shall provide or maintain upon the BUYER'S request either (x) cash collateral in the amount of [*] deposited in an escrow account, in form and substance reasonably satisfactory to the BUYER (the "Cash Collateral") or (y) a letter of credit or similar instrument, in form and substance reasonably satisfactory to the BUYER, and issued by a bank or other financial institution reasonably satisfactory to the BUYER, in the face amount of [*] (the "Letter of Credit"); and if the BUILDER or the GUARANTOR fails to provide the Cash Collateral or to provide or maintain the Letter of Credit (as applicable, the "Security") within [*] days after the BUYER's request, then the BUYER shall be entitled to terminate this Contract and exercise any of the rights in Paragraph 1 of this Article X. If, after the Security is provided to the BUYER, the underlying breach or default is cured or waived, unless the BUILDER has elected to cure a BUILDER's Default under Article XII, subparagraph 1(g) by providing Security, then the requirement to provide the Security shall cease to apply and the Cash Collateral shall be returned or the Letter of Credit shall be cancelled, as applicable. The provision of the Security to the BUYER under this Paragraph 2(c) will also satisfy the requirements of Paragraph 2(c) of Article X of the Sister Ship Contracts. The BUYER shall not access the Cash Collateral or draw on the Letter of Credit unless and until this Contract has been terminated by the BUYER.

d. The BUILDER will provide the BUYER with: (i) audited annual financial statements of the GUARANTOR and its subsidiaries, on a consolidated basis, that shall be accompanied by an opinion thereon of KPMG AS or other independent certified public accountants of recognized standing that such statements present fairly, in all material respects, the consolidated financial position of the companies being reported, within one hundred twenty (120) days of the close of each fiscal year, and (ii) unaudited quarterly financial statements of the GUARANTOR and its subsidiaries, on a consolidated basis, certified, as appropriate, by a senior financial officer of the BUILDER or the GUARANTOR on behalf of such entity as fairly presenting, in all material respects, the consolidated financial position of the companies being reported, within sixty (60) days of the close of each fiscal quarter (other than the fourth fiscal quarter of each fiscal year). The BUILDER shall provide unaudited quarterly financial statements of the BUILDER on a stand-alone basis to the extent there is any material difference in such unaudited quarterly financial statements and the unaudited quarterly financial statements required by clause (ii) above with respect to any fiscal quarter.

ARTICLE XI-BUYER'S DEFAULT

1. Definition of BUYER's Default:

The BUYER shall be deemed to be in default of performance of its obligations under this Contract in the following cases:

a. If the BUYER fails to take delivery of the VESSEL, when the VESSEL is duly tendered for delivery by the BUILDER under the provisions of Article VII hereof.

b. If the BUYER fails to make any payment under Article II in this Contract when such payment is due, absent a good faith dispute about the amount payable, and such failure is not remedied within [*] days after written notice thereof from BUILDER.

c. The BUYER being dissolved or adjudged bankrupt or making a general assignment for the benefit of its creditors, or the appointment of a receiver or receivers of any kind whatsoever, whether or not appointed in bankruptcy, common law or equity proceedings, whether temporary or permanent, for the property of the BUYER, or the filing by the BUYER of a petition for reorganization or other proceedings with reference to the BUYER, under the Bankruptcy Code of the United States or any similar law, state or federal or in any other jurisdiction in which the BUYER has assets or is registered to do business, or the filing of such petition of creditors and approval thereof by the Court, whether proposed by a creditor, a stockholder or any other person whatsoever, or the filing of an answer to such a petition admitting insolvency or inability to pay its debts.

2. Interest and Charge:

If the BUYER is in default of a payment as to any installment as provided in Paragraph 1(a) and (b) of this Article, the BUYER shall pay interest on such installment at Term SOFR for a three month tenor plus 250 basis points per annum from the due date thereof to the date of payment to the BUILDER on the full amount including interest. In case the BUYER shall fail to take delivery of the VESSEL as provided in Paragraph 1(a) of this Article, the BUYER shall be deemed in default of the final payment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the BUILDER. In any event of default by the BUYER, the BUYER shall also pay all charges and expenses incurred by the BUILDER in connection with such default.

3. Effect of Default:

a. If any default by the BUYER occurs as provided hereinbefore, the Delivery Date shall be postponed for the period of continuance of such default by the BUYER.

b. If any default by the BUYER continues for a period of fifteen (15) days after receipt of written notice from the BUILDER, the BUILDER may, at its option, terminate this Contract by giving notice of such effect to the BUYER in writing. Upon receipt by the BUYER of such notice of termination, this Contract shall forthwith become terminated and any of the BUYER's Supplies in the BUILDER's custody shall be tendered to the BUYER and if not promptly removed up by the BUYER shall become the sole property of the BUILDER.

c. In the event of such termination of this Contract, the BUILDER shall be entitled to retain any installments theretofore paid by the BUYER to the BUILDER on account of this Contract in trust (both for itself and the BUYER) until disposition of the VESSEL as hereinafter provided, whereupon the same shall be applied as provided in Paragraph 4 below.

4. Sale of the VESSEL:

a. In the event of termination of this Contract as above provided, the BUILDER shall have full right and power either to complete or not to complete the VESSEL as it deems fit, and to sell the VESSEL at a public or private sale on such terms and conditions as the BUILDER thinks fit without being answerable for any loss or damage.

b. In the event of the sale of the VESSEL in its completed state, the proceeds of the sale received by the BUILDER shall be applied as follows: first, to the payment of all expenses attending such sale and otherwise incurred by the BUILDER as a result of the BUYER's default; and second, to payment of all unpaid installments of the Contract Price and interest on such installments at Term SOFR for a three month tenor plus 250 basis points per annum from the respective due dates thereof to the date of application.

c. In the event of sale of the VESSEL in its incomplete state, the proceeds of sale received by the BUILDER shall be applied as follows: first, to all expenses attending such sale and otherwise incurred by the BUILDER as a result of the BUYER's default; second, to payment of all costs of construction of the VESSEL less the installments paid to the BUILDER; and third, to payment of compensation to the BUILDER in an amount equal to ten percent (10%) of all costs of construction of the VESSEL, representing a reasonable loss of profit on such costs due to the termination of this Contract.

d. In either of the above events of sale, if the proceeds of sale exceed the total of amounts to which such proceeds are to be applied under subparagraphs b or c of this Paragraph 4, the BUILDER shall promptly pay the excess to the BUYER without interest, provided, however, that the amount of such payment to the BUYER shall in no event exceed the total amount of installments already paid by the BUYER.

e. If the proceeds of sale are insufficient to pay such total amounts payable under subparagraphs b or c of this Paragraph 4, the BUYER shall promptly pay the

deficiency, plus interest thereon at Term SOFR for a three month tenor plus two percent (2%) per annum running on and from the date of the sale closing until the date the full amount of said deficiency and interest is received by the BUILDER, to the BUILDER upon request.

ARTICLE XII –BUILDER'S DEFAULT

1. **Definition of BUILDER's Default:**

The following shall constitute events of default of the BUILDER under this Contract (each a "BUILDER'S Default"):

a. If the BUILDER fails to timely perform any obligation of the BUILDER under this Contract, and such failure is material and not remedied within thirty (30) days after written notice thereof from the BUYER; provided that if such default is not capable of cure within such 30-day period, the BUILDER shall not be in default hereunder if within such 30-day period the BUILDER has commenced the work or performance required to cure such failure and thereafter diligently prosecutes to completion all such work and performance required to cure such failure.

b. The BUILDER or the GUARANTOR (the "BUILDER PARTIES") being dissolved or adjudged as bankrupt or making a general assignment for the benefit of its creditors, or the appointment of a receiver or receivers of any kind whatsoever, whether or not appointed in bankruptcy, common law or equity proceedings, whether temporary or permanent, for the property of the BUILDER, or the filing by any of the BUILDER PARTIES of a petition for reorganization or other proceedings with reference to any of the BUILDER PARTIES, under any of the provisions of the Bankruptcy Code of the United States or any similar law, state or federal or in any jurisdiction in which any of the BUILDER PARTIES has assets or is registered to do business, or the filing of such petition by creditors and approval thereof by the Court, whether proposed by a creditor, a stockholder or any other person whatsoever, or the filing of an answer to such petition admitting insolvency or inability to pay its debts, or if the BUILDER fails to assume this Contract within thirty (30) days of the filing of a petition by or against the BUILDER under the U.S. Bankruptcy Code or similar law.

c. The failure of the BUILDER to prosecute the work with such diligence and in such manner as will clearly prevent it from completing said work in accordance with the Delivery Date as adjusted plus [*] days, except and to the extent that such failure is due to one or more of the causes stated in ARTICLE VIII, which default continues unremedied for a period of thirty (30) days after written notice to the BUILDER thereof; provided that if such default is not capable of cure within such 30-day period, the BUILDER shall not be in default hereunder if within such 30-day period the BUILDER has commenced the work or performance required to cure such failure and thereafter diligently prosecutes to completion all such work and performance required to cure such failure;

d. If solely due to the fault of the BUILDER a total of [*] days of delay in delivery of the

VESSEL has elapsed after the Delivery Date as adjusted; or

e. Any BUILDER's Default under either of the Sister Ship Contracts continues unremedied beyond any applicable notice and cure period specified therein.

f. Any representation, warranty or statement made or deemed to be made by the BUILDER herein or in any statement or certificate delivered or required to be delivered by an officer of the BUILDER pursuant hereto shall prove to be untrue in any material respect on the date as of which it was made or deemed to have been made.

g. If (i) there occurs a default under any bond, debenture, note or other evidence of indebtedness of the BUILDER or the GUARANTOR, or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, which default gives the holder the right to accelerate such indebtedness and which breach is not cured within any applicable grace or cure period, and (ii) such default results in the acceleration of the maturity of indebtedness in an aggregate principal amount of at least [*], unless the BUILDER and/or the GUARANTOR provides Security to the BUYER. Any Security provided to cure a BUILDER's Default under this Article XII subparagraph 1(g) shall be maintained by the BUILDER for the benefit of the BUYER until the earlier of (x) delivery of the VESSEL and the vessels subject to the Sister Ship Contracts or (y) four (4) consecutive quarters of debt compliance during which the BUILDER is not in bankruptcy.

2. BUYER's Remedies:

Upon the occurrence of a BUILDER's Default, the BUYER may, at its option, cease to make payments hereunder and exercise any other remedy available to it by law, including without limitation, to terminate this Contract by giving notice of such effect to the BUILDER in accordance with ARTICLE X hereof, which termination shall be effective, without further act or deed immediately upon the receipt of such notice provided, such termination shall not prevent either party from initiating proceedings pursuant to the provisions of Article XIV with respect to any claim it may allege concerning rights and obligations under this Contract. Upon the giving of such notice, the BUYER may elect any of the options set forth in Article X.

ARTICLE XIII-INSURANCE

1. Builder's Insurance:

At any and all times during the term of this Contract, BUILDER shall at its own expense maintain, with an insurance company or companies, with a minimum rating by A.M. Best Company and/or Standard & Poor's of A minus or equivalent, and authorized to do business in the state in which work is to be performed, insurance and surety coverage's of the kind and in the minimum amounts as follows:

a. Cargo Insurance, Builder's Risk Insurance and Property Insurance:

(i) Cargo Insurance. BUILDER shall maintain All Risk Marine/War Risk Cargo Insurance subject to a limit of $[*] any one conveyance on all machinery, materials or equipment to be installed as part of the VESSEL, at all times commencing with the earlier of BUILDER taking title or having an insurable interest and while in transit until such machinery, materials or equipment reaches the Shipyard and risk of loss is properly transferred to a Property Insurance policy or a Hull Builder's Risk Insurance policy. In the event that any shipment (by sea, air, etc.) exceeds the $[*] limit, then five (5) days before such shipment, BUILDER will disclose the value of such shipment to BUYER and verify that adequate insurance is in place. BUILDER shall promptly provide BUYER with a certificate evidencing the cargo insurance if a new policy is procured.

(ii) Property Insurance. From the time that the first machinery, material or equipment to be installed or included as part of each VESSEL enters the Shipyard, and until the laying of the keel of the VESSEL, BUILDER, at its expense, shall keep all such machinery, material and equipment, including all items furnished by BUYER to the extent that BUYER has declared the value of such items to BUILDER, insured at all times under BUILDER'S existing property insurance policy and/or a Hull Builder's Risk Insurance policy.

(iii) Hull Builder's risk insurance:

(1) Requirement. From the time of the laying of the keel of the VESSEL, and until delivery of the VESSEL, BUILDER, at its expense, shall keep the VESSEL and all machinery, material and equipment to be installed in the VESSEL, including all items furnished by BUYER (to the extent that BUYER has declared the value of such items to BUILDER) insured at all times under an all-risk form Marine Builders Risk policy, acceptable to BUYER (such acceptance not to be unreasonably withheld), it being agreed that if such policy is acceptable to the lender(s) providing construction period financing for the VESSEL, if any, then such policy shall be deemed to be acceptable to BUYER. BUILDER may utilize existing policies of insurance that cover the risks listed in subparagraph (a)(iii)(2) of this Article, provided that such policies are maintained by BUILDER in accordance with the provisions of paragraph (a) of this Article.

(2) Coverage. The insurance shall cover all usual marine risks, and in particular, but without prejudice to the generality of the foregoing, shall cover the following risks to the extent such insurance is available on commercially reasonable terms:

(i) All risks of loss or damage, including earthquake, volcanic eruption, hurricane, named windstorm and tidal wave, in respect of the VESSEL and all machinery, material and equipment, whether at the Shipyard or BUILDER's suppliers' premises or in

transit to the Shipyard or other place of BUILDER custody, including and during launching and trials;

(ii) Strikes, riots, civil commotions, and malicious damage;

(iii) Hull War Risks while the VESSEL is at the Shipyard or other premises of BUILDER or any subcontractor, including after the VESSEL has been launched and is either dockside or in sea trials;

(iv) Coverage for Terrorism while the VESSEL is at the Shipyard or other premises of BUILDER or any subcontractor, including after the VESSEL has been launched and is either dockside or in sea trials;

(v) Protection and indemnity coverage including full Collision.

Coverage shall include [*] percent ([*]%) cost escalation coverage and coverage for soft costs including liquidated damages for delay, additional construction financing interest, construction loan fees, engineering expenses/fees, insurance premiums, accounting fees, project administration expenses, attorneys' fees and fees and other costs associated with such damage or loss and with Regulatory Agency approvals. Policy deductible shall be no more than $[*] per occurrence. Coverage shall be the equivalent of the American Institute Builder's Risk Clauses (Feb 8, 1979) and American Hull Insurance Syndicate Addendum No. 1 (May 15, 1985, SRCC) and shall include Pre-Keel coverage. Coverage shall be written without risk of liability of the BUYER for payment and without deduction for depreciation. There shall be no coinsurance penalty provision in any such policy.

In addition to liability for physical loss of, damage to, or damage caused by the VESSEL imposed upon the BUILDER by law or by the Contract, the Marine Builder's Risk Insurance Policy shall be written to specifically include, in part:

(i) All Ship underway activity as often as necessary for completion and testing of the VESSEL;
(ii) Coverage for BUYER's Supplies, if any, from the time of delivery of the BUYER's Supplies to the BUILDER;
(iii) A statement that the policy is primary to all other collectible insurance; and
(iv) Underwriters' waiver of subrogation in favor of the BUYER and all subcontractors of any tier.

(3) Minimum Sum. The minimum sum insured, and the limit of the BUILDER's liability, at any date from at the point of laying the keel onward, shall be the value of the contract work completed to such date, which shall not be less than the total sum of Milestone Payments paid to

date, plus the value declared by the BUYER to the BUILDER for the BUYER's Supplies.

b. Other Insurance:

BUILDER, at its expense, shall keep and maintain in effect the following additional insurance for the duration of this Contract:

(1) Commercial General Liability coverage to include, but not limited to, broad form property damage, personal injury, premises, completed operations and products liability, non-owned watercraft coverage with an "in rem" endorsement, and contractual liability covering all liability assumed by BUILDER under the terms of this Contract and with limits of liability not less than $5,000,000 any one occurrence or series of occurrences arising out of any one event, subject to an aggregate limit of $5,000,000 in the period of insurance for Products Liability. The BUILDER shall maintain such insurance through the expiration of the Guarantee Period. This coverage shall include broad form property damage, personal injury, broad form blanket contractual liability, products and completed operations (for one year following final acceptance of the VESSEL), and insured indemnity obligations.

(2) Automobile Liability insurance with a combined single limit of $2,000,000 each accident for bodily injury and property damage.

(3) Worker's Compensation and Longshore and Harbor Worker's Compensation Act insurance (or an authorized and approved program of self-insurance therefor) conforming to the statutory requirements of the Commonwealth of Pennsylvania and the United States of America, respectively, and including Employers Liability with minimum limits of $1,000,000 each accident.

(4) Maritime Employer's Liability Insurance (including transportation, wages, Maintenance and Cure) for limits not less than $2,000,000 each person and each occurrence.

(5) Excess Liability insurance in the minimum amount of $[*] per occurrence, subject to an aggregate limit of $[*] in the period of insurance for Products Liability, in excess of the liability coverages specified in Article XIII, subparagraphs (b)(1), (b)(2), (b)(3) for employers liability only, and (b)(4).

(6) Pollution Liability insurance to include coverage for a) sudden and accidental pollution prior to the Vessel being launched in an amount not less than $5,000,000 per occurrence; and b) shipyard/vessel pollution after the Vessel is launched in an amount not less than $5,000,000 per occurrence containing customary terms and conditions that are acceptable to BUYER and no more restrictive than provided under WQIS policy forms or equivalent. This requirement may be satisfied by either coverage

under the Commercial General Liability policy required by Article 13 (1)(b)(1) or a separate pollution liability policy.

The insurance coverage limits stated above can be met utilizing the BUILDER's umbrella/excess liability policy.

c. Certificates of Insurance:

(1) Each policy identified in paragraph (a) of Article XIII shall provide that it is primary insurance to and noncontributing with any other insurance carried by the BUYER, and shall obligate the insurer to give the BUYER not less than 14 days prior written notice in the event of policy cancellation (except for war risk insurance, which shall be not less than 7 days advance written notification). Each policy identified in paragraphs (b)(1) and (2) of Article XIII shall provide that it is primary insurance to and noncontributing with any other insurance carried by the BUYER, and shall obligate the insurer to give the BUYER not less than 30 days' prior written notice in the event of policy cancellation (or 10 days' prior written notice in the event of policy cancellation due to failure to pay premiums). Primary and noncontributing language shall be stated affirmatively on the certificates, and the insurance required under subparagraphs (a)(2)(iii) and (b)(1, 2, and 5) of Article XIII shall include appropriate endorsements evidencing such additional insured language required of the BUILDER and the insurance required under subparagraphs (a)(2)(iii) and (b)(1, 2, 3, 4, and 5) of Article XIII shall include appropriate endorsements evidencing waiver of subrogation language required of the BUILDER.

(2) Certificates evidencing the policies described in this Article, in a form reasonably satisfactory to the BUYER, shall be delivered to the BUYER within ten (10) days of the date of this Contract and renewals thereof shall be delivered to the BUYER within ten (10) days after expiration of the respective policy terms. Not later than 60 days prior to commencement of Work, the BUILDER shall provide summaries of the policies referred to in Article XIII (1)(a) and Article XIII (1) (b) and a complete copy of the policy referred to in Article XIII (1) (c); provided, however, that the BUILDER may redact itemized pricing information for machinery, material and equipment from those policies not related to VESSEL but, if such information is redacted, then the BUILDER at a minimum will provide the aggregate total value for such machinery, material and equipment .

(3) The policies referred to in Paragraph (a) of Article XIII shall name the BUYER and its assigns as loss payee as their interests may appear, subject to the prior senior assignment of such policies to the lender(s) providing construction period financing for the VESSEL, if any.

(4) With respect to the policies referenced in subparagraphs (b) (3) and (4) of Article XIII, the BUILDER agrees that for all Worker's Compensation and

Longshore and Harbor Worker's Compensation Act Insurance, or authorized and approved self-insurance therefor, and all Employer's Liability and Maritime Employer's Liability Insurance policies, they shall contain waivers of rights of subrogation against the BUYER and its parent, subsidiaries, and affiliated companies.

(5) With respect to the policies referenced in subparagraphs (a)(2)(iii), and (b) (1) and (2) of Article XIII, the BUILDER agrees that for all Collision, Protection and Indemnity Liability, Commercial General Liability and Automobile Liability that the BUYER and its parent, subsidiaries, and affiliated companies shall be named as additional assured on those policies and such policies shall contain waivers of underwriter's rights of subrogation. It is agreed that such naming and waiving shall apply only to the extent of the legally enforceable indemnity obligations and risks assumed by the BUILDER in this Contract.

(6) If BUILDER does not provide insurance that meets BUYER's coverage requirements as set forth in Article XIII Paragraphs 1(a) – (c), or if BUILDER fails to provide insurance documentation as required by Article XIII, Paragraph 1.c.(2) and such failure is not cured within thirty (30) days after notice from BUYER, then BUYER reserves the right, but not the obligation, to procure and maintain any or all of the insurance required by Article XIII, Paragraphs 1(a)- (c), for and in the name of BUILDER, in lieu of BUILDER provided insurance with terms reasonably agreeable to BUILDER. If such insurance is purchased by BUYER, BUILDER shall deduct the actual premium cost thereof (as substantiated by documentation reasonably satisfactory to BUYER) from the Contract Price.

d. Deductibles. Policy deductibles shall be no more than USD $[*] per occurrence. BUILDER is responsible for and will pay all deductible payments and self-insured retentions under the required insurance, and BUILDER will act as BUYER's insurer for the amount of those deductibles and retentions under the terms and conditions of the policies to which the deductibles pertain. Coverage shall be written without risk of liability of BUYER for payment and without deduction for depreciation. There shall be no coinsurance penalty provision in any such policy.

e. Coverage Limits and BUILDER's Liability. The insurance coverage limits stated in this Article XIII are minimum insurance coverage requirements, not limits of BUILDER's liability. Notwithstanding the above-required insurance policies, BUILDER shall be obligated for the full and total amount of any damage, injury, expense or loss to the extent provided in this Contract. Should BUILDER fail to procure or maintain any of these insurance coverages, or by any act or omission vitiate or invalidate any of the aforesaid insurance coverages, BUILDER shall pay to BUYER all losses and indemnify BUYER against all claims and demands which would otherwise have been covered by such insurance.

2. Application of Recovered Amount:

a. Partial Loss:

In the event the VESSEL shall be damaged by any insured cause whatsoever prior to acceptance thereof by the BUYER and in the further event that such damage shall not constitute an actual or a constructive total loss of the VESSEL, the BUILDER shall apply the amount recovered under the insurance policy referred to in Paragraph 1 of this Article to the repair of such damage satisfactory to the Classification Society, and the BUYER shall accept the VESSEL under this Contract if completed in accordance with this Contract and Specification.

b. Total Loss:

However, in the event that the VESSEL is determined to be an actual or constructive total loss, the BUILDER shall by the mutual agreement between the parties hereto, either:

i. Proceed in accordance with the terms of this Contract, in which case the amount recovered under said insurance policy shall be applied to the reconstruction of the VESSEL and/or replacement of any damaged BUYER's Supplies, provided the parties hereto shall have first agreed in writing to such reasonable postponement of the Delivery Date and adjustment of other terms of this Contract including the Contract Price as may be necessary for the completion of such reconstruction; or

ii. Refund immediately to the BUYER the amount of all installments paid to the BUILDER under this Contract without any interest and the value of all BUYER's Supplies in BUILDER custody that were damaged or not returned to the BUYER, whereupon this Contract shall be deemed to be terminated and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate forthwith.

If the parties hereto fail to reach such agreement within two (2) months after the VESSEL is determined to be an actual or constructive total loss, the provisions of subparagraph (b)(ii) as above shall apply.

c. Termination of the BUILDER's Obligation to Insure:

The BUILDER's obligation to insure the VESSEL hereunder shall cease and terminate forthwith upon delivery thereof and acceptance by the BUYER.

ARTICLE XIV-DISPUTE RESOLUTION

1. Technical Disputes:

Any dispute or any difference of opinion between the parties hereto relating to conformity of the construction of the VESSEL or material used to Classification requirements ("Technical Disputes") shall be referred to the Classification Society or the USCG (MSC) for matters within their authority for settlement by and between the parties and the Classification Society or USCG (MSC), as applicable. Decisions of the Classification Society or USCG (MSC) with regards to conformity with the rules shall be final and binding upon both parties hereto.

2. Resolution by Senior Executives:

Before proceeding with Arbitration as set forth below in Paragraph 3 of this Article, the Buyer's Representative and the Builder's Representative will attempt to discuss and negotiate in good faith to resolve any dispute, difference of opinion, or controversy arising out of or in connection with this Contract or the transactions contemplated hereby, other than Technical Disputes, which shall be resolved as provided in Paragraph 1 of this Article. If the Buyer's Representative and the Builder's Representative cannot resolve the matter, a party may give notice to the other party that it wishes to employ the dispute resolution mechanism set forth in this Paragraph 2 of this Article. Such notice will designate a senior executive officer who is not involved directly on a day-to-day basis with the construction of the Vessel and who the designating party will vest with the necessary authority to address and resolve the matter (a "Senior Executive"), and who shall be available for regular meetings and negotiations with a Senior Executive designated by the other party. Promptly, but no later than seven (7) days after a party receives such notice, it shall designate its Senior Executive for purposes of this Paragraph. If despite the good faith efforts of the Senior Executives the dispute, difference of opinion, or controversy cannot be resolved within thirty (30) days from the date of the first notice referred to in this Paragraph, the parties may proceed to Arbitration as described below in Paragraph 3 of this Article. This thirty-day period may be waived, shortened, or extended by mutual agreement of the parties.

3. Arbitration:

Except for cases which are settled under Paragraphs 1 or 2 hereof, all claims, counterclaims, demands, controversies, disputes, actions or causes of action of any nature or character arising out of or in connection with this Contract or the transactions contemplated hereby or thereby, whether legal or equitable, known or unknown, contingent or otherwise ("Claims") shall be finally settled by arbitration, held in the city of New York, New York, pursuant to the Rules of the Society of Maritime Arbitrators, Inc. ("SMA"), before a single arbitrator. The party that wishes to arbitrate a matter shall specify in its demand for arbitration the name and address of the person such party proposes be appointed as the sole arbitrator, who shall be an attorney practicing maritime law. If the party upon whom the demand for arbitration is served fails to approve or disapprove the proposed sole arbitrator within ten (10) days, such proposed sole arbitrator shall be deemed

approved by such party. If the parties fail to reach agreement on the sole arbitrator within fifteen (15) days after the demand for arbitration is served, the sole arbitrator shall be appointed by the Society of Maritime Arbitrators, Inc. The decision of the sole arbitrator on any point or points shall be final and binding and may include costs, including reasonable attorneys' fees. The arbitrator shall be directed to undertake proceedings on an expedited basis so that a prompt decision of the question or questions can be announced by the arbitrator to the parties. Upon the selection of the arbitrator, each of the parties shall be entitled to commence reasonable discovery through exchange of documents, requests for admissions or depositions, subject to the sole discretion of the arbitrator, provided, however, that the arbitrator shall limit depositions, if any, to those deemed essential to the fair and reasonable resolution of the Claim. The parties shall use their reasonable best efforts to have the arbitral proceeding concluded and a judgment rendered by the arbitrator within forty-five (45) days of the initiation of the arbitration proceeding. The arbitrator shall be entitled to award interest, but shall not be entitled to award special, incidental, consequential or punitive damages. Judgment may be entered upon any award made hereunder, in any court having jurisdiction, and the parties hereby waive any right to appeal such award on the merits or to challenge the award except on the grounds set forth under United States Law (Federal Arbitration Act). Notwithstanding the foregoing agreement to arbitrate, the parties expressly reserve the right to seek provisional relief from any court of competent jurisdiction to preserve their respective rights pending arbitration, and in seeking such relief shall not waive the right of arbitration. Any dispute relating to claims of $100,000 or less in the aggregate shall be governed by the Shortened Arbitration Procedures adopted by the SMA.

4. Alteration of Delivery Date:

In the event of arbitration of any dispute arising or occurring prior to delivery of the VESSEL, an award of the arbitrator shall include a finding as to whether or not the Delivery Date of the VESSEL is in any way altered thereby.

ARTICLE XV- ASSIGNMENT OF CONTRACT

The benefits and obligations of this Contract shall inure to and be binding upon the successors and assigns of the original parties hereto, respectively; provided, however, that no assignment of this Contract (other than a Permitted Financing Assignment made by the BUYER) shall be made by either party without the prior written consent of the other. "Permitted Financing Assignment" shall mean any granting of any security interest or lien, or any other assignment (including without limitation any assignment in connection with the exercise of remedies by any Lender Party, as defined below) by the BUYER of (a) this Contract and the BUYER's rights hereunder, and/or (b) the BUYER'S rights to and with respect to the VESSEL and the work in process with respect to the VESSEL, in each case to or for the benefit of MARAD, as defined in Article XIX, or any lender providing construction period financing to the BUYER or any affiliate of the BUYER or any other financing or refinancing to the BUYER or any affiliate of the BUYER relating to or secured directly or indirectly by this Contract, the VESSEL and/or any work in process (any such lender, a "Lender Party"), or any designee of any such Lender Party; provided that no such assignment shall diminish the BUYER'S obligations to perform under this Contract. The

term Lender Party shall include MARAD. The BUILDER hereby expressly consents to any such Permitted Financing Assignment by the BUYER. Notwithstanding the foregoing, at delivery of the VESSEL, the BUYER shall have the right, subject to BUILDER's prior written consent, which shall not be unreasonably withheld or delayed, to assign this Contract to a third party nominee for delivery and final delivery payment purposes, provided the BUYER shall remain responsible for the performance by such assignee of the obligations of the BUYER under this Contract.

ARTICLE XVI-TITLE AND LIENS

1. Title:

Title to the BUYER's Supplies is and shall continue to be vested in the BUYER and title to all material paid for by the BUYER shall vest in the BUYER and shall continue to be vested in the BUYER until delivery of the VESSEL. To the extent not so vested in the BUYER, title to the VESSEL, to the extent completed, and title to all work and material performed upon or installed in the VESSEL or placed on board the VESSEL shall vest in the BUYER; provided, however, that except as may otherwise be provided in this Contract, the risk of loss of or damage to such material and the VESSEL shall remain with the BUILDER, and the BUYER shall not be deemed to have waived its rights to require the BUILDER to replace, at the BUILDER's expense, defective, damaged or destroyed work or material, and to deliver the VESSEL with the work completed and material furnished, as provided in this Contract. Title to all scrap and title to any material which is surplus to the requirements of this Contract shall vest in the BUILDER.

2. Liens:

a. The term "Liens" means any lien, security interest, encumbrance or other right in rem against the VESSEL, work or material enforceable in a court of competent jurisdiction, other than the liens in favor of the BUYER or its assignees.

b. The BUILDER shall not permit or cause any Lien to come into existence arising out of the BUILDER's performance under this Contract, the BUILDER waives any and all rights to any Lien, and the BUILDER shall not permit or cause any claim against the BUILDER or any subcontractor furnishing or performing work or material under this Contract to lie or attach against the VESSEL, work or material.

c. If a Lien is filed or asserted against or attached upon the VESSEL, work or material (whether or not arising under this Contract), the BUILDER shall promptly notify the BUYER. The BUILDER shall secure the discharge or release of any such Lien arising out of the BUILDER's performance or the performance of the BUILDER's subcontractors or vendors under this Contract not later than [*] days after it is filed, asserted or attached, provided that the BUILDER may contest such Lien or the claim upon which it is based, and if the BUILDER shall not have secured the discharge or release of such Lien by court order within the time provided in this Contract, then the BUILDER shall furnish to the BUYER, or the appropriate court having jurisdiction in such matters, such bond or security therefor as the BUYER or such

court shall reasonably require, and the BUILDER shall indemnify the BUYER and save the BUYER harmless from all costs, charges, damages and attorneys' fees by reason of such Lien or claims in any way attributable thereto.

d. At the time of each Milestone Payment to the BUILDER, the BUILDER shall furnish to the BUYER a certificate executed by the BUILDER certifying freedom of the VESSEL, work and material from Liens arising out of the BUILDER's performance or the performance of the BUILDER's subcontractors or vendors under this Contract in the form of Exhibit 7.

e. At the time of delivery of the VESSEL, the BUILDER shall deliver the VESSEL to the BUYER free and clear of all Liens other than those Liens resulting from an act or omission on the part of the BUYER. At the time of delivery of the VESSEL, the BUILDER shall furnish to the BUYER a certificate executed by the BUILDER certifying freedom of the VESSEL from such Liens and confirming the indemnity stated above in the form of Exhibit 7, provided the BUYER has paid to the BUILDER or into escrow all amounts required to be paid into escrow by ARTICLE II.

ARTICLE XVII-PATENTS, TRADEMARKS, COPYRIGHTS, ETC.

1. Patents, Trademarks and Copyrights:

Machinery and equipment of the VESSEL may bear the patent number, trademarks or trade names of the manufacturers.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyrights in equipment covered by this Contract, and all such rights are hereby expressly reserved to the true and lawful owners thereof.

2. General Plans, Specification and Working Drawings:

The BUILDER retains all rights with respect to the Specification, and plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER undertakes therefore not to disclose the same or divulge any information contained therein to any third parties, without the prior written consent of the BUILDER, excepting where it is necessary for usual operation, repair and maintenance of the VESSEL.

The BUILDER grants to the BUYER and its assignees and any subsequent purchaser or operator of the VESSEL a perpetual, worldwide, royalty-free license to use the Specification, and the plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL (jointly the "BUILDER's Vessel Design Materials") as may be required for the operation, repair, maintenance, modification, or classification of the VESSEL or must otherwise be provided to regulatory authorities in connection therewith, subject to confidentiality requirements for any third party contractor. The BUILDER

warrants that it has full right, title and interest in the BUILDER's Vessel Design Materials and is entitled to grant the licenses to the BUYER under this Contract and that the BUILDER's contribution to the BUILDER's Vessel Design Materials, including the plans, will not infringe the patent, copyright, trademark or trade secrets rights of any third party. In making any disclosures of any BUILDER's Vessel Design Materials to any third party contractor, the BUYER shall impose upon such third persons restrictions relating to the safeguarding to the same extent as have been imposed on the BUYER. The BUYER shall not be liable for unauthorized actions of its employees in disclosing the BUILDER's Vessel Design Materials, provided that the BUYER has taken commercially reasonable precautions to safeguard such data.

3. Non-infringement:

The BUILDER shall defend, indemnify and save harmless the BUYER and its affiliates, agents, contractors, servants or employees from and against all loss, cost, liability and claims, plus attorneys' fees, resulting from any claim by any third party that the VESSEL, or any material used in the construction of the VESSEL or incorporated in the VESSEL by the BUILDER, other than (x) the BUYER's Supplies, (y) a design feature of the VESSEL specified by the BUYER, or (z) material for which the BUYER has specified the sole acceptable manufacturer, infringes any United States or foreign patent, copyright, trademark or trade secret rights ("BUYER's Exclusions"). If the VESSEL or any material incorporated in the VESSEL by the BUILDER, other than the BUYER's Exclusions, shall be held by a court having jurisdiction to constitute such an infringement and the use thereof shall be enjoined, the BUILDER shall procure for the BUYER at its sole cost and expense (i) the right to continue using the VESSEL with any such infringement, (ii) replace infringing material with noninfringing material of equal quality, function and performance, or (iii) modify the VESSEL so it becomes noninfringing, as may be required to eliminate all problems of infringement. Prompt written notice of the assertion of any claim or the bringing of any suit shall be given by the BUYER to the BUILDER, and thirty (30) days shall be given to the BUILDER from giving of such notice to settle or defend it as the parties may see fit. The BUYER shall provide every reasonable assistance in settling or defending such claim or suit. If, at the end of thirty (30) days, the BUILDER failed to undertake such settlement or defense, the BUYER shall undertake settlement or defense as it sees fit, with full reimbursement for damages, costs and attorneys' fees as herein provided, it being understood and agreed that the BUYER, in such case, shall keep the BUILDER informed, on a regular basis, of the progress of the matter and shall not settle any claims without the prior written approval of the BUILDER, which approval shall not be unreasonably withheld. The BUYER warrants that the technical contribution to the Specification contributed solely by the BUYER will not infringe the patent, copyright, trademark or trade secrets of any third party. With respect to any such infringement, the BUYER will indemnify, defend and hold the BUILDER or its subcontractors or vendors harmless from and against any and all liability, cost, or expense resulting from such infringement.

ARTICLE XVIII-BUYER'S SUPPLIES

1. Responsibility of the BUYER:

a. The BUYER shall, at its own risk, cost and expense, including the payment of any applicable sales, use or excise taxes, supply and deliver to the BUILDER all of the items to be furnished by the BUYER according to an agreed list, which list is included in the Specification and is incorporated herein and made part of this Contract ("BUYER'S Contract Equipment", and together with BUYER'S supplies, materials, stores, spares and gear, herein jointly called the "BUYER's Supplies"), at a warehouse or other storage facility of the Shipyard in the proper condition ready for installation in or on the VESSEL, in accordance with the time schedule designated by the BUILDER. The BUILDER shall, within one hundred twenty (120) days after the effective date of this Contract, submit to the BUYER a schedule setting out the timing for the BUYER's delivery to the BUILDER of the BUYER's Supplies. Such schedule shall (i) be reviewed and approved by the BUYER, such approval to not be unreasonably withheld, and any comments provided to the BUILDER shall be made within thirty (30) days of receipt of the schedule, provided always that the schedule shall enable BUILDER to deliver the VESSEL in accordance with this Contract, and (ii) be updated as needed and, following any such required update, be resubmitted to the BUYER for review and approval, as aforesaid.

b. In order to facilitate installation or loading by the BUILDER of the BUYER's Supplies in or on the VESSEL, the BUYER shall furnish the BUILDER with necessary specifications, plans, drawings, instruction books, manuals, test reports and certificates required by the applicable rules and regulations. The BUYER, if so requested by the BUILDER, shall, without any charge to the BUILDER, cause the representatives of the manufacturers of the BUYER's Supplies to assist the BUILDER in installation thereof in or on the VESSEL and/or to carry out installation thereof by themselves or to make necessary adjustments thereof at the Shipyard.

c. Any and all of the BUYER's Supplies shall be subject to the BUILDER's reasonable right of rejection, as and if they are found to be unsuitable or in improper condition for installation. However, if so requested by the BUYER, the BUILDER may repair or adjust the BUYER's Supplies without prejudice to the BUILDER's other rights hereunder and without being responsible for any consequences therefrom. In such case, the BUYER shall reimburse the BUILDER for all costs and expenses incurred by the BUILDER in such repair or adjustment and the Delivery Date shall be postponed for a period of time necessary for such repair or replacement to the extent it impacts the construction schedule and such schedule cannot reasonably be adjusted by the BUILDER to meet the Delivery Date.

d. Should the BUYER fail to deliver any of the BUYER's Supplies within the time designated, the Delivery Date shall be extended for a period of such delay in delivery if such delay affects the Delivery Date and the effects of the delayed

delivery cannot reasonably be made up in the construction schedule. In such event, the BUYER shall be responsible for and pay to the BUILDER all losses and damages incurred by the BUILDER by reason of such delay in delivery of the BUYER's Supplies and such payment shall be made upon delivery of the VESSEL. If delay in delivery of any of the BUYER's Supplies exceeds thirty (30) days, then, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation thereof in or on the VESSEL, without prejudice to the BUILDER's other rights as hereinabove provided, and the BUYER shall accept and take delivery of the VESSEL so constructed.

2. Responsibility of BUILDER:

The BUILDER shall, at its own risk and expense, receive, inspect, check as to agreement with bill of lading, store, protect and handle with reasonable care all of the BUYER's Supplies after delivery thereof at the Shipyard, and shall install or load them in or on the VESSEL, unless otherwise provided herein or agreed by the parties hereto, provided, always, that the BUILDER shall not be responsible for quality, efficiency and/or performance of any of the BUYER's Supplies.

If the BUILDER does not deliver the VESSEL, except as otherwise expressly provided herein, the BUILDER shall return all of the BUYER's Supplies to the BUYER or shall reimburse the BUYER for the cost of such supplies, at the BUYER'S option.

3. Title and Risk

a. Title to the BUYER's Supplies shall remain in the BUYER at all times while such items are in the custody of the BUILDER, as provided in ARTICLE XVIII. The BUILDER shall be liable to the BUYER for all damage to or loss of the BUYER's Supplies occurring during the BUILDER's custody thereof, which may arise from any event, excepting from acts or omissions of the BUYER, and excluding all war risks, except to the extent such war risks are insurable at the time and place of loss and the BUYER has requested the BUILDER to insure such war risks at the BUYER's expense under a Change Order. The BUYER shall have reasonable access to the BUYER's Supplies during the construction. The BUILDER shall not be deemed to have extended to the BUYER any warranty as to the BUYER's Supplies other than the warranty of workmanship in the installation thereof, as set forth in ARTICLE IX.

b. If the BUYER requests that the BUILDER furnish all or any of the BUYER's Supplies, the furnishing of such BUYER's Supplies by the BUILDER shall be treated as a Change Order under ARTICLE IX, and such equipment shall be treated as material.

ARTICLE XIX COOPERATION REGARDING FINANCING AND RELATED MATTERS

The BUYER contemplates that it will seek financing under the Title XI program administered by the United States Department of Transportation, acting by and through the Maritime Administrator

("MARAD"), under 46 U.S.C. chapter 537 ("Title XI"), and/or private or bank financing. The BUYER intends to make qualified withdrawals from its Capital Construction Fund ("CCF") for some or all of the construction cost. Commencing on the date of execution of this Contract and continuing through the date that is one year following the Delivery Date of the VESSEL, the BUILDER agrees to reasonably cooperate with the BUYER to assist the BUYER in arranging construction period or permanent financing in connection with the VESSEL. At this time it is anticipated that this cooperation will entail the following:

a. providing information of any nature with respect to the VESSEL, its construction, and the BUILDER (including confidential information) in the possession of the BUILDER or its suppliers and not otherwise readily available to the BUYER that is reasonably requested by (i) MARAD as a condition to processing or approving any application for Title XI financing submitted by the BUYER, including Forms MA-163, MA-440 and MA-133, and (ii) the lenders under a non-Title XI financing; and in all cases as soon as reasonably practicable after it is requested;

b. (i) making any amendments to this Contract and the Guaranty that are reasonably requested by MARAD as a condition to processing or approving any application for Title XI financing submitted by the BUYER or any affiliate of the BUYER, or that are reasonably requested by any non-Title XI lenders, provided such amendments are customarily requested by MARAD or such non-Title XI lenders in connection with other financings and do not unreasonably increase the obligations or decrease the rights of the BUILDER or the GUARANTOR, it being understood that such amendments may include, without limitation, documentation in support of invoices, audit, inspection, and consent rights, copies of drawings, notices, insurance coverages and loss payable clauses, naming MARAD or such lenders as beneficiary of the Guaranty or any other security provided in respect of BUILDER's performance under this Contract, any amendments or supplements relating to the assignment of, or the granting of security interest in, this Contract to MARAD or any other Lender Party as security for the Title XI financing or any private or bank financing, allowing the Lender Parties to have reasonable access to the Shipyard to inspect the work in process on the VESSEL, certifying substantial completion of the VESSEL at delivery, and attending any tests and sea trials; and (ii) providing documentation evidencing (x) its consent to any assignment of, or the granting of security interest in, this Contract, the VESSEL or any work in process with respect to the VESSEL as security for the Title XI financing or any private or bank financing or otherwise in connection therewith, including without limitation any Permitted Financing Assignment, in each case in form and substance reasonably requested by MARAD or any other applicable Lender Party; and (y) its consent to subordination of its interests herein and with respect to the VESSEL and any work in process with respect to the VESSEL to any such lien or security interest of the Lender Parties to the extent of the aggregate of the initial payments and all milestone payments made by BUYER from time to time, in each case in form and substance reasonably requested by MARAD or any other applicable Lender Party;

c. identifying and tracking from the time the BUILDER places orders for the same, the foreign components and services that will be utilized in the construction of the

VESSEL and providing all information requested by MARAD in the possession of the BUILDER or its suppliers and not otherwise readily available to the BUYER that is (i) to support a waiver to include in "Actual Cost" the cost of any foreign components (including information that substantiates the choice of foreign over domestic), and (ii) to support the BUYER in complying with MARAD's cargo preference requirements and policies regarding the transport of such foreign components to the U.S. by ocean on U.S.-flag vessels in order to satisfy MARAD's foreign components waiver requirements, and providing such information as soon as reasonably practicable after it is requested;

d. supporting the BUYER's efforts to secure any grants or awards that might be available related to the LNG features or TIER 3 engines on the VESSEL; and

e. applying for and providing the BUYER a U.S. Coast Guard ruling confirming the U.S. construction of the VESSEL to enable the BUYER to treat the VESSEL as a "qualified vessel" under the BUYER's CCF for purposes of 46 USC Chapter 535 §53501(2)(B) and 46 C.F.R. §390.5.

All of the foregoing the BUILDER shall perform with no changes to the Delivery Date and with no costs to the BUYER other than such actual out-of-pocket costs paid by the BUILDER to third parties which the BUYER shall have previously approved in writing. For clarity, (1) the BUILDER shall not be required to incur any out-of-pocket costs if the BUYER refuses to approve and reimburse those costs, and (2) the BUILDER will not pay any increased costs of carriage in connection with the BUYER's compliance with MARAD's cargo preference requirements and policies.

ARTICLE XX -NOTICE

1. Address:

Any and all notices and communications in connection with this Contract shall be addressed as follows:

To the BUYER:

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Senior Vice President –Vessel Operations and Engineering
Telephone No.: [†]
Email: [†]

with a copy to (which shall not constitute notice):

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Vice President -- Vessel Operations and Engineering
Telephone No.: [†]

Email: [†]

and

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Executive Vice President, Chief Administrative Officer and General Counsel
Telephone No.: [†]
Email: [†]

To the BUILDER:

Philly Shipyard, Inc.
2100 Kitty Hawk Avenue
Philadelphia, PA 19112
Attn: Thomas Grunwald, Vice President
Telephone No.: [†]
E-mail: [†]

with a copy to (which shall not constitute notice):

Philly Shipyard, Inc.
2100 Kitty Hawk Avenue
Philadelphia, PA 19112
Attn: Dean E. Grabelle, Senior Vice President & General Counsel
Telephone No.: [†]
E-mail: [†]

Any notice, including any written notice, required hereunder, shall be effected and deemed received only as follows:

a. In the case of e-mail, at the time of transmission recorded on the message if such time is within normal business hours on a working day at the place of receipt, otherwise at the commencement of normal business hours on the next such working day.

b. In the case of a letter, whether sent by registered mail or delivered by hand or by courier, at the date and time of its actual delivery if delivered within normal business hours on a working day at the place of receipt, otherwise at the commencement of normal business hours on the next such working day.

2. Language:

Any and all notices and communications in connection with this Contract shall be written in the English language.

ARTICLE XXI - INTERPRETATION

1. Laws Applicable:

The parties hereto agree that the validity and interpretation of this Contract and of each Article and part thereof shall be governed by the laws of the State of New York applicable to a contract executed and performed in such State without giving effect to the conflicts of laws principles thereof.

2. Discrepancies:

If there is any discrepancy, difference or conflict between the provisions of the Articles of this Contract and the Specification, then to the extent of such discrepancy, difference or conflict only, the Specification shall be ineffectual and the provisions of the Articles of this Contract shall prevail; but in all other aspects, the Specification shall be in full force and effect.

If there is any discrepancy, difference or conflict between the plans of the Specification and the text of the Specification, then to the extent of such discrepancy, difference or conflict the text of the Specification shall prevail; provided, however, any work called for by the text of the Specification and not shown on the plans of the Specification and any work shown on the plans of the Specification but not called for in the text of the Specification shall be performed by the BUILDER as part of the Contract work.

Any discrepancy, difference or conflict described hereabove discovered by one of the parties hereto shall be brought to the attention of the other party hereto promptly in writing.

3. Counterparts:

This Contract may be executed and delivered, including execution and delivery by facsimile or portable data format (PDF) transmission, in counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

4. Prior Agreements:

This Contract, including the Specification and Plans and Exhibits, which are incorporated herein and made part of this Contract, and the Guaranty constitute the entire agreement of the parties with respect to the subject matter hereof and thereof and shall supersede any and all prior negotiations, understandings and agreements between the parties, including, without limitation, the Right of First Refusal and Advance Design Agreement between the parties dated as of April 25, 2022.

5. Amendments and Waivers:

Any provision of this Contract may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of any amendment, by each party to this Contract, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall

operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

6. Third Party Beneficiaries:

No provision of this Contract is intended to confer upon any party other than the parties hereto any rights or remedies hereunder.

7. Rules of Construction:

Unless the context otherwise requires:

a) "or" is not exclusive;
b) "including" means "including, without limitation";
c) words in the singular include the plural and words in the plural include the singular;
d) for purposes of computation of periods of time hereunder, the word "days" means calendar days, "from" means "from and including" and the words "to" and "until" each mean "to but excluding";
e) references in this Contract to Articles, Paragraphs, subparagraphs or Exhibits shall be to Articles, Paragraphs, subparagraphs or Exhibits of or to this Contract unless otherwise specifically provided;
f) the headings of the Articles, Paragraphs and other parts hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Contract; and
g) the term "contractor" includes "subcontractor" and vice versa.

ARTICLE XXII – LIMITATION OF LIABILITY; INDEMNIFICATION AND NO BROKERAGE; AND FEDERAL CONTRACTOR REQUIREMENTS

1. Limitation of Liability:

The parties confirm that the express remedies and measures of damages provided in this Contract satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of damages is provided, such express remedy or measure of damages shall be the sole and exclusive remedy or measure of damages therefor. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct actual damages only; such direct actual damages shall be the sole and exclusive remedy. The parties confirm and agree that under this Contract, notwithstanding anything to the contrary set forth herein, no party shall be required to pay or be liable for special, consequential, incidental, punitive, exemplary or indirect damages, including, without limitation, lost profit, revenue or business interruption damages, by statute, in tort, contract or otherwise. For clarity, the foregoing limitation of liability does not limit the liability of any party for direct lost profit damages under this Contract. To the extent any damages required to be paid hereunder are liquidated damages, the parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient and the liquidated damages constitute a reasonable approximation of the harm and loss.

2. Indemnification:

The BUILDER shall also be responsible for, and shall defend, indemnify and hold harmless the BUYER and its agents against and from any and all loss, expense, attorneys' fees, claims, actions or liability for injuries to or death of any person or persons including employees of the BUILDER and damage to property occurring at or prior to delivery of the VESSEL in the course of or in connection with the BUILDER's performance of this Contract caused in whole or in part, or alleged to be caused in whole or in part, by any act of the BUILDER, its agents, employees or subcontractors or their employees, but only as and to the extent the liability is alleged to be that of the BUILDER, its agents, employees or subcontractors. It is the intention of the parties hereto that the indemnity provisions herein pertaining to employees of the BUILDER shall be effective despite the provisions of 33 U.S.C. § 905(b) as and to the extent that in any claim or action liability is alleged to be that of the BUILDER, its agents, employees, or subcontractors, it being agreed that for purposes of said section the VESSEL being constructed shall not become a "vessel" until such time as the VESSEL is officially documented by the United States Coast Guard and the Classification Society and becomes a vessel capable of being legally used for transportation of goods on water. The BUILDER's indemnity set forth hereinabove shall not apply to any injury or death of any person or to any damage to or loss of property of third parties occurring in connection with the VESSEL after the delivery and acceptance of the VESSEL by the BUYER, provided that this exclusion shall not apply to claims for injury or death of any person, or to any damage to or loss of property of third parties occurring prior to delivery but for which a claim is not instituted until after delivery and acceptance of the VESSEL by the BUYER.

3. Brokerage:

No third party shall be entitled to receive any brokerage commissions, finder's fees, fees for financial advisory services or similar compensation in connection with the transaction contemplated by this Contract based on any arrangement or agreement made by or on behalf of the BUYER or the BUILDER.

4. Federal Contractor Requirements:

The BUILDER warrants that the BUILDER is not (a) a person or entity identified on any U.S. restricted party list, including those published by the Office of Foreign Assets Control, U.S. Department of the Treasury, such as the Specially Designated Nationals and Blocked Persons List, or otherwise required to be treated as such ("Restricted Party"); or (b) a department, agency or instrumentality of the government of, or is otherwise directly or indirectly controlled by or acting on behalf of, or is ordinarily resident in, a location subject to comprehensive U.S. economic sanctions administered by OFAC, currently Cuba, Iran, North Korea, Syria, and the Crimea, Donetsk, and Luhansk regions of Ukraine.

ARTICLE XXIII – CONFIDENTIALITY; PUBLIC ANNOUNCEMENTS

1. Confidentiality:

a. All information and data disclosed by either party to the other party pursuant to this Contract is the sole and exclusive property of the disclosing party and shall be deemed proprietary, secret, and confidential, regardless of the manner in which it is or was delivered, disclosed or furnished, and whether prepared by or on behalf of the disclosing party and whether delivered, disclosed or furnished prior to, on or after the date of this Contract (collectively, "Confidential Information"); provided that Confidential Information does not include information:

(i) that was in the public domain at the time of the disclosing party's communication thereof to the other;

(ii) that becomes publicly available after the communication thereof other than through a breach of this Confidentiality provision;

(iii) that was in the receiving party's possession free of any obligation of confidentiality at the time of disclosure thereof; or

(iv) that was developed by the receiving party independently of and without reference to any Confidential Information or other proprietary information that the disclosing party has disclosed in confidence to the other.

b. The parties hereto agree that all Confidential Information shall remain the property of the disclosing party, shall be kept in strictest confidence by the receiving party, its parent and its and their directors, officers, direct employees, contractors, attorneys and advisors, and other parties engaged to carry out a party's obligations hereunder and who need to know such information for such purpose (collectively, the "Party's Representatives"), and shall not be disclosed to any other party except as provided herein, without the express prior written consent of the disclosing party. Each party hereto hereby acknowledges (i) that a breach hereof by either party or its Party's Representatives may endanger and damage the other irreparably, and that (ii) money damages may not be a sufficient remedy for any such breach and that the non-breaching party may be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Each party agrees to be responsible for any breach of this Contract by its respective Party's Representatives.

c. The parties agree that Confidential Information may be retained and disclosed as follows:

(i) Confidential Information of the BUYER may be disclosed by the BUILDER to third parties as may be required for the design and construction of the VESSEL; and Confidential Information of the BUILDER may be retained and copied by the BUYER or any transferees of the VESSEL for the life of the VESSEL and may be disclosed by such parties to third parties as may be required in connection with the design, operation, repair, modification, chartering, insuring, financing, or sale of the VESSEL; provided that in each case the BUILDER or the BUYER or a transferee has entered into a confidentiality agreement having provisions

providing substantially the same protections as in this Article XXIII, Paragraph 1.

(ii) Confidential Information that is required to be disclosed by applicable law or by order of a court or governmental authority may be disclosed by either party; provided, however, that the receiving party will give notice to the disclosing party in sufficient time as to permit a protective order to be sought by the disclosing party thereon.

(iii) Confidential Information that is required to be disclosed to a regulatory body in furtherance of the purposes of this Contract, or that is required to be disclosed in a filing with the Securities and Exchange Commission or other government agency having jurisdiction over a party may be disclosed by such party, provided, however, that to the extent such regulatory bodies or government agencies permit a party to assert a claim of confidentiality with respect to such filings, the party making the filings will assert the same.

2. Public Announcements:

The parties hereto will coordinate the issuance of any public announcement (including a press release or public filing) by them or their affiliates with respect to this Contract and the transactions contemplated hereby (an "Announcement"). Neither party hereto nor any of its affiliates may issue an Announcement unless that party has consulted with and received approval for such Announcement from the other party hereto with respect to the content and timing of such Announcement; provided that a party hereto or its affiliates may make an Announcement as may be required by applicable law or any listing agreement related to the trading of the shares of such party or its affiliates on any securities exchange without such approval upon advance written notice to each other party.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Shipbuilding Contract to be duly executed as of the date first written above.

PHILLY SHIPYARD, INC.	MATSON NAVIGATION COMPANY, INC.
By: /s/ Steinar Nerbovik	By: /s/ John W. Sullivan
Steinar Nerbovik	Name: John W. Sullivan
President and Chief Executive Officer	Title: Senior Vice President

Signature page to
Shipbuilding Contract – Hull No. 041

Exhibit 10.50

Executive Copy

SHIPBUILDING CONTRACT
Vessel Type ALOHA CLASS L- HULL NO. 042

Contents

Certain information has been excluded from this exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) the type that the registrant treats as private or confidential. The following symbol is included in this exhibit to indicate where such information has been omitted: [*].

In addition, certain other information has been excluded from this exhibit pursuant to Item 601(a)(6) of Regulation S-K because disclosure of such information would constitute a clearly unwarranted invasion of personal privacy. The following symbol is included in this exhibit to indicate where such information has been omitted: [†].

SHIPBUILDING CONTRACT
Vessel Type ALOHA CLASS L- HULL NO. 042

THIS SHIPBUILDING CONTRACT (this "Contract") is made as of November 1, 2022 by and between PHILLY SHIPYARD, INC., a corporation organized under the laws of Pennsylvania, having its principal office at 2100 Kitty Hawk Avenue, Philadelphia, PA 19112 (hereinafter called the "BUILDER"), and MATSON NAVIGATION COMPANY, INC., a corporation organized under the laws of Hawaii, having its corporate offices at 555 12th Street, Oakland, CA 94607 (hereinafter called the "BUYER").

WITNESSETH:

WHEREAS, the BUILDER agrees to design, engineer, build, launch, equip, outfit, install or load the BUYER's Supplies, as hereinafter defined, test, complete at its Philadelphia shipyard (hereinafter called the "Shipyard") and sell and deliver to the BUYER one (1) containership of the ALOHA CLASS L vessel type designated as the BUILDER's Hull No. 042, more fully described in Article 1 hereof (hereinafter called the "VESSEL"), and the BUYER agrees to purchase and take delivery of the VESSEL from the BUILDER and to pay for the same, upon the terms and subject to the conditions hereinafter set forth;

WHEREAS, concurrent with the execution of this Contract, the BUYER and the BUILDER have executed two other Shipbuilding Contracts of even date herewith, each for the purchase of one (1) additional containership of the ALOHA CLASS L type vessel, designated as the BUILDER's Hull Nos. 040 and 041 (hereinafter each called a "Sister Ship Contract" and collectively called the "Sister Ship Contracts"); and

WHEREAS, concurrent with the execution of this Contract, Philly Shipyard ASA (the "Guarantor") has executed the Guaranty Agreement dated as of the date hereof guarantying the performance of this Contract and the Sister Ship Contracts by the BUILDER (the "Guaranty").

WHEREAS, in consideration of the mutual covenants herein, intending to be legally bound, the parties agree as follows.

ARTICLE I – DESCRIPTION AND CLASS

1. Description:

The VESSEL shall have the BUILDER's Hull No. 042 and shall be designed, engineered, constructed, equipped, outfitted, installed or loaded with BUYER's Supplies, tested and completed by BUILDER in accordance with the provisions of this Contract, and the Specification, as defined herein. The Specification for the construction of the VESSEL called "Aloha Class L," Document No. ADE-CD-001 Rev A, dated October 25th, 2022, and the related drawings and plans identified in the Specification, including the General Arrangement, Document No. AA0030BL01 Rev. A, the Container Stowage Plan, Document No. AA0040BL01 Rev. A, and the Capacity Plan, Document No. AA3010BL02 Rev. A, are hereby adopted and agreed and made a part of this Contract with the same force and effect as though herein set out in full (herein collectively called the

"Specification"). It is further understood by the parties that modifications to the Specification may be required to adjust to the BUILDER's building methodologies and practices and the same shall be submitted to the BUYER for the BUYER's approval, which shall not be unreasonably withheld. The BUYER will work with the BUILDER to reach agreement on a specification that meets the technical requirements while at the same time addresses the required goals of the BUILDER for maximizing productivity and minimizing unnecessary costs. The VESSEL shall be constructed, equipped, and maintained to qualify for the ratings of the American Bureau of Shipping (ABS) classification society (herein called the "Classification Society"), as described in the Specification, and to be eligible for U. S. registry and U.S. coastwise trade endorsements.

2. Dimensions and Characteristics:

The VESSEL shall have the following dimensions and characteristics and the other dimensions and characteristics stated in the Specification:

Dimensions:

Overall length:	260.3 m
Length between P.P.:	248.5 m
Breadth moulded:	35.0 m
Depth moulded:	21.0 m
Design draft:	[*] m
Scantling draft	12.6 m

Cargo Capacity:

The VESSEL's deadweight shall be approximately 53,000 metric tons, corresponding to a mean draft in seawater (specific gravity 1.025 metric tons/m3) of 12.6 m. The specified deadweight shall include the items as listed in the Specification.

Container Carrying Capacity:

The VESSEL's container carrying capacity shall be 3,620 TEUs and as otherwise set out in the Specification, of which [*] TEUs are loadable hi-cube containers at a homogeneous weight of [*] MT per TEU at a draft of [*] m (hereinafter the "Guaranteed Loadable Container Capacity").

Propulsion Machinery:

Type: Reversible slow speed two stroke dual fuel gas injection diesel engine.
Max. Continuous power (MCR) approx. 33,660kW.

Auxiliary Generators:

Type: 4 (four stroke) dual fuel gas injection diesel generators.
Max. continuous power approx. 2 (two) 1,620 kW @ 900 rpm; 2 (two) 2,430 kW @ 900 rpm.

Speed:

The VESSEL's average speed on a sea trial undertaken in both directions over a measured distance, with clean hull, in calm weather, wind and sea not exceeding Beaufort [*] and with draft [*] m, shall be at least [*] knots with the main engine at NCR of [*] kW and with [*]% sea margin (the "Guaranteed Speed") and the VESSEL's design shall be in compliance with Energy Efficiency Design Index (EEDI) requirements for containerships at the Guaranteed Speed.

The theoretical calculation of the Carbon Intensity Indicator (CII) for the VESSEL at the Guaranteed Speed, together with all of the underlying assumptions with respect thereto, are set forth for informational purposes in Exhibit 8. BUILDER does not provide any guarantee with respect to the VESSEL being in compliance with the CII during operations.

Early in the design process ship model tests shall be conducted to refine the hull form and improve the overall efficiency over the range of operating drafts and trims anticipated for the VESSEL for the intended service. Model tests shall be conducted at the drafts defined in the Specification but including the design draft, a deep ballast draft and the Summer Load Line draft. In addition, the model basin shall be tasked with providing a procedure for extrapolating the actual sea trial ship speed at a ballast condition to the speed at the design draft and main engine NCR power with [*]% sea margin. This procedure shall be submitted to the BUYER for approval along with the Model Test report.

The sea trial test for determination and verification of the VESSEL's speed at the design draft and main engine NCR shall be based on the following:

1. The sea trial speed test shall be conducted in water with a depth greater than 100m and at a deep ballast draft corresponding to the model tests.

2. Weather and sea conditions shall be Beaufort 6 or less, subject to approval of both parties.

3. Assessment of the distance traveled for determining the performance speed shall be conducted by means of DGPS (Differential Global Positioning System).

4. The influence of rudder helm during the test shall be avoided.

5. The speed trial shall consist of runs in alternate directions at each of four power levels defined in the Specification.

6. Results of speed trial shall be corrected to calm water (no wind, no waves, no current) according to ISO 15016 "Ships and Marine Technology – Guidelines for the Assessment of Speed and Power Performance by Analysis of Speed Trial Data".

7. The results of the speed trial at the ballast condition shall be projected, based on the model test results and the procedure developed by the model basin and approved by BUYER, to determine the speed at the design draft and main engine NCR power level with [*]% sea margin.

Fuel Consumption:

The fuel consumptions of the main engine on the test bed shall not exceed [*] grams per kW per hour plus a [*]% tolerance when the engine develops [*]% of SMCR under ISO conditions and Tier II mode for Ultra Low Sulfur MGO and shall not exceed [*] kJ/kWh of total energy consumption plus [*]% tolerance when the engine develops [*]% of SMCR under ISO conditions under Tier II mode on Natural Gas from Liquefied Natural Gas ("LNG") (hereinafter the "Guaranteed Fuel Consumption of the Main Engine").

The fuel consumptions of the diesel generators on the test bed shall not exceed [*]grams per kW per hour plus a [*]% tolerance when the engine develops [*]% of MCR under ISO conditions and Tier II mode for Ultra Low Sulfur MGO (Based on technical engine specification dated June 2015) or [*] kJ/kWh of total energy consumption plus a [*]% tolerance when the engine develops [*]% of MCR under ISO conditions under Tier II mode for Natural Gas from Liquefied Natural Gas (hereinafter the "Guaranteed Fuel Consumption of the Diesel Generators").

3. Classification, Rules and Regulations:

The VESSEL, including its machinery, equipment and outfittings shall be constructed in accordance with the rules of and under special survey of the Classification Society, with the class notations set forth on Exhibit 9 (herein referred to as the "Class"). Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER a classification certificate with such class notations in accordance with Paragraph 3(d), Article VII hereof. Decisions of the Classification Society as to compliance or non-compliance with the rules thereof shall be final and binding upon both parties hereto.

In its performance of the work under this Contract, the BUILDER shall comply with all applicable laws, rules, regulations, and requirements of the regulatory bodies, which term shall include the Classification Society, the U.S. Coast Guard, and others as set forth in the Specification. At delivery thereof, the VESSEL shall be built and equipped in compliance with all rules and regulations for registration under the flag of the United States of America with a Coastwise endorsement and have all certificates and meet all rules, regulations requirements of the Classification Society and of the regulatory bodies required for operation of the VESSEL in the foreign and domestic trades of the United States as described in the Specification. If work in addition to work required by the Specification is required as a result of any statute enacted after the date of execution of this Contract, or by regulations or rules adopted by any of the regulatory bodies after such date, said work shall be performed pursuant to a Change Order under Article V.

All fees and charges incidental to the classification and with respect to compliance with the above referred rules, regulations and requirements applicable as of the date of this Contract shall be for account of the BUILDER.

4. Subcontracting:

The BUILDER may, at its sole discretion and responsibility, subcontract portions of the construction work of the VESSEL. However, to subcontract more than 15% of the total hull steel weight to a single contractor, the BUILDER will need the prior written consent of the BUYER. The BUILDER shall nevertheless always be responsible under this

Contract for the quality, workmanship and materials of the VESSEL (excluding, however BUYER's Supplies). The BUYER's rights hereunder shall not be in any way reduced in respect of such subcontracted work.

5. Makers List

A makers list of the equipment and machinery for the VESSEL is in Document No. ADE-CD-002 Rev A dated October 25th, 2022 (the "Makers List"). The BUILDER shall have the right to select any of the suppliers listed on the Makers List and may, subject to the BUYER's prior written approval, select additional suppliers not listed on the Makers List. The BUILDER will advise the BUYER of individual suppliers selected by the BUILDER at least 30 days prior to any order being placed. If the BUYER requests the BUILDER to order any equipment or machinery from a supplier not selected by the BUILDER from the Maker's List, the BUILDER will take reasonable steps to comply with such request, but the BUILDER may refuse to comply with the request unless the BUYER assumes the responsibility for the price and schedule impacts and for possible technical deficiencies, if any, compared with the BUILDER nominated supplier. The BUILDER assumes the responsibility for the price and schedule impacts and, subject to ARTICLE IX, for possible technical deficiencies for the BUILDER nominated supplier.

6. Registration:

The VESSEL shall be registered by the BUYER at its own cost and expense.

ARTICLE II – CONTRACT PRICE AND TERMS OF PAYMENT

1. Contract Price:

The purchase price of the VESSEL is THREE HUNDRED TWENTY MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($320,750,000) (herein called the "Original Contract Price"). The purchase price of the VESSEL is exclusive of BUYER's Supplies as provided in Article XVIII hereof. The Original Contract Price shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this Contract (herein called the "Contract Price"). The Contract Price is inclusive of all sales, use, excise taxes and customs duties paid or payable with respect to the delivery and acceptance of the VESSEL, and all federal and state income taxes payable by the BUILDER.

The Contract Price includes a BUYER's allowance of up to [*] for spares including the propeller and tailshaft and other supplies to be selected by the BUYER. The BUILDER shall purchase, arrange for delivery and put these supplies on the VESSEL prior to delivery, at the BUILDER'S cost. Any unexpended amounts of this allowance shall be paid to the BUYER or offset against amounts due the BUILDER at delivery of the VESSEL. For the avoidance of doubt, the BUYER is responsible for the cost of spares in excess of the allowance.

2. Terms of Payment:

a. The BUYER shall pay the Contract Price to the BUILDER in: (i) a series of Milestone Payments throughout the construction period as provided in Paragraph 2(b) of this ARTICLE II; (ii) a Delivery Payment as provided in Paragraph 2(c) of this ARTICLE II; and (iii) a Guarantee Payment as provided in Paragraph 2(d) of this ARTICLE II.

b. Milestone Payments shall be calculated as set forth in Exhibit 1. The first Milestone Payment shall be made concurrent with execution of this Contract and the Milestone Payment for Delivery shall be made concurrent with delivery of the VESSEL as provided in subparagraph (c) below. Each other Milestone Payment shall be made within fifteen (15) Business Days after the BUYER's receipt of an invoice for such Milestone Payment from the BUILDER. The BUILDER's invoice for each Milestone Payment shall be accompanied by the Certificate executed by an officer of the BUILDER and the BUYER certifying as to completion of the applicable milestone and including a no lien's representation, in the forms set forth in Exhibits 2 and 7, supported by such other documentation as reasonably may be required by the BUYER. If there shall be any dispute as to the amount payable, then the BUYER shall deposit the disputed amount into escrow in accordance with subparagraph 2(c) of Article VII.

c. The Delivery Payment in the amount set forth in Exhibit 1 shall be paid at delivery of the VESSEL, subject to (i) deferral of payment of the amounts stated in the Delivery Certificate agreed to be withheld under the provisions of ARTICLE VII, Paragraph 2, and (ii) less the amount of liquidated damages, if any, at the time of delivery claimed by the BUYER pursuant to ARTICLE III. If there shall be any dispute as to the amount payable, then the BUYER shall deposit the disputed amount into escrow in accordance with subparagraph 2(c) of Article VII.

d. The Guarantee Payment in the amount set forth in Exhibit 1, less the amount of liquidated damages, if any, agreed to be withheld pursuant to ARTICLE III, shall be deposited by the BUYER at the delivery of the VESSEL into escrow subject to the Escrow Instructions in the form of Exhibit 3 (the "Escrow Instructions") and shall be paid to BUILDER as and when provided under subparagraph 5(f) of ARTICLE IX.

e. The BUYER shall be entitled to withhold from any payment any liquidated damages that are payable under ARTICLE III.

f. No payments shall be made by the BUYER to the BUILDER except upon invoices submitted in the form set forth in Exhibit 4 executed and certified by the BUILDER in such manner as the BUYER may reasonably prescribe. Except for the first Milestone Payment, all payments shall be supported by the certificate as provided in Paragraph 2(d) or 2(e) of ARTICLE XVI, and in the case of Milestone Payments, by the Certificate and any additional information required by Paragraph 2(b) of this ARTICLE II.

g. Any increase or decrease in the Contract Price resulting from a Contract Change under ARTICLE V shall be deemed a part of the Contract Price for the purpose of determining the payments under this ARTICLE II. Timing of payments or credits for a Contract Change will be mutually agreed as part of the Contract Change under Article V.

3. Method of Payment:

The BUYER shall remit the amount of each of the payments required by Paragraph 2 of this Article II by wire transfer in accordance with wire instructions provided by the BUILDER to the BUYER.

4. Adjustment for Increase or Decrease in Steel Cost:

The Contract Price shall be subject to adjustment to reflect any increase or decrease in the cost of steel (inclusive of plates and profiles), determined in accordance with this Paragraph 4. The steel cost adjustment shall be computed using the following formula:

$[*] x ((Actual Steel Price / Base Steel Price) – 1)

For purposes of this calculation:

> "Actual Steel Price" means the weighted average of the monthly values of the Index published for the months during which the BUILDER actually orders each amount of steel for the VESSEL. The Actual Steel Price shall be expressed as value/short ton.
>
> "Base Steel Price" means $[*]/short ton ($[*]/metric ton).
>
> "Index" means the CRU Plate Index for A36 Plate as published by the CRU / The Independent Authority™ (CRU) in London, England.

Upon delivery of the VESSEL, the BUILDER shall compute the steel cost adjustment to the Contract Price pursuant to this Paragraph 4. If a positive adjustment results, the BUILDER shall invoice the BUYER and the BUYER shall pay such amount at delivery of the VESSEL. If a negative adjustment results, the BUILDER shall credit such amount against the delivery payment for the VESSEL.

An example of the steel cost adjustment is attached hereto as Exhibit 5 and is incorporated herein and made part of this Contract.

ARTICLE III – LIQUIDATED DAMAGES AND TERMINATION RIGHTS

The Contract Price shall be subject to adjustment, as hereinafter set forth, in the event of the following contingencies (it being understood by both parties that any reduction of the Contract Price is by way of liquidated damages and not by way of penalty). The BUYER shall be entitled to offset or recoup from payments of the Contract Price as provided in Article II liquidated damages, or to exercise the below rights, upon the occurrence of the following:

1. **Delivery**:

a. The BUILDER shall not pay liquidated damages for the first [*] days of delay of the delivery of the VESSEL beyond the Delivery Date as defined in Article VII hereof (ending at twelve o'clock midnight of the [*] day of delay) (the "Grace Period"). If the last day of the Grace Period does not fall on a Business Day, then the Grace Period shall be extended to the immediately following Business Day. "Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in New York, NY.

b. But, if the delay in delivery of the VESSEL should continue for a period in excess of the Grace Period, then in such event, the BUILDER shall be responsible to the BUYER for payment of liquidated damages in the amount of [*] per day for each day that the delivery of the VESSEL is delayed beyond the end of the Grace Period. The total amount of liquidated damages shall not, however, exceed the amount that would be payable in the case of a delay of [*] days beyond the end of the Grace Period. If the delay in delivery of the VESSEL should continue for a period in excess of [*] days beyond the end of the Grace Period, then BUYER may at its option terminate this Contract in accordance with the provisions of Article X hereof. The BUILDER may, at any time after the expiration of the aforementioned [*] days of delay in delivery beyond the end of the Grace Period, if the BUYER has not served notice of termination as provided in Article X hereof, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within fifteen (15) days after such demand is received by the BUYER, notify the BUILDER of its intention either to terminate this Contract or to consent to the acceptance of the VESSEL at an agreed future date; it being understood by the parties hereto that, if the VESSEL is not delivered by such future date, the BUYER shall have the same right of termination upon the same terms and conditions as hereinabove provided. For clarity, the BUILDER shall not be responsible for, and the BUYER shall not be entitled to receive, liquidated damages for any day of delay of delivery of the VESSEL on account of Permissible Delay as defined in Article VII, Paragraph 1(b).

2. Insufficient Speed

a. The Guaranteed Speed is set forth in Article 1.

b. The Contract Price shall not be affected or changed by reason of the speed of the VESSEL being less than the Guaranteed Speed minus 0.2 knots. However commencing with and including a deficiency of 0.2 knots below the Guaranteed Speed, liquidated damages shall be payable as set forth below:

1. From 0.2 up to and including 0.5 knots below at $[*] per 0.1 knot below, and

2. From 0.6 up to and including 1 knots below at $[*] per 0.1 knot below.

c. If the deficiency in the Vessel Speed is more than 1 knot, the BUYER shall have the option of a total of $[*] deduction; or a right to reject the VESSEL and terminate this Contract.

3. Excessive Fuel Consumption of the Main Engine

a. The Guaranteed Fuel Consumptions of the Main Engine for Ultra Low Sulfur MGO and LNG are set forth in Article I. The actual fuel consumptions of the main engine shall be determined by separate shop trials of the model of the VESSEL main engine on the test stand at the manufacturer's Factory Authorized Test.

b. The Contract Price shall not be affected or changed by reason of the fuel consumption of the main engine being more than the Guaranteed Fuel Consumption of the Main Engine up to [*]% over of the Guarantee for Ultra Low Sulfur MGO and LNG. However liquidated damages will be assessed for consumption in excess of the guarantee as follows:

1. Payment of [*] for each full gram/kWh above the [*]% tolerance;

2. Except as provided in subparagraph 3 below, the total amount payable shall not exceed [*]; and

3. If after all efforts and remedies, the Main Engine fuel consumption is more than [*]% above the Guaranteed Fuel Consumption, the liquidated damages will be [*].

4. Insufficient Loadable Container Capacities

a. The Guaranteed Loadable Container Capacities of the VESSEL are set forth in Article 1 and the Specification. The Guaranteed Loadable Container Capacity shall be confirmed by the Class approved Trim & Stability Booklet.

b. If the aggregate loadable container capacity of the VESSEL of TEUs consisting of hi-cube containers at a homogeneous weight of [*] MT per TEU at a draft of [*] m as determined by the Cargomax load program software utilizing the input data defined by the BUILDER is less than the Guaranteed Loadable Container Capacity, the BUYER shall have the option to: (i) obtain payment of liquidated damages at $[*] for each hi-cube TEU lost or (ii) reject the VESSEL and terminate this Contract.

5. **Effect of Termination and Offset**:

Notwithstanding any other provision of this Article III, it is expressly understood and agreed by the parties hereto that: (a) if the BUYER terminates this Contract under this Article III, the BUYER shall not be entitled to any liquidated damages and in the event that any liquidated damages have been paid to the BUYER, the paid amount shall be deducted from the sums stipulated in Article X, Paragraph 1.f which otherwise would be payable to the BUYER; and (b) if BUYER does not terminate this Contract under this Article III, any amount of liquidated damages payable under this Article III may be offset from all payments due on the Contract Price. In the event the BUYER elects to reject the VESSEL and terminate this Contract, the BUYER shall be entitled to elect any of the remedies provided in Article X.

ARTICLE IV – WORK, SUPERVISION AND INSPECTION AND APPROVAL OF PLANS AND DRAWINGS, REPORTING

1. Work and Material

The VESSEL shall be constructed in a good, sound and workmanlike manner, in accordance with the U.S. and international shipbuilding and marine engineering standards and practices defined in the Specification (including, without limitation, those of ISO9001

and ISO9002). All materials incorporated in the VESSEL shall be new, suitable, and of good commercial marine quality for the service intended.

2. Approval of Plans and Drawings:

Within thirty (30) days after the date hereof, the parties hereto shall mutually agree upon a list of the plans and drawings for the VESSEL to be submitted to the BUYER and the submittal schedule therefor. The BUILDER shall submit electronic copies of such plans and drawings in English to the BUYER and the BUYER shall have fourteen (14) days to review and approve, disapprove or comment. The BUYER shall, within such 14-day period, return to the BUILDER electronic copies of such plans and drawings with the BUYER's approval, disapproval or comments, if any. In the event that the BUYER shall fail to return such plans and drawings to the BUILDER within such 14-day period, such plans and drawings shall be deemed to have been automatically approved without any comment. Any disapproval by the BUYER shall include the reasons for the disapproval and shall be a result of nonconformance with the Specification or good shipbuilding practice (as described in Article IV, Paragraph 1). Any request by the BUYER for changes to any of these plans and drawings not in accordance with the Specification or good commercial shipbuilding practice, except those required by regulatory bodies, shall be handled as a request for change to the Specification in accordance with Paragraph 1, Article V. Any plans which subsequent to the BUYER's approval require alteration shall be resubmitted to the BUYER for approval of the alteration and its impact. The BUILDER shall respond to the BUYER's comments or disapproval within fourteen (14) days of receipt. In the event that the BUILDER shall fail to respond to the BUYER's comments within such 14-day period, such comments shall be deemed to have been accepted.

3. Appointment of Buyer's Representative and Builder's Representative:

The BUYER shall appoint, at its cost, two representatives who shall be duly authorized in writing by the BUYER (herein called the "Buyer's Representative(s)") to act on behalf of the BUYER in connection with changes of the Specification, approval of Change Orders, approval of the plans and drawings, attendance at the tests and inspections relating to the VESSEL, its machinery, equipment and outfitting, and any other matters for which he is specifically authorized by the BUYER. In case the Buyer's Representative is not stationed at the Shipyard, the BUYER shall give clear instructions to the BUILDER regarding the authority of other personnel representing the BUYER at the Shipyard.

The BUILDER shall appoint one representative who shall be duly authorized in writing by the BUILDER (herein called "Builder's Representative") to act on behalf of the BUILDER in connection with changes of the Specification, approval of Change Orders, approval of the plans and drawings, attendance at the tests and inspections relating to the VESSEL, its machinery, equipment, and outfitting and any other matters for which he is specifically authorized by the BUILDER. The BUYER has the right to request the BUILDER to replace the Builder's Representative and/or his assistants who may be deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUILDER shall investigate the situation and if the BUILDER considers that such BUYER's request is justified, the BUILDER shall effect such replacement as soon as practicable.

4. Supervision and Inspection:

a. The necessary inspections of the VESSEL, its machinery, equipment and outfittings shall be carried out by the Buyer's Representative, Classification Society, other regulatory bodies and/or an inspection team of the BUILDER throughout the entire period of construction, in order to ensure that the construction of the VESSEL is duly performed in accordance with this Contract. The BUILDER shall assign quality assurance personnel, who are independent of all production, scheduling, and marketing departments to inspect the work and materials to insure that the Contract requirements are met. The BUILDER will employ OEM representatives to supervise the installation of third party equipment as identified on the Makers List.

b. The Buyer's Representative and his assistants shall have, during the construction of the VESSEL, the right to attend all tests, trials and inspections of the VESSEL and its materials. The BUILDER shall give notice to the Buyer's Representative reasonably in advance of the date (which in general shall be given no later than 1400 (2:00pm ET) on the prior Business Day), place and time of such tests, trials and inspections to be attended by him for his convenience. For weekend, or BUILDER holiday inspections, the schedule will be provided by noon on Friday for weekend inspections, or, for holidays, the Business Day preceding the holiday. The BUILDER shall furnish the BUYER an electronic copy of test procedures, related drawings and technical data required to carry out the inspection prior to the test or inspection in English. Failure of the Buyer's Representative and/or his assistants to be present at such tests, trials and inspections after due notice to him as above provided shall be deemed a waiver of his right to be present. The BUILDER shall exercise reasonable efforts to schedule tests and, inspections between the hours of 7am and 6pm on Business Days. Final results shall be furnished to the BUYER for all tests, trials and inspections.

c. In order to help to determine that the VESSEL is being constructed in accordance with the terms of this Contract and the Specification, the Buyer's Representative and his assistants shall, at all times until delivery and acceptance of the VESSEL, have the right to inspect the VESSEL, her engines and all accessories and all work in progress, or material utilized in connection with or intended for the construction of the VESSEL, wherever such work is being done, or such material is stored, including the yards, workshops, stores and offices of the BUILDER and the BUILDER's contractors and subcontractors. The BUILDER shall arrange with its contractors and subcontractors that the Buyer's Representative and his assistants have a similar right of inspection and supervision with respect to the work performed by the contractors and subcontractors.

d. In cases requiring approval from the Classification Society or U.S. Coast Guard, such inspections shall, to the extent possible, be carried out as a joint inspection by the Buyer's Representative and the representative of the Classification Society or U.S. Coast Guard, as applicable.

e. The Buyer's Representative shall, on behalf of the BUYER, make decisions or give advice or suggestions to the BUILDER on all problems arising during the course of or in connection with the construction of the VESSEL with a view to co-operating to the utmost with the BUILDER in the construction process.

f. In the event that the Buyer's Representative discovers any materials, construction or workmanship that is not deemed to conform to the requirements of this Contract, the Buyer's Representative shall promptly give the Builder's Representative a notice in writing as to such non-conformity. Upon receipt of such notice from the Buyer's Representative, the BUILDER shall correct such non-conformity, if the BUILDER agrees to his view. In the event of difference of opinion between the parties hereto, the BUILDER or the BUYER may request resolution of the matter in accordance with the provisions of Article XIV hereof.

g. Any acceptance or approval of the BUYER or the Buyer's Representative or exercise of BUYER's rights hereunder shall in no way alter or diminish the BUILDER's obligations under this Contract or its obligation to comply with regulatory body requirements.

5. Responsibility of the BUILDER:

a. The BUILDER shall furnish the Buyer's Representatives and his assistants with suitably lighted, heated and air conditioned office accommodations and conference facilities for up to ten (10) persons and more particularly as follows:

i. Offices for ten on-site representatives complete with air conditioning and heat and furniture.

ii. Ten dedicated parking spaces proximate to the location of offices.

iii. Lavatory facilities.

iv. At least three individual offices, the remainder of desk locations may be arranged using dividers.

v. Ten internet connections.

vi. Ten telephone lines and telephones. Long distance charges to be billed to the BUYER.

vii. Ten desks, chairs, waste baskets, etc.

viii. Fax machine with dedicated phone line.

ix. Copier able to copy and scan in color, two sided and collate paper sizes of letter, legal and 11x17.

x. Water dispenser with water refill service.

xi. Drawing table.

xii. Ten four drawer legal size file cabinets.

xiii. Conference Table (8 person) with chairs.

xiv. Microwave.

xv. Refrigerator with freezer – 15+ cubic ft.

xvi. Change room with lockers, shower and cleaning services.

6. Liability of the BUILDER:

The Buyer's Representative, and the BUYER'S subcontractors, employees and agents, shall at all times be deemed to be employees or agents of the BUYER. The BUILDER

shall be under no liability whatsoever for personal injuries to, or death of, such Buyer's Representative or employees or agents of the BUYER, or for damage to, or loss or destruction of, their property, unless such injury, death, damage, loss or destruction is shown to have been caused by the gross negligence or willful acts of the BUILDER and/or its subcontractors and/or their employees or agents (including Builder's Representative).

7. Responsibility of the BUYER:

The BUYER shall undertake and assure that the Buyer's Representative shall carry out his duties hereunder in accordance with the normal shipbuilding practices of the BUILDER and in such a way as to avoid any unnecessary increase in building cost, delay in or interference with the design and construction of the VESSEL, and/or any disturbance in the construction schedule of the BUILDER. The BUILDER has the right to request the BUYER to replace the Buyer's Representative and/or his assistants who may be deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUYER shall investigate the situation by sending his representatives to the Shipyard if necessary, and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect such replacement as soon as practicable.

The Buyer's Representative, and BUYER's subcontractors, employees and agents, shall comply with BUILDER's standard security, safety, and environmental policies and procedures (including, without limitation, COVID-19 protocols) and also shall comply with all applicable federal, state, and local safety and environmental laws and regulations. BUILDER may deny access to the Shipyard to any person or entity who fails to comply with such policies, procedures, laws or regulations or has been banned from the Shipyard in the past on such basis.

8. Liability of the BUYER:

The employees, agents and subcontractors of the BUILDER shall at all times be deemed to be employees, agents and subcontractors of the BUILDER. The BUYER shall be under no liability whatsoever for personal injuries to, or death of, such BUILDER's employees, agents, or subcontractors, or for damage to, or loss or destruction of, their property, unless such injury, death, damage, loss or destruction is shown to have been caused by the gross negligence or willful acts of the BUYER, and/or its subcontractors and/or their employees or agents (including Buyer's Representative).

9. Approval by Regulatory Bodies; BUYER's access to Communications with Regulatory Bodies:

All plans or data required by the Classification Society or other relevant regulatory bodies in connection with approval of the VESSEL shall be prepared and submitted by the BUILDER or its subcontractors and suppliers, except such data that is explicitly requested by the relevant regulatory body to be submitted by the BUYER. The BUILDER agrees to provide the BUYER with full reading and copying rights for all plan approval documents and written correspondence sent to or received from the Classification Society and other regulatory bodies and to sign the standard Classification Society authorization allowing such access. The BUILDER further agrees to copy the BUYER on all written

communications with the Classification Society and to make reasonable efforts to include the Buyer's Representative in any in-person meetings with the Classification Society (it being understood that such meetings may proceed without the BUYER's Representative in attendance) to the extent such communications or meetings will cover technical information (including comments originated from ABS design review). The BUILDER is not obligated to include the BUYER in communications or discussions (a) about commercial issues between the BUILDER, subcontractors and ABS, or (b) including documentation with proprietary information, unless expressly authorized by the owner of such information. The BUYER will provide a specific email address to be copied on email conversations to ease the collection burden of this requirement.

The BUILDER, on behalf of itself and any subcontractors, shall grant oversight privileges to the BUYER and other related project team members through ABS Eagle Construct/Engineering Manager to allow the BUYER to review the design review status regarding pending and/or outstanding items and any other relevant technical information about the BUILDER and subcontractor scope.

In addition, the BUILDER on behalf of itself and any subcontractors will give written permission for ABS to inform the BUYER and other related project team members, or notify directly under the BUYER's formal request, the classification status regarding pending and/or outstanding items and any other relevant technical information about the BUILDER and subcontractor's scope. Such permission should be emailed, faxed or mailed to ABS Account Manager, Project Manager, Attending Surveyor or Engineering office by the BUILDER on behalf of itself and any subcontractors.

The BUYER agrees to copy the BUILDER on all written communications with the Classification Society related to the BUILDER's and its subcontractor's scope and to make reasonable efforts to include the BUILDER's Representative in any in-person meetings with the Classification Society (it being understood that such meetings may proceed without the BUILDER's Representative in attendance).

In addition, the BUYER shall not raise any issue or question regarding the VESSEL with ABS without first raising such issue or question with the BUILDER, and then only if the BUILDER's response is unreasonably delayed or deemed inadequate.

10. Master Schedule:

At the time of execution of this Contract, the BUYER shall be provided with the latest official version of the master schedule showing the main production activities for the VESSEL and the main production activities for the final outfitting, mechanical completion and testing of the VESSEL. The master schedule shall include the build strategy, master milestone schedule and key event schedule. The BUILDER shall report to the BUYER as to the purchasing schedule progress and the project progress percentage of completion on the VESSEL and tasks on a bi-weekly basis.

ARTICLE V – MODIFICATIONS

1. Modifications of Specification:

The Specification may only be modified and/or changed by written agreement of the parties hereto. The BUILDER and the BUYER shall first agree, in writing, before such modifications and/or changes are carried out, to alterations in the Contract Price, the Delivery Date and other terms and conditions of this Contract and Specification occasioned by or resulting from such modifications and/or changes. There shall be no cost for the BUILDER'S provision of an estimate regardless whether a proposed change is implemented.

All such agreed changes shall be described on a change order in the form set forth in Exhibit 6 signed by the authorized representatives of the parties hereto manifesting agreements of the parties as to the work to be provided or deleted, and the effect on the Contract Price and the Delivery Date, which shall constitute amendments to this Contract and/or the Specification (each such change, a "Change Order").

The BUILDER may make minor changes to the Specification, if found necessary to suit the BUILDER's local facilities; the availability of materials; introduction of improved production methods or otherwise, provided that the BUILDER shall obtain the BUYER's prior written approval, which shall not be unreasonably withheld.

2. Changes Based on Class Requirements, etc.:

In the event that, after the date of this Contract, any requirements as to class, or as to rules and regulations to which the construction of the VESSEL is required to conform, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, the following provisions shall apply:

a. If such alterations or changes are compulsory for the VESSEL, either of the parties hereto, upon receipt of such information from the Classification Society or such other regulatory bodies, shall promptly transmit the same to the other in writing, and the BUILDER shall thereupon incorporate such alterations or changes into the construction of the VESSEL. The BUILDER shall present to the BUYER the adjustment required by the BUILDER in the Contract Price, the Delivery Date and other terms and conditions of this Contract occasioned by the change. The adjustment shall then be agreed on as a Change Order in accordance with Paragraph 1 of this Article. If the parties cannot agree on the Change Order, then the matter shall be submitted for final decision in accordance with Article XIV hereof. In such case, work on the compulsory alteration or change shall proceed without waiting for the final decision on the Change Order.

b. If such alterations or changes are not compulsory for the VESSEL, but the BUYER desires to incorporate such alterations or changes into the construction of the VESSEL, then, the BUYER shall notify the BUILDER of such intention and such notice shall be treated as a request for a modification or change in accordance with Paragraph 1 of this Article.

3. Substitution of Materials:

In the event that any of the materials required by the Specification or otherwise under this Contract for the construction of the VESSEL cannot be procured in time or are in short supply to maintain the Delivery Date of the VESSEL, or alternative materials are claimed by the BUILDER to be available which are suitable as substitutes by reason of advances in technology, the updating or improvements of, or changes in, specified materials or changes in the manufacture or production thereof; the BUILDER may, provided that the BUILDER shall obtain the BUYER's prior written approval, which shall not be unreasonably withheld, supply other materials capable of meeting the requirements of the Classification Society and of the rules, regulations and requirements with which the construction of the VESSEL must comply. Any agreement as to such substitution of materials shall be effected in the manner provided in Paragraph 1 of this Article, and shall, likewise, include alterations in the Contract Price and other terms and conditions of this Contract occasioned by or resulting from such substitution.

ARTICLE VI – TRIALS

1. Notice:

The BUYER shall receive from the BUILDER at least fourteen (14) days' prior notice in writing of the time and place of the trial run of the VESSEL, and a description of the trials to be performed, and the BUYER shall give prompt written acknowledgment of the receipt of such notice. The BUYER shall have the right to have a reasonable number (up to ten (10)) of authorized representatives, employees, inspectors and any other person reasonably designated by the BUYER present at the trial runs.

The BUILDER may, after due notice as described above, conduct trial runs of the VESSEL without the presence of the Buyer's Representative or other authorized representative of the BUYER provided that the Classification Society and U.S. Coast Guard are present. In such case, the BUYER shall be obligated to accept the results of the trial runs on the basis of a certificate of the BUILDER, confirmed by the Classification Society and U.S. Coast Guard, stating the results of the runs.

2. Weather Conditions:

The trial run shall be carried out under weather conditions deemed favorable enough in the judgment of the BUILDER subject to approval by the BUYER. In the event of unfavorable weather on the date specified for the trial run, the same shall take place on the first available day thereafter that the weather condition permits. It is agreed that, if during the trial run of the VESSEL, the weather should suddenly become so unfavorable that orderly conduct of the trial run can no longer be continued, the trial run shall be discontinued and postponed until the first favorable day next following, unless the BUYER shall assent in writing to acceptance of the VESSEL on the basis of the trial run already made before such discontinuance has occurred.

Any delay of trial run caused by such unfavorable weather condition shall operate to postpone the Delivery Date by the period of delay involved and such delay shall be deemed

as a Permissible Delay in the delivery of the VESSEL. Within twenty-four (24) hours from the cessation of a delay in the trial run caused by unfavorable weather, the BUILDER shall advise the BUYER in writing of the new proposed date for the trial run.

3. How Conducted:

a. All expenses in connection with the trial run are to be for the account of the BUILDER and the BUILDER shall provide at its own expense the necessary crew to comply with conditions of safe navigation. The trial run shall be conducted in the manner prescribed in the Specification, and shall prove fulfillment of the performance requirements for the trial run as set forth in the Specification. The course of trial run shall be determined by the BUILDER.

b. Notwithstanding the foregoing, fuel oil, LNG, lubricating oil, greases and fresh water necessary for the trial run of the VESSEL shall be supplied by the BUILDER at the Shipyard prior to the time of the trial run, and the BUYER shall pay the BUILDER upon delivery of the VESSEL (i) the cost of the quantities of fuel oil, lubricating oil, greases and fresh water not consumed during the trial run at the original purchase price, and (ii) the cost of all LNG (whether or not consumed during the trial run) at the original purchase price. In measuring the consumed quantity, lubricating oils and greases remaining in the main engine, other machinery and their pipes, stern tube and the like, shall be excluded. The BUILDER shall arrange for the quantity of fuel oil, LNG, lubricating oils, greases and fresh water to be loaded on the VESSEL at delivery in accordance with the instructions of the BUYER, at the BUYER'S cost. The BUILDER shall remove all waste and debris about the VESSEL and all sludge and oily water wastes from the VESSEL prior to delivery, at the BUILDER'S cost. The BUYER shall promptly reimburse the BUILDER for the cost of all LNG bunkering operations, including, without limitation, operational procedures, cleaning, and safety measures.

4. Method of Acceptance or Rejection:

a. Upon completion of the trial run, the BUILDER shall give the BUYER written notice of completion of the trial run along with copies of all sea trial test reports, including if the BUILDER considers that the results of the trial run indicate the conformity of the VESSEL to this Contract and the Specification. The BUYER shall, within three (3) days after receipt of such notice from the BUILDER, provide the BUILDER written notice of its intent to accept or reject the VESSEL on the Delivery Date.

b. However, should the results of the trial run indicate that the VESSEL, or any part or equipment thereof, does not conform to the requirements of this Contract and/or the Specification, or if the BUILDER is in agreement as to non-conformity as specified in the BUYER's notice of rejection, then, the BUILDER shall with the written concurrence of the BUYER take the necessary steps to correct such non-conformity. Upon completion of correction and testing of such non-conformity, the BUILDER shall give the BUYER written notice thereof. The BUYER shall, within two (2) days after receipt of such notice from the BUILDER, notify the

BUILDER of its acceptance or rejection of the VESSEL. The BUYER may only demand a new trial run if this is the only way the BUILDER can prove that the nonconformities have been corrected. In the event a new trial run takes place, the provisions set forth in Paragraphs 1, 2 and 3 hereof shall govern this trial run except that the BUILDER shall be entitled to give a written notice of two (2) days for such new trial run. Upon completion of the additional trial run, the provisions of this Paragraph 4 shall apply.

c. In any event that the BUYER rejects the VESSEL, the BUYER shall specify in its notice of rejection in what respect the VESSEL, or any part or equipment thereof does not conform to this Contract.

d. In the event that the BUYER fails to provide the BUILDER written notice of the acceptance of or the rejection together with the reason therefor of the VESSEL within the period as provided in the above subparagraphs (a) or (b), the BUYER shall be deemed to have accepted the VESSEL.

e. The BUILDER may dispute the rejection of the VESSEL by the BUYER under this Paragraph 4, in which case the matter shall be submitted for final decision in accordance with Article XIV hereof.

5. Effect of Acceptance:

a. Acceptance of the VESSEL as above provided shall be final and binding and the VESSEL will be deemed to be in conformity with this Contract except as set forth in subparagraph b immediately below. The BUYER shall not refuse formal delivery of the VESSEL as hereinafter provided, if the BUILDER complies with all other procedural requirements for delivery as provided in Article VII hereof.

b. If minor work or items on the VESSEL are incomplete or missing when the VESSEL otherwise is ready for delivery and such work or items do not materially affect the operation, trade or schedule of the VESSEL nor are likely to cause damage or excessive deterioration to the VESSEL or void warranty requirements, the BUYER shall not withhold its consent to accept delivery of the VESSEL subject to the right of the BUYER to have such items completed by the BUILDER in a reasonable manner and period of time. The parties shall on delivery execute a protocol of outstanding work and a schedule for completion of such work or agree as to an adjustment of the Contract Price in lieu of completion of such work. The BUILDER agrees that any such monetary payments to and repairs done by BUYER shall not void the BUILDER's or any manufacturer's warranties.

ARTICLE VII – DELIVERY

1. Time and Place:

a. The VESSEL shall be delivered by the BUILDER to the BUYER at the Shipyard or at another location acceptable to both parties hereto. The original Delivery Date

for the VESSEL shall be December [*], 2027 (herein called the "Original Delivery Date").

b. Delays on account of such causes which under the terms of this Contract permit the BUILDER to postpone the delivery of the VESSEL shall be understood to be Permissible Delay (herein called "Permissible Delay").

c. The Original Delivery Date shall be adjusted by the total Permissible Delay and the adjusted date shall be the Delivery Date (herein called the "Delivery Date"). The VESSEL shall be delivered by the BUILDER to the BUYER on or before the Delivery Date.

d. The BUILDER advises that it has contracts committing the BUILDER to construct five training ships and up to two subsea rock installation vessels (the "other contracts"). The BUILDER advises that the Original Delivery Date is being committed to taking into account BUILDER's obligations under the other contracts. The BUILDER agrees that its obligations under the other contracts and any delay in its deliveries under the other contracts would not constitute a Permissible Delay as defined in subparagraph b. of this Paragraph 1, or a Force Majeure event under Article VIII of this Contract, unless the conditions under Article VIII apply to or otherwise impact the facilities or workforce at the Shipyard available for the construction of the VESSEL under this Contract.

2. When and How Effected:

a. When the work on the VESSEL is complete or substantially complete in accordance with this Contract and the VESSEL has passed the tests required by this Contract, the VESSEL as completed or substantially completed shall be delivered by the BUILDER and accepted by the BUYER alongside a safe and accessible pier at the Shipyard, or at such other place as may be mutually agreed to by the BUILDER and the BUYER, where there must be sufficient water for the VESSEL always to be afloat and during egress from the berth, custom to the contrary notwithstanding, free and clear of all liens, security interests, and claims of every nature, excepting, however those in favor of a claimant, other than BUILDER, arising out of the acts or omissions of the BUYER, with not less than ten (10) days' prior written notice to the BUYER of such delivery. As used in this Contract, the term "substantially complete" shall mean complete except for minor items not affecting the commercial utility and safe operation of the VESSEL, with all certificates required for operation of the VESSEL, and not violating any requirement of a regulatory body. Unless waived by the BUYER, the VESSEL shall not be deemed to be "substantially complete" if a delivery deficiency will require the VESSEL to be taken out of service prior to the VESSEL'S regular maintenance schedule or if the aggregate value of such delivery deficiencies is in excess of [*]. For the avoidance of doubt, if the Classification Society issues a

Certificate of Class with a condition of class, the BUYER shall not be obligated to accept the VESSEL with such condition of class.

b. Provided that the BUYER shall have fulfilled all of its obligations stipulated under this Contract, delivery of the VESSEL shall be effected forthwith by the concurrent delivery by each of the parties hereto to the other of the PROTOCOL OF DELIVERY AND ACCEPTANCE, acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER. The BUYER and the BUILDER agree to describe in the Protocol of Delivery and Acceptance (i) the amount of reduction in the Contract Price at delivery of the VESSEL in lieu of completion of uncompleted work and correction of defects, deficiencies, or damage by the BUILDER, and, if the amount of the proposed reduction is more than the amounts due from the BUYER at delivery, the amount to be paid by the BUILDER to the BUYER to the extent the price reduction amount is insufficient; and/or (ii) (y) the uncompleted work and defects, deficiencies, or damage to be completed and corrected by the BUILDER after delivery of the VESSEL, such completion and correction to be performed in the same manner as provided for Guarantee work under Article IX, and (z) the amount of the Contract Price to be withheld until the uncompleted work is completed and the defects, deficiencies, or damage are corrected. The BUILDER agrees to perform such completion and correction in such manner after delivery of the VESSEL. The BUYER shall pay the BUILDER for satisfactory performance of such completion and correction after delivery in the manner set forth in ARTICLE IX. If the BUYER and the BUILDER fail to agree as to any of the items to be included in the Protocol of Delivery and Acceptance pursuant to this Article, such items shall be resolved pursuant to ARTICLE XIV.

c. In the event of any dispute concerning any Milestone Payment or the payment due upon delivery of the VESSEL, including the question of the BUYER's right to offset any claim it may have, the BUYER shall pay the undisputed amount to the BUILDER and shall deposit the disputed amount into escrow subject to the Escrow Instructions. The BUILDER cannot in such case refuse to deliver the VESSEL and the BUYER cannot refuse to take delivery of the VESSEL. Any such disputed amount shall be paid as agreed by the parties or as determined by Article XIV.

d. During the period thirty (30) days prior to the expected delivery of the VESSEL, employees of the BUYER or the BUYERS's contractors or agents shall be entitled to access to the VESSEL to engage in such activities and perform such work as the BUYER may specify on a not-to-interfere basis. Two (2) weeks prior to delivery of the VESSEL the BUYER shall have access on a not-to-interfere basis to familiarize the crew with the VESSEL and to provision the VESSEL.

3. Documents to be Delivered to the BUYER:

Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER the following documents, which shall accompany the PROTOCOL OF DELIVERY AND ACCEPTANCE:

a. PROTOCOL OF TRIALS of the VESSEL made pursuant to the Specification.

b. PROTOCOL OF INVENTORY of the equipment of the VESSEL, including spare parts and the like, all as specified in the Specification; and Inventory of Hazardous Material (MEPC.197(2)).

c. PROTOCOL OF STORES OF CONSUMABLE NATURE referred to under subparagraph 3(b) of Article VI hereof, including the original purchase price thereof.

d. ALL CERTIFICATES, clean and free of conditions, including the BUILDER's CERTIFICATE on Form CG-1261, USCG CERTIFICATE OF INSPECTION Form CG-841, USCG approved Automation Test Procedures, USCG approved Bunkering Procedures for LNG, HFO, MGO and Lube Oils, USCG approved Cold Ironing (AMP) Procedures, and CLASSIFICATION CERTIFICATES and all type approval certificates required to be furnished upon delivery of the VESSEL pursuant to this Contract and the Specification or that are required by the regulatory bodies. It is agreed that if, through no fault on the part of the BUILDER, the classification and/or other certificates are not available at the time of delivery of the VESSEL, provisional certificates shall be accepted by the BUYER, provided that the BUILDER shall furnish the BUYER with the formal certificates as promptly as possible after such formal certificates have been issued.

e. DECLARATION OF WARRANTY of the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, charges, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of imposts, taxes or charges imposed by local or federal authorities, as well as of all liabilities of the BUILDER to its subcontractors, employees and crew, and of all liabilities arising from the operation of the VESSEL in trial runs, or otherwise, prior to delivery.

f. DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the Specification together with all drawings required to be submitted to regulatory bodies. Detailed design drawings for hull, structural, electrical, piping and outfitting drawings developed by BUILDER or any design agent for the construction of the VESSEL requested by the BUYER shall be provided in a format to be agreed at an additional cost to be billed at $100.00 per hour.

g. COMMERCIAL INVOICE and BILL OF SALE.

The BUILDER will cooperate with the BUYER to provide any other documents reasonably required by the BUYER to secure financing for the VESSEL.

4. Tender of the VESSEL:

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this Contract without any justifiable reason, the BUILDER shall have the right to tender

delivery of the VESSEL after compliance with all procedural requirements as above provided.

5. Risk:

Notwithstanding the provisions of Article XVI concerning passage of title to the material and the VESSEL during the construction period, the risk of loss of the VESSEL shall pass to the BUYER only upon delivery and acceptance thereof having been completed as stated above; it being expressly understood that, until such delivery is effected, risk of loss of the VESSEL and her equipment shall remain with the BUILDER.

The BUILDER warrants that the BUILDER's entering into this Contract, the performance of the BUILDER'S obligations hereunder and the sale of the VESSEL to BUYER will not result in any violation of or be in conflict with, or result in a breach of or constitute a default under, any term or provision of any agreement, instrument or other restriction to which the BUILDER is a party or by which it is bound.

6. Removal of the VESSEL:

The BUYER shall take possession of the VESSEL immediately upon delivery and acceptance thereof and shall remove the VESSEL from the premises of the Shipyard within ten (10) days after delivery and acceptance thereof is completed. If the BUYER shall not remove the VESSEL from the premises of the Shipyard within the aforesaid ten (10) days, then, in such event the BUYER shall pay to the BUILDER the mooring charges of the VESSEL at the rate of $[*] per day plus utilities. Such additional time on the BUILDER's premises shall not exceed twenty-one (21) days.

ARTICLE VIII -- EXTENSION OF TIME FOR DELIVERY DUE TO FORCE MAJEURE AND TERMINATION FOR EXCESSIVE DELAY

1. Causes of Force Majeure:

Force Majeure (herein called "Force Majeure") is any or more of the events defined below:

Acts of God; acts of princes or rulers; requirements of government authorities; delays caused by regulatory bodies whose documents or approvals are required; war or other hostilities or preparations thereto; blockade; revolution; insurrections; mobilizations; civil war; civil commotion; riots; strikes and other labor disturbances including local strikes affecting the BUILDER (not including any strikes or industrial disturbances resulting from unilateral changes made by the BUILDER under existing labor contracts); sabotages; acts of terrorists; lockouts; labor shortages, provided the BUILDER has exercised diligence in the recruitment and training of labor; plague; epidemics; pandemics; fire; flood; typhoons, hurricanes, storms or other weather conditions (other than ordinary storms or ordinary inclement weather conditions); earthquakes; tidal waves; landslides; explosions; collisions; strandings; embargoes; delays in transportation; import restrictions; shortage of materials, equipment or machinery or delay in delivery or inability to take delivery thereof, provided that such materials, equipment or machinery at the time of ordering could reasonably be expected by the BUILDER to be delivered in time, the BUILDER'S choice of a vendor or

subcontractor was reasonable and the BUILDER has exercised due diligence to monitor the actions and to expedite delivery of the vendor or to obtain substitute performance; prolonged failure or restriction of electric current or petroleum; non-delivery or late delivery of BUYER'S Supplies to BUILDER'S custody or other delay caused by any default or omission on the part of the BUYER in carrying out any of its obligations under this Contract; or destruction of or damage to the worksite or other works of the BUILDER, its main subcontractors or to the VESSEL or any part thereof, by any causes heretofore described in this Paragraph and any other causes properly to be considered to be beyond the BUILDER's reasonable control; provided that there shall be excluded any such causes that are in existence as of the date of execution of this Contract or as to a cause impacting a contractor or subcontractor, a cause known to the party as of the date of execution of the contract or subcontract.

The Parties acknowledge the current world events surrounding the COVID-19 pandemic and the Russia-Ukraine military conflict and agree that any future act, event, or circumstance caused by or arising from the COVID-19 pandemic or Russia-Ukraine military conflict otherwise meeting the definition of an event of Force Majeure is not excepted from that definition because of the duration and nature of the pandemic or the military conflict.

Any delay in the delivery of the VESSEL caused by an event of Force Majeure as to which the provisions of this Article VIII have been satisfied shall operate to postpone the Delivery Date by the number of days of delay involved.

2. Notice of Delay:

Within ten (10) days from the date of commencement of the delay on account of Permissible Delays as defined in Paragraph 3 of this Article below, the BUILDER shall advise the BUYER in writing of the date such delay commences and the reasons therefor along with BUILDER's proposed recovery plan. BUILDER shall exercise its commercially reasonable best efforts to develop a recovery plan that addresses the condition causing the delay and minimizes the length of the delay. Failure of the BUILDER to provide notification of any claim for postponement of the Delivery Date within such ten (10) days shall be deemed to be a waiver by the BUILDER of its right to propose such postponement.

Likewise within ten (10) days after such delay ends, the BUILDER shall advise the BUYER in writing of the date such delay ended, and also shall specify the period of time by which the BUILDER asserts that the Delivery Date is postponed by reason of such delay. Within ten (10) days after receipt of such notification, BUYER shall inform BUILDER that BUYER either (1) accepts the new Delivery Date contained in such notification, or (2) disputes BUILDER's postponement of the Delivery Date, which dispute will be resolved under the provisions of Article XIV. Failure of the BUYER to inform the BUILDER that it either accepts the new Delivery Date or disputes the postponement of the Delivery Date within ten (10) days after receipt of BUILDER's notification shall be deemed to be a waiver by the BUYER of its right to object to such postponement.

3. Permissible Delay:

Delays on account of such causes as specified in Paragraph 1 of this Article shall be understood to be Permissible Delays provided that the BUILDER provides the notices set forth in Paragraph 2 of this Article.

4. Right to Terminate for Excessive Delay due to Force Majeure:

If the total accumulated time of all delays on account of the causes specified in Paragraph 1 of this Article only (excluding all other types of delays which, under the terms of this Contract, permit postponement of the Delivery Date), amounts to [*] months or more, then, in such event, the BUYER may terminate this Contract in accordance with the provisions of Article X hereof. The BUILDER may, at any time after the accumulated time of the aforementioned delays justifying termination by the BUYER, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within twenty (20) days after such demand is received by the BUYER, notify the BUILDER in writing of either (1) its intention to terminate this Contract, or (2) consent to a postponement of the Delivery Date to a specific future date. If any further delay occurs beyond such specific future date on account of causes specified in Paragraph 1 of this Article only (and excluding all other types of delays as described above), that amounts to one (1) month or more, the BUYER shall have the same right of termination upon the same terms as hereinabove provided (except that this original six month period is reduced to one month for the further delay described in this sentence).

ARTICLE IX-WARRANTY OF QUALITY

1. Guarantees at Delivery:

a. The BUILDER guarantees that at the time of delivery the VESSEL will: (i) comply with applicable laws, lawful regulations, written standards and written interpretations of the regulatory bodies required for the VESSEL's operation in the foreign and domestic trades of the United States in effect on the date of delivery of the VESSEL, except as noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE; and (ii) meet the requirements in the Specification and plans, except as noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE. The effect of any changes in laws, lawful regulations, standards and written interpretations of the regulatory bodies between the effective date of this Contract and the delivery of the VESSEL shall be incorporated into this Contract by a Change Order under ARTICLE V.

b. The expense of all changes to the VESSEL noted in the PROTOCOL OF DELIVERY AND ACCEPTANCE shall be for the account of the BUILDER, except as provided in subparagraph (a) of ARTICLE V, Paragraph 2.

2. **Warranty:**

a**.** Subject to the provisions hereinafter set forth, the BUILDER undertakes to remedy, free of charge to the BUYER, any deficiency, defects, failure, breaking down or deterioration beyond that caused by ordinary wear and tear (jointly

"defects") in the VESSEL which are due to defective material, faulty design and/or bad workmanship on the part of the BUILDER and/or its contractors or subcontractors, provided that the defects are discovered within a period of twelve (12) months after the date of delivery of the VESSEL (the "Guarantee Period") and a notice thereof is duly given to the BUILDER as hereinbelow provided. In computing the Guarantee Period there shall be excluded any time the VESSEL is prevented from entering or is taken out of service on account of any defect for which the BUILDER is responsible. For the purpose of this Article, the VESSEL shall include her hull, machinery, equipment and gear, but excludes any parts of the VESSEL that have been supplied by or on behalf of the BUYER. Upon expiration of the Guarantee Period, and to the extent permitted by vendors and subcontractors, the BUILDER agrees to transfer any guarantees or warranties supplied to it by vendors and subcontractors.

b. The BUILDER's guarantee of the coatings shall be back to back with the guarantee of the coatings by the coatings manufacturer. During the Guarantee Period, the BUILDER shall be responsible for correction of paint defects in accordance with the guarantee of the coatings by the coatings manufacturer. After the expiration of the VESSEL Guarantee Period, the coating manufacturer's extended warranty shall be transferred to the BUYER under Article IX subparagraph 5d. The coating manufacturer's warranty shall be for at least sixty (60) months from delivery of the VESSEL.

3. Notice of Defects:

The BUYER shall notify the BUILDER in writing of any defects for which claim is made under this guarantee as promptly as possible after discovery thereof. If the defect was discovered during drydocking of the VESSEL, the BUYER must notify the BUILDER in time for the BUILDER to inspect the defect before the VESSEL leaves the drydock if this is necessary for a prudent inspection of the defect. The BUYER's written notice shall in sufficient detail describe the nature and extent of the defects. The BUILDER shall have no obligation for any defects discovered prior to the expiry date of the said twelve (12) months period, unless notice of such defects is received by the BUILDER not later than thirty (30) days after such expiry date.

4. Remedy of Defects:

a. The BUILDER shall promptly remedy, at its expense, any defects, against which the VESSEL is guaranteed under this Article, by making all necessary repairs or replacements at the Shipyard, if practicable. Upon having remedied such defects the BUILDER shall give the BUYER a further guarantee period of six (6) months for the aforementioned repairs or replacements from the date such repair or replacement is accomplished, which extended period shall not reduce the original twelve (12) month Guarantee Period.

b. However, if it is impractical to bring the VESSEL to the Shipyard, or if the BUILDER is unable to remedy the defects within a period of time satisfactory to the BUYER due to the BUILDER'S or the VESSEL's working schedule or any other reason, the

BUYER may cause the necessary repairs or replacements to be made elsewhere which is deemed suitable for the purpose, provided that, in such event, the BUILDER may forward or supply replacement parts or materials to the VESSEL, unless forwarding or supplying thereof to the VESSEL would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL at any other shipyard or works than the Shipyard, the BUYER shall first, but in all events as soon as possible, give the BUILDER notice in writing of the time and place such repairs or replacements will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the BUILDER shall have the right to verify by its own representative(s) the nature and extent of the defects complained of. The BUILDER shall, in such case, promptly advise the BUYER in writing, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided. Upon the BUILDER's acceptance of the defects as justifying remedy under this Article, or upon resolution of a dispute in accordance with the provisions of Article XIV hereof, the BUILDER shall immediately pay to the BUYER for such repairs or replacements the sum of BUYER'S documented costs therefor up to a sum equal to the reasonable cost of making the same repairs or replacements in the Shipyard. Subject to a written agreement with the BUILDER, warranty repairs may be made by the crewmembers of the VESSEL, provided however that the BUYER submits documentation for the work performed and the BUILDER will not reimburse the BUYER at labor rates currently in excess of $68.00 per hour (as escalated at 2.5% per year after delivery). For the avoidance of doubt, if the BUILDER is unable to remedy the defects within a period of time satisfactory to BUYER due to the BUILDER'S or the VESSEL's working schedule or any other reason, BUYER shall not be obligated to operate the VESSEL with a defect even if the Classification Society agrees that the Vessel may be operated with a condition of class, and the BUYER shall be entitled to cause the necessary repairs or replacements to be made as provided in this paragraph.

c. In any case, the VESSEL shall be taken at the BUYER's cost, risk and responsibility to the place elected, ready in all respects for such repairs or replacements. Any preparation, draining of pipes, cleaning of spaces to make them accessible for warranty repairs, marine chemist's certificates, including gas free certificate shall be at the BUILDER's cost.

d. If a defect cannot reasonably be corrected except by drydocking the VESSEL, the BUYER shall be entitled to postpone correction and repair until a subsequent drydocking of the VESSEL. The BUYER may withhold the estimated cost of correction and repair from the Guarantee Payment until such drydocking.

e. Any dispute under this Article shall be referred to dispute resolution in accordance with the provisions of Article XIV hereof.

5. Extent of the BUILDER's Responsibility:

a. The BUILDER shall have no responsibility or liability for any other defects whatsoever in the VESSEL than the defects specified in Paragraphs 1 and 2 of this

Article. Nor shall the BUILDER in any circumstances be responsible or liable for any consequential or special losses, damages or expenses including, but not limited to, loss of time, loss or breach of charters or other contractual commitments, loss of profit or earning or demurrage directly or indirectly occasioned to the BUYER by reason of the defects specified in Paragraphs 1 and 2 of this Article or due to repairs, replacements or other works done to the VESSEL to remedy such defects; except that in the event a defect in an item of equipment or machinery causes any damage to such item of equipment or machinery or to other immediately adjacent equipment, machinery, components or portions of the VESSEL, the BUILDER shall be liable for not only the cost of correcting or repairing the defect but also for the cost of correcting or repairing such damage to such item of equipment or machinery and to such other immediately adjacent equipment, machinery, components or portions of the VESSEL caused by such defect.

b. The BUILDER shall not be responsible for any defects in any part of the VESSEL which may subsequent to delivery of the VESSEL have been replaced or in any way repaired by any other contractor, or for any defects which have been caused or aggravated by omission or improper use and maintenance of the VESSEL on the part of the BUYER, its servants or agents or by ordinary wear and tear or by any other circumstances whatsoever beyond the control of the BUILDER.

c. A final guaranty survey of the VESSEL shall be conducted by the BUYER at or near the expiration of the Guarantee Period. Such survey shall be based on the defects in the contract work appearing or discovered during the Guarantee Period. In the event that the VESSEL is not available for the guarantee survey on or before the end of the Guarantee Period, the BUYER promptly shall submit to the BUILDER a list of all of the defects in the contract work appearing or discovered during the Guarantee Period and all damage for which the BUILDER is liable under the provisions of this Article IX. The final guarantee survey shall be held at such port in the United States as the BUYER designates and seven (7) days' written notice of time and place for such guarantee survey shall be given to the BUILDER by the BUYER. The BUILDER shall have the right to attend the guarantee survey.

d. At the end of the Guarantee Period, the BUILDER agrees to transfer and assign to the BUYER, as to any item of material installed in the VESSEL, the guarantee rights of the BUILDER against the vendor of such item of material where under the terms of such vendor's guarantee the vendor's obligations extend for a period beyond the Guarantee Period; provided that the BUILDER may exclude from such assignment any rights against the vendor in favor of the BUILDER for guarantee deficiencies and damages within the Guarantee Period. The BUILDER shall advise the BUYER of the terms of any such guarantees that are assigned to the BUYER.

e. The guarantee contained as hereinabove in this Article replaces and excludes any other liability, guarantee, warranty and/or condition imposed or implied by the law, customary, statutory or otherwise, by reason of the construction and sale of the VESSEL for and to the BUYER. THE BUILDER MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY

OF MERCHANTABILITY OR FITNESS OF THE VESSEL, ITS MACHINERY OR EQUIPMENT FOR A PARTICULAR PURPOSE.

f. The BUYER may withhold the Guarantee Payment and deposit the full amount into an escrow account as provided in Article II. The BUYER shall pay to the BUILDER the entire Guarantee Payment, less any amount to cover any outstanding defect, upon completion of the Guarantee Period for the VESSEL. Any amounts withheld beyond the end of the Guarantee Period pursuant this Article IX shall be paid upon the correction of each defect for which such amounts were withheld. Any dispute with respect to the amounts due under this Paragraph shall be settled pursuant to Article XIV.

6. Guarantee Engineer:

The BUILDER shall have the right (at its cost) to appoint a guarantee engineer to serve on the VESSEL as its representative for such portion of the guarantee period as the BUILDER may decide. The guarantee engineer shall be a properly documented citizen of the United States. The BUYER and its employees shall give the guarantee engineer full cooperation in carrying out his duties as the representative of the BUILDER on board the VESSEL. The BUYER shall accord the guarantee engineer the treatment comparable to the VESSEL's chief engineer and shall provide him with accommodations and subsistence at no cost of the BUILDER and/or the guarantee engineer.

Pertaining to the detailed particulars of this Paragraph, an agreement will be made according to this effect between the parties hereto upon delivery of the VESSEL.

The guarantee engineer shall, at all times and in all respects, be deemed to be an employee of the BUILDER. The BUYER shall be under no liability whatsoever to the BUILDER or the guarantee engineer for personal injuries, including death, suffered by the guarantee engineer during the time when he is on board the VESSEL, unless such injury or death, is shown to have been caused by the gross negligence or willful acts of the BUYER, and/or its subcontractors and/or their employees or agents (including Buyer's Representative), while acting within the scope of their employment or engagement. Nor shall the BUYER be under any other liability whatsoever to the guarantee engineer.

ARTICLE X – TERMINATION BY THE BUYER AND OPTIONS ON TERMINATION; GUARANTY AGREEMENT AND BUYER'S RIGHT TO ADDITIONAL SECURITY; AUDIT AND INSPECTION RIGHTS

1. Termination

a. Notice: In the event that the BUYER shall exercise its right of termination of this Contract under and pursuant to any of the provisions of this Contract specifically permitting the BUYER to do so, then the BUYER shall notify the BUILDER in writing and such termination shall be effective as of the date notice thereof is received by the BUILDER.

b. Options of BUYER: In the event that the BUYER elects to terminate this Contract, the BUYER may elect to remove the VESSEL, complete the work, sell the work in process or obtain a refund. Such election shall be made by notice to the BUILDER as provided below.

c. Right to Remove: In the event the BUYER shall elect to terminate this Contract, at the BUYER's option the BUYER may elect in writing within [*] days after the termination of this Contract to remove the work in process from the Shipyard. Such removal, including preparation therefor, shall be performed at the BUILDER's expense, and, if reasonably possible, the BUILDER shall furnish forces and equipment for such removal and preparation. The BUYER shall reimburse the BUILDER for the reasonable cost of such removal and preparation. As reasonably practical, the BUILDER shall assign to the BUYER, all existing subcontracts and purchase orders required to complete the VESSEL for which the work in process is being removed as the BUYER may direct.

d. Completion of the Work: In the event the BUYER shall elect to terminate this Contract, at the BUYER's option, the BUYER may elect to have all or part of the work completed. The BUYER for such purposes may take possession and use and occupy so much of the Shipyard and the equipment, tools, machinery, and appliances in the Shipyard as may be needed by the BUYER for such purposes. In such instance as reasonably practical the BUILDER shall assign all subcontracts and orders for material, work, services and supplies to be used in the performance of this Contract to the BUYER as the BUYER may direct. Completion of all or a part of the work shall be performed at the BUILDER's expense with the BUYER to reimburse the BUILDER for the amount that would have been payable to the BUILDER had such work been completed by the BUILDER, and the BUILDER to reimburse the BUYER for any additional costs incurred by the BUYER in completion of such work in accordance with the terms of this Contract (including the plans and specifications referred to herein) as existing on the date of termination of this Contract, evidenced by documented invoices provided to the BUILDER.

e. Sale of the Work: In the event the BUYER shall elect to terminate this Contract and not complete the construction of the VESSEL and the BUYER so notifies the BUILDER, at any time within [*] days from the date of delivering such notice to the BUILDER, the BUYER may sell the VESSEL in a partially completed condition, work in progress, material to be installed in the VESSEL, together with copies of all Plans, Specification, working plans, calculations and other records reasonably required to complete the construction of the VESSEL. The BUYER shall have access to the Shipyard in order to conduct the sale. The sale may be consummated without appraisal or evaluation of the VESSEL, and shall be conducted in the manner determined by the BUYER but the BUYER shall use reasonable efforts to secure the best price possible in respect of the VESSEL. Any purchaser at any such sale shall be given reasonable time, not less than sixty (60) days from the date of sale, within which to remove from the Shipyard the VESSEL, work in progress, and material. Either party may become a purchaser at such a sale. The proceeds of the sale shall be applied first to payment of all costs and

expenses, including reasonable attorneys' fees incurred by the BUYER or its assigns in making such sale; second, to reimburse the BUYER for payments theretofore made by the BUYER to the BUILDER on account of such VESSEL; and, third, to payment of any damages, demands, or deficiencies arising by reason of default of the BUILDER. In the event the proceeds of the sale shall not be sufficient to make the payments required by the preceding sentence, the difference shall be paid by the BUILDER to the BUYER.

f. Refund**:** If the BUYER elects to obtain a refund the BUILDER shall promptly refund to the BUYER the full amount of all sums paid by the BUYER to the BUILDER on account of the VESSEL (unless the BUILDER proceeds to dispute resolution under the provisions of Article XIV hereof). In such event, the BUILDER shall pay the BUYER interest at the rate of 250 basis points per annum above Term SOFR for a three month tenor on the amount required herein to be refunded to the BUYER, computed from the respective dates on which such sums were paid by the BUYER to the BUILDER to the date of remittance by transfer of such refund to the BUYER by the BUILDER, provided, however, that if such rescission by the BUYER is made under the provisions of Paragraph 4 of Article VIII hereof, the BUILDER shall not be required to pay any interest. "Term SOFR" as of any day means (i) the Term SOFR Reference Rate for a 3 month tenor on the applicable day, if such day is a Business Day, as such rate is published by the Term SOFR Administrator and (ii) the Term SOFR Reference Rate for a 3 month tenor on the Business Day most recently preceding such day, if such day is not a Business Day, as such rate was published by the Term SOFR Administrator on such preceding Business Day. "Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the BUYER in its reasonable discretion). "Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

The BUYER shall promptly transfer title to the VESSEL and the work to the BUILDER upon receipt of the payment provided under this subparagraph. Upon such refund by the BUILDER to the BUYER, all obligations, duties and liabilities of each of the parties hereto to the other under this Contract shall be forthwith completely discharged.

2. Guaranty; the BUYER's Right to Receive Additional Financial Information; the BUYER's Right to Demand Additional Security

a. In consideration of the obligations assumed by the BUYER under this Contract, and as an inducement to the BUYER to enter into this Contract, the GUARANTOR has furnished to the BUYER the Guaranty guarantying the BUILDER'S performance of its obligations under this Contract. The commitment made by the Guarantor under the Guaranty is an important consideration to the BUYER under this Contract.

b. The financial conditions of the BUILDER and the GUARANTOR are an important consideration to the BUYER under this Contract. The BUILDER shall provide the

BUYER with annual and quarterly financial statements of both the BUILDER and the GUARANTOR in accordance with paragraph (d) below.

c. In the event that there occurs a breach of a "material" covenant (i.e., financial covenant or negative covenant) or any payment default under any bond, debenture, note or other evidence of indebtedness of the BUILDER or the GUARANTOR, in an aggregate principal amount of at least [*], or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, which breach or default gives the holder the right to accelerate such indebtedness and which breach or default is not cured within any applicable grace or cure period, then, in order to secure the performance by the BUILDER under this Contract, the BUILDER or the GUARANTOR shall provide or maintain upon the BUYER'S request either (x) cash collateral in the amount of [*] deposited in an escrow account, in form and substance reasonably satisfactory to the BUYER (the "Cash Collateral") or (y) a letter of credit or similar instrument, in form and substance reasonably satisfactory to the BUYER, and issued by a bank or other financial institution reasonably satisfactory to the BUYER, in the face amount of [*] (the "Letter of Credit"); and if the BUILDER or the GUARANTOR fails to provide the Cash Collateral or to provide or maintain the Letter of Credit (as applicable, the "Security") within [*] days after the BUYER's request, then the BUYER shall be entitled to terminate this Contract and exercise any of the rights in Paragraph 1 of this Article X. If, after the Security is provided to the BUYER, the underlying breach or default is cured or waived, unless the BUILDER has elected to cure a BUILDER's Default under Article XII, subparagraph 1(g) by providing Security, then the requirement to provide the Security shall cease to apply and the Cash Collateral shall be returned or the Letter of Credit shall be cancelled, as applicable. The provision of the Security to the BUYER under this Paragraph 2(c) will also satisfy the requirements of Paragraph 2(c) of Article X of the Sister Ship Contracts. The BUYER shall not access the Cash Collateral or draw on the Letter of Credit unless and until this Contract has been terminated by the BUYER.

d. The BUILDER will provide the BUYER with: (i) audited annual financial statements of the GUARANTOR and its subsidiaries, on a consolidated basis, that shall be accompanied by an opinion thereon of KPMG AS or other independent certified public accountants of recognized standing that such statements present fairly, in all material respects, the consolidated financial position of the companies being reported, within one hundred twenty (120) days of the close of each fiscal year, and (ii) unaudited quarterly financial statements of the GUARANTOR and its subsidiaries, on a consolidated basis, certified, as appropriate, by a senior financial officer of the BUILDER or the GUARANTOR on behalf of such entity as fairly presenting, in all material respects, the consolidated financial position of the companies being reported, within sixty (60) days of the close of each fiscal quarter (other than the fourth fiscal quarter of each fiscal year). The BUILDER shall provide unaudited quarterly financial statements of the BUILDER on a stand-alone basis to the extent there is any material difference in such unaudited quarterly financial statements and the unaudited quarterly financial statements required by clause (ii) above with respect to any fiscal quarter.

ARTICLE XI-BUYER'S DEFAULT

1. Definition of BUYER's Default:

The BUYER shall be deemed to be in default of performance of its obligations under this Contract in the following cases:

a. If the BUYER fails to take delivery of the VESSEL, when the VESSEL is duly tendered for delivery by the BUILDER under the provisions of Article VII hereof.

b. If the BUYER fails to make any payment under Article II in this Contract when such payment is due, absent a good faith dispute about the amount payable, and such failure is not remedied within [*] days after written notice thereof from BUILDER.

c. The BUYER being dissolved or adjudged bankrupt or making a general assignment for the benefit of its creditors, or the appointment of a receiver or receivers of any kind whatsoever, whether or not appointed in bankruptcy, common law or equity proceedings, whether temporary or permanent, for the property of the BUYER, or the filing by the BUYER of a petition for reorganization or other proceedings with reference to the BUYER, under the Bankruptcy Code of the United States or any similar law, state or federal or in any other jurisdiction in which the BUYER has assets or is registered to do business, or the filing of such petition of creditors and approval thereof by the Court, whether proposed by a creditor, a stockholder or any other person whatsoever, or the filing of an answer to such a petition admitting insolvency or inability to pay its debts.

2. Interest and Charge:

If the BUYER is in default of a payment as to any installment as provided in Paragraph 1(a) and (b) of this Article, the BUYER shall pay interest on such installment at Term SOFR for a three month tenor plus 250 basis points per annum from the due date thereof to the date of payment to the BUILDER on the full amount including interest. In case the BUYER shall fail to take delivery of the VESSEL as provided in Paragraph 1(a) of this Article, the BUYER shall be deemed in default of the final payment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the BUILDER. In any event of default by the BUYER, the BUYER shall also pay all charges and expenses incurred by the BUILDER in connection with such default.

3. Effect of Default:

a. If any default by the BUYER occurs as provided hereinbefore, the Delivery Date shall be postponed for the period of continuance of such default by the BUYER.

b. If any default by the BUYER continues for a period of fifteen (15) days after receipt of written notice from the BUILDER, the BUILDER may, at its option, terminate this Contract by giving notice of such effect to the BUYER in writing. Upon receipt by the BUYER of such notice of termination, this Contract shall forthwith become terminated and any of the BUYER's Supplies in the BUILDER's custody shall be tendered to the BUYER and if not promptly removed up by the BUYER shall become the sole property of the BUILDER.

c. In the event of such termination of this Contract, the BUILDER shall be entitled to retain any installments theretofore paid by the BUYER to the BUILDER on account of this Contract in trust (both for itself and the BUYER) until disposition of the VESSEL as hereinafter provided, whereupon the same shall be applied as provided in Paragraph 4 below.

4. Sale of the VESSEL:

a. In the event of termination of this Contract as above provided, the BUILDER shall have full right and power either to complete or not to complete the VESSEL as it deems fit, and to sell the VESSEL at a public or private sale on such terms and conditions as the BUILDER thinks fit without being answerable for any loss or damage.

b. In the event of the sale of the VESSEL in its completed state, the proceeds of the sale received by the BUILDER shall be applied as follows: first, to the payment of all expenses attending such sale and otherwise incurred by the BUILDER as a result of the BUYER's default; and second, to payment of all unpaid installments of the Contract Price and interest on such installments at Term SOFR for a three month tenor plus 250 basis points per annum from the respective due dates thereof to the date of application.

c. In the event of sale of the VESSEL in its incomplete state, the proceeds of sale received by the BUILDER shall be applied as follows: first, to all expenses attending such sale and otherwise incurred by the BUILDER as a result of the BUYER's default; second, to payment of all costs of construction of the VESSEL less the installments paid to the BUILDER; and third, to payment of compensation to the BUILDER in an amount equal to ten percent (10%) of all costs of construction of the VESSEL, representing a reasonable loss of profit on such costs due to the termination of this Contract.

d. In either of the above events of sale, if the proceeds of sale exceed the total of amounts to which such proceeds are to be applied under subparagraphs b or c of this Paragraph 4, the BUILDER shall promptly pay the excess to the BUYER without interest, provided, however, that the amount of such payment to the BUYER shall in no event exceed the total amount of installments already paid by the BUYER.

e. If the proceeds of sale are insufficient to pay such total amounts payable under subparagraphs b or c of this Paragraph 4, the BUYER shall promptly pay the

deficiency, plus interest thereon at Term SOFR for a three month tenor plus two percent (2%) per annum running on and from the date of the sale closing until the date the full amount of said deficiency and interest is received by the BUILDER, to the BUILDER upon request.

ARTICLE XII –BUILDER'S DEFAULT

1. **Definition of BUILDER's Default:**

The following shall constitute events of default of the BUILDER under this Contract (each a "BUILDER'S Default"):

a. If the BUILDER fails to timely perform any obligation of the BUILDER under this Contract, and such failure is material and not remedied within thirty (30) days after written notice thereof from the BUYER; provided that if such default is not capable of cure within such 30-day period, the BUILDER shall not be in default hereunder if within such 30-day period the BUILDER has commenced the work or performance required to cure such failure and thereafter diligently prosecutes to completion all such work and performance required to cure such failure.

b. The BUILDER or the GUARANTOR (the "BUILDER PARTIES") being dissolved or adjudged as bankrupt or making a general assignment for the benefit of its creditors, or the appointment of a receiver or receivers of any kind whatsoever, whether or not appointed in bankruptcy, common law or equity proceedings, whether temporary or permanent, for the property of the BUILDER, or the filing by any of the BUILDER PARTIES of a petition for reorganization or other proceedings with reference to any of the BUILDER PARTIES, under any of the provisions of the Bankruptcy Code of the United States or any similar law, state or federal or in any jurisdiction in which any of the BUILDER PARTIES has assets or is registered to do business, or the filing of such petition by creditors and approval thereof by the Court, whether proposed by a creditor, a stockholder or any other person whatsoever, or the filing of an answer to such petition admitting insolvency or inability to pay its debts, or if the BUILDER fails to assume this Contract within thirty (30) days of the filing of a petition by or against the BUILDER under the U.S. Bankruptcy Code or similar law.

c. The failure of the BUILDER to prosecute the work with such diligence and in such manner as will clearly prevent it from completing said work in accordance with the Delivery Date as adjusted plus [*] days, except and to the extent that such failure is due to one or more of the causes stated in ARTICLE VIII, which default continues unremedied for a period of thirty (30) days after written notice to the BUILDER thereof; provided that if such default is not capable of cure within such 30-day period, the BUILDER shall not be in default hereunder if within such 30-day period the BUILDER has commenced the work or performance required to cure such failure and thereafter diligently prosecutes to completion all such work and performance required to cure such failure;

d. If solely due to the fault of the BUILDER a total of [*] days of delay in delivery of the

VESSEL has elapsed after the Delivery Date as adjusted; or

e. Any BUILDER's Default under either of the Sister Ship Contracts continues unremedied beyond any applicable notice and cure period specified therein.

f. Any representation, warranty or statement made or deemed to be made by the BUILDER herein or in any statement or certificate delivered or required to be delivered by an officer of the BUILDER pursuant hereto shall prove to be untrue in any material respect on the date as of which it was made or deemed to have been made.

g. If (i) there occurs a default under any bond, debenture, note or other evidence of indebtedness of the BUILDER or the GUARANTOR, or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, which default gives the holder the right to accelerate such indebtedness and which breach is not cured within any applicable grace or cure period, and (ii) such default results in the acceleration of the maturity of indebtedness in an aggregate principal amount of at least [*], unless the BUILDER and/or the GUARANTOR provides Security to the BUYER. Any Security provided to cure a BUILDER's Default under this Article XII subparagraph 1(g) shall be maintained by the BUILDER for the benefit of the BUYER until the earlier of (x) delivery of the VESSEL and the vessels subject to the Sister Ship Contracts or (y) four (4) consecutive quarters of debt compliance during which the BUILDER is not in bankruptcy.

2. BUYER's Remedies:

Upon the occurrence of a BUILDER's Default, the BUYER may, at its option, cease to make payments hereunder and exercise any other remedy available to it by law, including without limitation, to terminate this Contract by giving notice of such effect to the BUILDER in accordance with ARTICLE X hereof, which termination shall be effective, without further act or deed immediately upon the receipt of such notice provided, such termination shall not prevent either party from initiating proceedings pursuant to the provisions of Article XIV with respect to any claim it may allege concerning rights and obligations under this Contract. Upon the giving of such notice, the BUYER may elect any of the options set forth in Article X.

ARTICLE XIII-INSURANCE

1. Builder's Insurance:

At any and all times during the term of this Contract, BUILDER shall at its own expense maintain, with an insurance company or companies, with a minimum rating by A.M. Best Company and/or Standard & Poor's of A minus or equivalent, and authorized to do business in the state in which work is to be performed, insurance and surety coverage's of the kind and in the minimum amounts as follows:

a. Cargo Insurance, Builder's Risk Insurance and Property Insurance:

(i) Cargo Insurance. BUILDER shall maintain All Risk Marine/War Risk Cargo Insurance subject to a limit of $[*] any one conveyance on all machinery, materials or equipment to be installed as part of the VESSEL, at all times commencing with the earlier of BUILDER taking title or having an insurable interest and while in transit until such machinery, materials or equipment reaches the Shipyard and risk of loss is properly transferred to a Property Insurance policy or a Hull Builder's Risk Insurance policy. In the event that any shipment (by sea, air, etc.) exceeds the $[*] limit, then five (5) days before such shipment, BUILDER will disclose the value of such shipment to BUYER and verify that adequate insurance is in place. BUILDER shall promptly provide BUYER with a certificate evidencing the cargo insurance if a new policy is procured.

(ii) Property Insurance. From the time that the first machinery, material or equipment to be installed or included as part of each VESSEL enters the Shipyard, and until the laying of the keel of the VESSEL, BUILDER, at its expense, shall keep all such machinery, material and equipment, including all items furnished by BUYER to the extent that BUYER has declared the value of such items to BUILDER, insured at all times under BUILDER'S existing property insurance policy and/or a Hull Builder's Risk Insurance policy.

(iii) Hull Builder's risk insurance:

(1) Requirement. From the time of the laying of the keel of the VESSEL, and until delivery of the VESSEL, BUILDER, at its expense, shall keep the VESSEL and all machinery, material and equipment to be installed in the VESSEL, including all items furnished by BUYER (to the extent that BUYER has declared the value of such items to BUILDER) insured at all times under an all-risk form Marine Builders Risk policy, acceptable to BUYER (such acceptance not to be unreasonably withheld), it being agreed that if such policy is acceptable to the lender(s) providing construction period financing for the VESSEL, if any, then such policy shall be deemed to be acceptable to BUYER. BUILDER may utilize existing policies of insurance that cover the risks listed in subparagraph (a)(iii)(2) of this Article, provided that such policies are maintained by BUILDER in accordance with the provisions of paragraph (a) of this Article.

(2) Coverage. The insurance shall cover all usual marine risks, and in particular, but without prejudice to the generality of the foregoing, shall cover the following risks to the extent such insurance is available on commercially reasonable terms:

(i) All risks of loss or damage, including earthquake, volcanic eruption, hurricane, named windstorm and tidal wave, in respect of the VESSEL and all machinery, material and equipment, whether at the Shipyard or BUILDER's suppliers' premises or in

transit to the Shipyard or other place of BUILDER custody, including and during launching and trials;

(ii) Strikes, riots, civil commotions, and malicious damage;

(iii) Hull War Risks while the VESSEL is at the Shipyard or other premises of BUILDER or any subcontractor, including after the VESSEL has been launched and is either dockside or in sea trials;

(iv) Coverage for Terrorism while the VESSEL is at the Shipyard or other premises of BUILDER or any subcontractor, including after the VESSEL has been launched and is either dockside or in sea trials;

(v) Protection and indemnity coverage including full Collision.

Coverage shall include [*] percent ([*]%) cost escalation coverage and coverage for soft costs including liquidated damages for delay, additional construction financing interest, construction loan fees, engineering expenses/fees, insurance premiums, accounting fees, project administration expenses, attorneys' fees and fees and other costs associated with such damage or loss and with Regulatory Agency approvals. Policy deductible shall be no more than $[*] per occurrence. Coverage shall be the equivalent of the American Institute Builder's Risk Clauses (Feb 8, 1979) and American Hull Insurance Syndicate Addendum No. 1 (May 15, 1985, SRCC) and shall include Pre-Keel coverage. Coverage shall be written without risk of liability of the BUYER for payment and without deduction for depreciation. There shall be no coinsurance penalty provision in any such policy.

In addition to liability for physical loss of, damage to, or damage caused by the VESSEL imposed upon the BUILDER by law or by the Contract, the Marine Builder's Risk Insurance Policy shall be written to specifically include, in part:

(i) All Ship underway activity as often as necessary for completion and testing of the VESSEL;

(ii) Coverage for BUYER's Supplies, if any, from the time of delivery of the BUYER's Supplies to the BUILDER;

(iii) A statement that the policy is primary to all other collectible insurance; and

(iv) Underwriters' waiver of subrogation in favor of the BUYER and all subcontractors of any tier.

(3) Minimum Sum. The minimum sum insured, and the limit of the BUILDER's liability, at any date from at the point of laying the keel onward, shall be the value of the contract work completed to such date, which shall not be less than the total sum of Milestone Payments paid to

date, plus the value declared by the BUYER to the BUILDER for the BUYER's Supplies.

b. Other Insurance:

BUILDER, at its expense, shall keep and maintain in effect the following additional insurance for the duration of this Contract:

(1) Commercial General Liability coverage to include, but not limited to, broad form property damage, personal injury, premises, completed operations and products liability, non-owned watercraft coverage with an "in rem" endorsement, and contractual liability covering all liability assumed by BUILDER under the terms of this Contract and with limits of liability not less than $5,000,000 any one occurrence or series of occurrences arising out of any one event, subject to an aggregate limit of $5,000,000 in the period of insurance for Products Liability. The BUILDER shall maintain such insurance through the expiration of the Guarantee Period. This coverage shall include broad form property damage, personal injury, broad form blanket contractual liability, products and completed operations (for one year following final acceptance of the VESSEL), and insured indemnity obligations.

(2) Automobile Liability insurance with a combined single limit of $2,000,000 each accident for bodily injury and property damage.

(3) Worker's Compensation and Longshore and Harbor Worker's Compensation Act insurance (or an authorized and approved program of self-insurance therefor) conforming to the statutory requirements of the Commonwealth of Pennsylvania and the United States of America, respectively, and including Employers Liability with minimum limits of $1,000,000 each accident.

(4) Maritime Employer's Liability Insurance (including transportation, wages, Maintenance and Cure) for limits not less than $2,000,000 each person and each occurrence.

(5) Excess Liability insurance in the minimum amount of $[*] per occurrence, subject to an aggregate limit of $[*] in the period of insurance for Products Liability, in excess of the liability coverages specified in Article XIII, subparagraphs (b)(1), (b)(2), (b)(3) for employers liability only, and (b)(4).

(6) Pollution Liability insurance to include coverage for a) sudden and accidental pollution prior to the Vessel being launched in an amount not less than $5,000,000 per occurrence; and b) shipyard/vessel pollution after the Vessel is launched in an amount not less than $5,000,000 per occurrence containing customary terms and conditions that are acceptable to BUYER and no more restrictive than provided under WQIS policy forms or equivalent. This requirement may be satisfied by either coverage

under the Commercial General Liability policy required by Article 13 (1)(b)(1) or a separate pollution liability policy.

The insurance coverage limits stated above can be met utilizing the BUILDER's umbrella/excess liability policy.

c. Certificates of Insurance:

(1) Each policy identified in paragraph (a) of Article XIII shall provide that it is primary insurance to and noncontributing with any other insurance carried by the BUYER, and shall obligate the insurer to give the BUYER not less than 14 days prior written notice in the event of policy cancellation (except for war risk insurance, which shall be not less than 7 days advance written notification). Each policy identified in paragraphs (b)(1) and (2) of Article XIII shall provide that it is primary insurance to and noncontributing with any other insurance carried by the BUYER, and shall obligate the insurer to give the BUYER not less than 30 days' prior written notice in the event of policy cancellation (or 10 days' prior written notice in the event of policy cancellation due to failure to pay premiums). Primary and noncontributing language shall be stated affirmatively on the certificates, and the insurance required under subparagraphs (a)(2)(iii) and (b)(1, 2, and 5) of Article XIII shall include appropriate endorsements evidencing such additional insured language required of the BUILDER and the insurance required under subparagraphs (a)(2)(iii) and (b)(1, 2, 3, 4, and 5) of Article XIII shall include appropriate endorsements evidencing waiver of subrogation language required of the BUILDER.

(2) Certificates evidencing the policies described in this Article, in a form reasonably satisfactory to the BUYER, shall be delivered to the BUYER within ten (10) days of the date of this Contract and renewals thereof shall be delivered to the BUYER within ten (10) days after expiration of the respective policy terms. Not later than 60 days prior to commencement of Work, the BUILDER shall provide summaries of the policies referred to in Article XIII (1)(a) and Article XIII (1) (b) and a complete copy of the policy referred to in Article XIII (1) (c); provided, however, that the BUILDER may redact itemized pricing information for machinery, material and equipment from those policies not related to VESSEL but, if such information is redacted, then the BUILDER at a minimum will provide the aggregate total value for such machinery, material and equipment .

(3) The policies referred to in Paragraph (a) of Article XIII shall name the BUYER and its assigns as loss payee as their interests may appear, subject to the prior senior assignment of such policies to the lender(s) providing construction period financing for the VESSEL, if any.

(4) With respect to the policies referenced in subparagraphs (b) (3) and (4) of Article XIII, the BUILDER agrees that for all Worker's Compensation and

Longshore and Harbor Worker's Compensation Act Insurance, or authorized and approved self-insurance therefor, and all Employer's Liability and Maritime Employer's Liability Insurance policies, they shall contain waivers of rights of subrogation against the BUYER and its parent, subsidiaries, and affiliated companies.

(5) With respect to the policies referenced in subparagraphs (a)(2)(iii), and (b) (1) and (2) of Article XIII, the BUILDER agrees that for all Collision, Protection and Indemnity Liability, Commercial General Liability and Automobile Liability that the BUYER and its parent, subsidiaries, and affiliated companies shall be named as additional assured on those policies and such policies shall contain waivers of underwriter's rights of subrogation. It is agreed that such naming and waiving shall apply only to the extent of the legally enforceable indemnity obligations and risks assumed by the BUILDER in this Contract.

(6) If BUILDER does not provide insurance that meets BUYER's coverage requirements as set forth in Article XIII Paragraphs 1(a) – (c), or if BUILDER fails to provide insurance documentation as required by Article XIII, Paragraph 1.c.(2) and such failure is not cured within thirty (30) days after notice from BUYER, then BUYER reserves the right, but not the obligation, to procure and maintain any or all of the insurance required by Article XIII, Paragraphs 1(a)- (c), for and in the name of BUILDER, in lieu of BUILDER provided insurance with terms reasonably agreeable to BUILDER. If such insurance is purchased by BUYER, BUILDER shall deduct the actual premium cost thereof (as substantiated by documentation reasonably satisfactory to BUYER) from the Contract Price.

d. Deductibles. Policy deductibles shall be no more than USD $[*] per occurrence. BUILDER is responsible for and will pay all deductible payments and self-insured retentions under the required insurance, and BUILDER will act as BUYER's insurer for the amount of those deductibles and retentions under the terms and conditions of the policies to which the deductibles pertain. Coverage shall be written without risk of liability of BUYER for payment and without deduction for depreciation. There shall be no coinsurance penalty provision in any such policy.

e. Coverage Limits and BUILDER's Liability. The insurance coverage limits stated in this Article XIII are minimum insurance coverage requirements, not limits of BUILDER's liability. Notwithstanding the above-required insurance policies, BUILDER shall be obligated for the full and total amount of any damage, injury, expense or loss to the extent provided in this Contract. Should BUILDER fail to procure or maintain any of these insurance coverages, or by any act or omission vitiate or invalidate any of the aforesaid insurance coverages, BUILDER shall pay to BUYER all losses and indemnify BUYER against all claims and demands which would otherwise have been covered by such insurance.

2. Application of Recovered Amount:

a. Partial Loss:

In the event the VESSEL shall be damaged by any insured cause whatsoever prior to acceptance thereof by the BUYER and in the further event that such damage shall not constitute an actual or a constructive total loss of the VESSEL, the BUILDER shall apply the amount recovered under the insurance policy referred to in Paragraph 1 of this Article to the repair of such damage satisfactory to the Classification Society, and the BUYER shall accept the VESSEL under this Contract if completed in accordance with this Contract and Specification.

b. Total Loss:

However, in the event that the VESSEL is determined to be an actual or constructive total loss, the BUILDER shall by the mutual agreement between the parties hereto, either:

i. Proceed in accordance with the terms of this Contract, in which case the amount recovered under said insurance policy shall be applied to the reconstruction of the VESSEL and/or replacement of any damaged BUYER's Supplies, provided the parties hereto shall have first agreed in writing to such reasonable postponement of the Delivery Date and adjustment of other terms of this Contract including the Contract Price as may be necessary for the completion of such reconstruction; or

ii. Refund immediately to the BUYER the amount of all installments paid to the BUILDER under this Contract without any interest and the value of all BUYER's Supplies in BUILDER custody that were damaged or not returned to the BUYER, whereupon this Contract shall be deemed to be terminated and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate forthwith.

If the parties hereto fail to reach such agreement within two (2) months after the VESSEL is determined to be an actual or constructive total loss, the provisions of subparagraph (b)(ii) as above shall apply.

c. Termination of the BUILDER's Obligation to Insure:

The BUILDER's obligation to insure the VESSEL hereunder shall cease and terminate forthwith upon delivery thereof and acceptance by the BUYER.

ARTICLE XIV-DISPUTE RESOLUTION

1. Technical Disputes:

Any dispute or any difference of opinion between the parties hereto relating to conformity of the construction of the VESSEL or material used to Classification requirements ("Technical Disputes") shall be referred to the Classification Society or the USCG (MSC) for matters within their authority for settlement by and between the parties and the Classification Society or USCG (MSC), as applicable. Decisions of the Classification Society or USCG (MSC) with regards to conformity with the rules shall be final and binding upon both parties hereto.

2. Resolution by Senior Executives:

Before proceeding with Arbitration as set forth below in Paragraph 3 of this Article, the Buyer's Representative and the Builder's Representative will attempt to discuss and negotiate in good faith to resolve any dispute, difference of opinion, or controversy arising out of or in connection with this Contract or the transactions contemplated hereby, other than Technical Disputes, which shall be resolved as provided in Paragraph 1 of this Article. If the Buyer's Representative and the Builder's Representative cannot resolve the matter, a party may give notice to the other party that it wishes to employ the dispute resolution mechanism set forth in this Paragraph 2 of this Article. Such notice will designate a senior executive officer who is not involved directly on a day-to-day basis with the construction of the Vessel and who the designating party will vest with the necessary authority to address and resolve the matter (a "Senior Executive"), and who shall be available for regular meetings and negotiations with a Senior Executive designated by the other party. Promptly, but no later than seven (7) days after a party receives such notice, it shall designate its Senior Executive for purposes of this Paragraph. If despite the good faith efforts of the Senior Executives the dispute, difference of opinion, or controversy cannot be resolved within thirty (30) days from the date of the first notice referred to in this Paragraph, the parties may proceed to Arbitration as described below in Paragraph 3 of this Article. This thirty-day period may be waived, shortened, or extended by mutual agreement of the parties.

3. Arbitration:

Except for cases which are settled under Paragraphs 1 or 2 hereof, all claims, counterclaims, demands, controversies, disputes, actions or causes of action of any nature or character arising out of or in connection with this Contract or the transactions contemplated hereby or thereby, whether legal or equitable, known or unknown, contingent or otherwise ("Claims") shall be finally settled by arbitration, held in the city of New York, New York, pursuant to the Rules of the Society of Maritime Arbitrators, Inc. ("SMA"), before a single arbitrator. The party that wishes to arbitrate a matter shall specify in its demand for arbitration the name and address of the person such party proposes be appointed as the sole arbitrator, who shall be an attorney practicing maritime law. If the party upon whom the demand for arbitration is served fails to approve or disapprove the proposed sole arbitrator within ten (10) days, such proposed sole arbitrator shall be deemed

approved by such party. If the parties fail to reach agreement on the sole arbitrator within fifteen (15) days after the demand for arbitration is served, the sole arbitrator shall be appointed by the Society of Maritime Arbitrators, Inc. The decision of the sole arbitrator on any point or points shall be final and binding and may include costs, including reasonable attorneys' fees. The arbitrator shall be directed to undertake proceedings on an expedited basis so that a prompt decision of the question or questions can be announced by the arbitrator to the parties. Upon the selection of the arbitrator, each of the parties shall be entitled to commence reasonable discovery through exchange of documents, requests for admissions or depositions, subject to the sole discretion of the arbitrator, provided, however, that the arbitrator shall limit depositions, if any, to those deemed essential to the fair and reasonable resolution of the Claim. The parties shall use their reasonable best efforts to have the arbitral proceeding concluded and a judgment rendered by the arbitrator within forty-five (45) days of the initiation of the arbitration proceeding. The arbitrator shall be entitled to award interest, but shall not be entitled to award special, incidental, consequential or punitive damages. Judgment may be entered upon any award made hereunder, in any court having jurisdiction, and the parties hereby waive any right to appeal such award on the merits or to challenge the award except on the grounds set forth under United States Law (Federal Arbitration Act). Notwithstanding the foregoing agreement to arbitrate, the parties expressly reserve the right to seek provisional relief from any court of competent jurisdiction to preserve their respective rights pending arbitration, and in seeking such relief shall not waive the right of arbitration. Any dispute relating to claims of $100,000 or less in the aggregate shall be governed by the Shortened Arbitration Procedures adopted by the SMA.

4. Alteration of Delivery Date:

In the event of arbitration of any dispute arising or occurring prior to delivery of the VESSEL, an award of the arbitrator shall include a finding as to whether or not the Delivery Date of the VESSEL is in any way altered thereby.

ARTICLE XV- ASSIGNMENT OF CONTRACT

The benefits and obligations of this Contract shall inure to and be binding upon the successors and assigns of the original parties hereto, respectively; provided, however, that no assignment of this Contract (other than a Permitted Financing Assignment made by the BUYER) shall be made by either party without the prior written consent of the other. "Permitted Financing Assignment" shall mean any granting of any security interest or lien, or any other assignment (including without limitation any assignment in connection with the exercise of remedies by any Lender Party, as defined below) by the BUYER of (a) this Contract and the BUYER's rights hereunder, and/or (b) the BUYER'S rights to and with respect to the VESSEL and the work in process with respect to the VESSEL, in each case to or for the benefit of MARAD, as defined in Article XIX, or any lender providing construction period financing to the BUYER or any affiliate of the BUYER or any other financing or refinancing to the BUYER or any affiliate of the BUYER relating to or secured directly or indirectly by this Contract, the VESSEL and/or any work in process (any such lender, a "Lender Party"), or any designee of any such Lender Party; provided that no such assignment shall diminish the BUYER'S obligations to perform under this Contract. The

term Lender Party shall include MARAD. The BUILDER hereby expressly consents to any such Permitted Financing Assignment by the BUYER. Notwithstanding the foregoing, at delivery of the VESSEL, the BUYER shall have the right, subject to BUILDER's prior written consent, which shall not be unreasonably withheld or delayed, to assign this Contract to a third party nominee for delivery and final delivery payment purposes, provided the BUYER shall remain responsible for the performance by such assignee of the obligations of the BUYER under this Contract.

ARTICLE XVI-TITLE AND LIENS

1. Title:

Title to the BUYER's Supplies is and shall continue to be vested in the BUYER and title to all material paid for by the BUYER shall vest in the BUYER and shall continue to be vested in the BUYER until delivery of the VESSEL. To the extent not so vested in the BUYER, title to the VESSEL, to the extent completed, and title to all work and material performed upon or installed in the VESSEL or placed on board the VESSEL shall vest in the BUYER; provided, however, that except as may otherwise be provided in this Contract, the risk of loss of or damage to such material and the VESSEL shall remain with the BUILDER, and the BUYER shall not be deemed to have waived its rights to require the BUILDER to replace, at the BUILDER's expense, defective, damaged or destroyed work or material, and to deliver the VESSEL with the work completed and material furnished, as provided in this Contract. Title to all scrap and title to any material which is surplus to the requirements of this Contract shall vest in the BUILDER.

2. Liens:

a. The term "Liens" means any lien, security interest, encumbrance or other right in rem against the VESSEL, work or material enforceable in a court of competent jurisdiction, other than the liens in favor of the BUYER or its assignees.

b. The BUILDER shall not permit or cause any Lien to come into existence arising out of the BUILDER's performance under this Contract, the BUILDER waives any and all rights to any Lien, and the BUILDER shall not permit or cause any claim against the BUILDER or any subcontractor furnishing or performing work or material under this Contract to lie or attach against the VESSEL, work or material.

c. If a Lien is filed or asserted against or attached upon the VESSEL, work or material (whether or not arising under this Contract), the BUILDER shall promptly notify the BUYER. The BUILDER shall secure the discharge or release of any such Lien arising out of the BUILDER's performance or the performance of the BUILDER's subcontractors or vendors under this Contract not later than [*] days after it is filed, asserted or attached, provided that the BUILDER may contest such Lien or the claim upon which it is based, and if the BUILDER shall not have secured the discharge or release of such Lien by court order within the time provided in this Contract, then the BUILDER shall furnish to the BUYER, or the appropriate court having jurisdiction in such matters, such bond or security therefor as the BUYER or such

court shall reasonably require, and the BUILDER shall indemnify the BUYER and save the BUYER harmless from all costs, charges, damages and attorneys' fees by reason of such Lien or claims in any way attributable thereto.

d. At the time of each Milestone Payment to the BUILDER, the BUILDER shall furnish to the BUYER a certificate executed by the BUILDER certifying freedom of the VESSEL, work and material from Liens arising out of the BUILDER's performance or the performance of the BUILDER's subcontractors or vendors under this Contract in the form of Exhibit 7.

e. At the time of delivery of the VESSEL, the BUILDER shall deliver the VESSEL to the BUYER free and clear of all Liens other than those Liens resulting from an act or omission on the part of the BUYER. At the time of delivery of the VESSEL, the BUILDER shall furnish to the BUYER a certificate executed by the BUILDER certifying freedom of the VESSEL from such Liens and confirming the indemnity stated above in the form of Exhibit 7, provided the BUYER has paid to the BUILDER or into escrow all amounts required to be paid into escrow by ARTICLE II.

ARTICLE XVII-PATENTS, TRADEMARKS, COPYRIGHTS, ETC.

1. Patents, Trademarks and Copyrights:

Machinery and equipment of the VESSEL may bear the patent number, trademarks or trade names of the manufacturers.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyrights in equipment covered by this Contract, and all such rights are hereby expressly reserved to the true and lawful owners thereof.

2. General Plans, Specification and Working Drawings:

The BUILDER retains all rights with respect to the Specification, and plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER undertakes therefore not to disclose the same or divulge any information contained therein to any third parties, without the prior written consent of the BUILDER, excepting where it is necessary for usual operation, repair and maintenance of the VESSEL.

The BUILDER grants to the BUYER and its assignees and any subsequent purchaser or operator of the VESSEL a perpetual, worldwide, royalty-free license to use the Specification, and the plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL (jointly the "BUILDER's Vessel Design Materials") as may be required for the operation, repair, maintenance, modification, or classification of the VESSEL or must otherwise be provided to regulatory authorities in connection therewith, subject to confidentiality requirements for any third party contractor. The BUILDER

warrants that it has full right, title and interest in the BUILDER's Vessel Design Materials and is entitled to grant the licenses to the BUYER under this Contract and that the BUILDER's contribution to the BUILDER's Vessel Design Materials, including the plans, will not infringe the patent, copyright, trademark or trade secrets rights of any third party. In making any disclosures of any BUILDER's Vessel Design Materials to any third party contractor, the BUYER shall impose upon such third persons restrictions relating to the safeguarding to the same extent as have been imposed on the BUYER. The BUYER shall not be liable for unauthorized actions of its employees in disclosing the BUILDER's Vessel Design Materials, provided that the BUYER has taken commercially reasonable precautions to safeguard such data.

3. Non-infringement:

The BUILDER shall defend, indemnify and save harmless the BUYER and its affiliates, agents, contractors, servants or employees from and against all loss, cost, liability and claims, plus attorneys' fees, resulting from any claim by any third party that the VESSEL, or any material used in the construction of the VESSEL or incorporated in the VESSEL by the BUILDER, other than (x) the BUYER's Supplies, (y) a design feature of the VESSEL specified by the BUYER, or (z) material for which the BUYER has specified the sole acceptable manufacturer, infringes any United States or foreign patent, copyright, trademark or trade secret rights ("BUYER's Exclusions"). If the VESSEL or any material incorporated in the VESSEL by the BUILDER, other than the BUYER's Exclusions, shall be held by a court having jurisdiction to constitute such an infringement and the use thereof shall be enjoined, the BUILDER shall procure for the BUYER at its sole cost and expense (i) the right to continue using the VESSEL with any such infringement, (ii) replace infringing material with noninfringing material of equal quality, function and performance, or (iii) modify the VESSEL so it becomes noninfringing, as may be required to eliminate all problems of infringement. Prompt written notice of the assertion of any claim or the bringing of any suit shall be given by the BUYER to the BUILDER, and thirty (30) days shall be given to the BUILDER from giving of such notice to settle or defend it as the parties may see fit. The BUYER shall provide every reasonable assistance in settling or defending such claim or suit. If, at the end of thirty (30) days, the BUILDER failed to undertake such settlement or defense, the BUYER shall undertake settlement or defense as it sees fit, with full reimbursement for damages, costs and attorneys' fees as herein provided, it being understood and agreed that the BUYER, in such case, shall keep the BUILDER informed, on a regular basis, of the progress of the matter and shall not settle any claims without the prior written approval of the BUILDER, which approval shall not be unreasonably withheld. The BUYER warrants that the technical contribution to the Specification contributed solely by the BUYER will not infringe the patent, copyright, trademark or trade secrets of any third party. With respect to any such infringement, the BUYER will indemnify, defend and hold the BUILDER or its subcontractors or vendors harmless from and against any and all liability, cost, or expense resulting from such infringement.

ARTICLE XVIII-BUYER'S SUPPLIES

1. Responsibility of the BUYER:

a. The BUYER shall, at its own risk, cost and expense, including the payment of any applicable sales, use or excise taxes, supply and deliver to the BUILDER all of the items to be furnished by the BUYER according to an agreed list, which list is included in the Specification and is incorporated herein and made part of this Contract ("BUYER'S Contract Equipment", and together with BUYER'S supplies, materials, stores, spares and gear, herein jointly called the "BUYER's Supplies"), at a warehouse or other storage facility of the Shipyard in the proper condition ready for installation in or on the VESSEL, in accordance with the time schedule designated by the BUILDER. The BUILDER shall, within one hundred twenty (120) days after the effective date of this Contract, submit to the BUYER a schedule setting out the timing for the BUYER's delivery to the BUILDER of the BUYER's Supplies. Such schedule shall (i) be reviewed and approved by the BUYER, such approval to not be unreasonably withheld, and any comments provided to the BUILDER shall be made within thirty (30) days of receipt of the schedule, provided always that the schedule shall enable BUILDER to deliver the VESSEL in accordance with this Contract, and (ii) be updated as needed and, following any such required update, be resubmitted to the BUYER for review and approval, as aforesaid.

b. In order to facilitate installation or loading by the BUILDER of the BUYER's Supplies in or on the VESSEL, the BUYER shall furnish the BUILDER with necessary specifications, plans, drawings, instruction books, manuals, test reports and certificates required by the applicable rules and regulations. The BUYER, if so requested by the BUILDER, shall, without any charge to the BUILDER, cause the representatives of the manufacturers of the BUYER's Supplies to assist the BUILDER in installation thereof in or on the VESSEL and/or to carry out installation thereof by themselves or to make necessary adjustments thereof at the Shipyard.

c. Any and all of the BUYER's Supplies shall be subject to the BUILDER's reasonable right of rejection, as and if they are found to be unsuitable or in improper condition for installation. However, if so requested by the BUYER, the BUILDER may repair or adjust the BUYER's Supplies without prejudice to the BUILDER's other rights hereunder and without being responsible for any consequences therefrom. In such case, the BUYER shall reimburse the BUILDER for all costs and expenses incurred by the BUILDER in such repair or adjustment and the Delivery Date shall be postponed for a period of time necessary for such repair or replacement to the extent it impacts the construction schedule and such schedule cannot reasonably be adjusted by the BUILDER to meet the Delivery Date.

d. Should the BUYER fail to deliver any of the BUYER's Supplies within the time designated, the Delivery Date shall be extended for a period of such delay in delivery if such delay affects the Delivery Date and the effects of the delayed

delivery cannot reasonably be made up in the construction schedule. In such event, the BUYER shall be responsible for and pay to the BUILDER all losses and damages incurred by the BUILDER by reason of such delay in delivery of the BUYER's Supplies and such payment shall be made upon delivery of the VESSEL. If delay in delivery of any of the BUYER's Supplies exceeds thirty (30) days, then, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation thereof in or on the VESSEL, without prejudice to the BUILDER's other rights as hereinabove provided, and the BUYER shall accept and take delivery of the VESSEL so constructed.

2. Responsibility of BUILDER:

The BUILDER shall, at its own risk and expense, receive, inspect, check as to agreement with bill of lading, store, protect and handle with reasonable care all of the BUYER's Supplies after delivery thereof at the Shipyard, and shall install or load them in or on the VESSEL, unless otherwise provided herein or agreed by the parties hereto, provided, always, that the BUILDER shall not be responsible for quality, efficiency and/or performance of any of the BUYER's Supplies.

If the BUILDER does not deliver the VESSEL, except as otherwise expressly provided herein, the BUILDER shall return all of the BUYER's Supplies to the BUYER or shall reimburse the BUYER for the cost of such supplies, at the BUYER'S option.

3. Title and Risk

a. Title to the BUYER's Supplies shall remain in the BUYER at all times while such items are in the custody of the BUILDER, as provided in ARTICLE XVIII. The BUILDER shall be liable to the BUYER for all damage to or loss of the BUYER's Supplies occurring during the BUILDER's custody thereof, which may arise from any event, excepting from acts or omissions of the BUYER, and excluding all war risks, except to the extent such war risks are insurable at the time and place of loss and the BUYER has requested the BUILDER to insure such war risks at the BUYER's expense under a Change Order. The BUYER shall have reasonable access to the BUYER's Supplies during the construction. The BUILDER shall not be deemed to have extended to the BUYER any warranty as to the BUYER's Supplies other than the warranty of workmanship in the installation thereof, as set forth in ARTICLE IX.

b. If the BUYER requests that the BUILDER furnish all or any of the BUYER's Supplies, the furnishing of such BUYER's Supplies by the BUILDER shall be treated as a Change Order under ARTICLE IX, and such equipment shall be treated as material.

ARTICLE XIX COOPERATION REGARDING FINANCING AND RELATED MATTERS

The BUYER contemplates that it will seek financing under the Title XI program administered by the United States Department of Transportation, acting by and through the Maritime Administrator

("MARAD"), under 46 U.S.C. chapter 537 ("Title XI"), and/or private or bank financing. The BUYER intends to make qualified withdrawals from its Capital Construction Fund ("CCF") for some or all of the construction cost. Commencing on the date of execution of this Contract and continuing through the date that is one year following the Delivery Date of the VESSEL, the BUILDER agrees to reasonably cooperate with the BUYER to assist the BUYER in arranging construction period or permanent financing in connection with the VESSEL. At this time it is anticipated that this cooperation will entail the following:

a. providing information of any nature with respect to the VESSEL, its construction, and the BUILDER (including confidential information) in the possession of the BUILDER or its suppliers and not otherwise readily available to the BUYER that is reasonably requested by (i) MARAD as a condition to processing or approving any application for Title XI financing submitted by the BUYER, including Forms MA-163, MA-440 and MA-133, and (ii) the lenders under a non-Title XI financing; and in all cases as soon as reasonably practicable after it is requested;

b. (i) making any amendments to this Contract and the Guaranty that are reasonably requested by MARAD as a condition to processing or approving any application for Title XI financing submitted by the BUYER or any affiliate of the BUYER, or that are reasonably requested by any non-Title XI lenders, provided such amendments are customarily requested by MARAD or such non-Title XI lenders in connection with other financings and do not unreasonably increase the obligations or decrease the rights of the BUILDER or the GUARANTOR, it being understood that such amendments may include, without limitation, documentation in support of invoices, audit, inspection, and consent rights, copies of drawings, notices, insurance coverages and loss payable clauses, naming MARAD or such lenders as beneficiary of the Guaranty or any other security provided in respect of BUILDER's performance under this Contract, any amendments or supplements relating to the assignment of, or the granting of security interest in, this Contract to MARAD or any other Lender Party as security for the Title XI financing or any private or bank financing, allowing the Lender Parties to have reasonable access to the Shipyard to inspect the work in process on the VESSEL, certifying substantial completion of the VESSEL at delivery, and attending any tests and sea trials; and (ii) providing documentation evidencing (x) its consent to any assignment of, or the granting of security interest in, this Contract, the VESSEL or any work in process with respect to the VESSEL as security for the Title XI financing or any private or bank financing or otherwise in connection therewith, including without limitation any Permitted Financing Assignment, in each case in form and substance reasonably requested by MARAD or any other applicable Lender Party; and (y) its consent to subordination of its interests herein and with respect to the VESSEL and any work in process with respect to the VESSEL to any such lien or security interest of the Lender Parties to the extent of the aggregate of the initial payments and all milestone payments made by BUYER from time to time, in each case in form and substance reasonably requested by MARAD or any other applicable Lender Party;

c. identifying and tracking from the time the BUILDER places orders for the same, the foreign components and services that will be utilized in the construction of the

VESSEL and providing all information requested by MARAD in the possession of the BUILDER or its suppliers and not otherwise readily available to the BUYER that is (i) to support a waiver to include in "Actual Cost" the cost of any foreign components (including information that substantiates the choice of foreign over domestic), and (ii) to support the BUYER in complying with MARAD's cargo preference requirements and policies regarding the transport of such foreign components to the U.S. by ocean on U.S.-flag vessels in order to satisfy MARAD's foreign components waiver requirements, and providing such information as soon as reasonably practicable after it is requested;

d. supporting the BUYER's efforts to secure any grants or awards that might be available related to the LNG features or TIER 3 engines on the VESSEL; and

e. applying for and providing the BUYER a U.S. Coast Guard ruling confirming the U.S. construction of the VESSEL to enable the BUYER to treat the VESSEL as a "qualified vessel" under the BUYER's CCF for purposes of 46 USC Chapter 535 §53501(2)(B) and 46 C.F.R. §390.5.

All of the foregoing the BUILDER shall perform with no changes to the Delivery Date and with no costs to the BUYER other than such actual out-of-pocket costs paid by the BUILDER to third parties which the BUYER shall have previously approved in writing. For clarity, (1) the BUILDER shall not be required to incur any out-of-pocket costs if the BUYER refuses to approve and reimburse those costs, and (2) the BUILDER will not pay any increased costs of carriage in connection with the BUYER's compliance with MARAD's cargo preference requirements and policies.

ARTICLE XX -NOTICE

1. Address:

Any and all notices and communications in connection with this Contract shall be addressed as follows:

To the BUYER:

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Senior Vice President –Vessel Operations and Engineering
Telephone No.: [†]
Email: [†]

with a copy to (which shall not constitute notice):

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Vice President -- Vessel Operations and Engineering
Telephone No.: [†]

Email: [†]

and

Matson Navigation Company, Inc.
555 12th Street
Oakland, CA 94607
Attn: Executive Vice President, Chief Administrative Officer and General Counsel
Telephone No.: [†]
Email: [†]

To the BUILDER:

Philly Shipyard, Inc.
2100 Kitty Hawk Avenue
Philadelphia, PA 19112
Attn: Thomas Grunwald, Vice President
Telephone No.: [†]
E-mail: [†]

with a copy to (which shall not constitute notice):

Philly Shipyard, Inc.
2100 Kitty Hawk Avenue
Philadelphia, PA 19112
Attn: Dean E. Grabelle, Senior Vice President & General Counsel
Telephone No.: [†]
E-mail: [†]

Any notice, including any written notice, required hereunder, shall be effected and deemed received only as follows:

a. In the case of e-mail, at the time of transmission recorded on the message if such time is within normal business hours on a working day at the place of receipt, otherwise at the commencement of normal business hours on the next such working day.

b. In the case of a letter, whether sent by registered mail or delivered by hand or by courier, at the date and time of its actual delivery if delivered within normal business hours on a working day at the place of receipt, otherwise at the commencement of normal business hours on the next such working day.

2. Language:

Any and all notices and communications in connection with this Contract shall be written in the English language.

ARTICLE XXI - INTERPRETATION

1. Laws Applicable:

The parties hereto agree that the validity and interpretation of this Contract and of each Article and part thereof shall be governed by the laws of the State of New York applicable to a contract executed and performed in such State without giving effect to the conflicts of laws principles thereof.

2. Discrepancies:

If there is any discrepancy, difference or conflict between the provisions of the Articles of this Contract and the Specification, then to the extent of such discrepancy, difference or conflict only, the Specification shall be ineffectual and the provisions of the Articles of this Contract shall prevail; but in all other aspects, the Specification shall be in full force and effect.

If there is any discrepancy, difference or conflict between the plans of the Specification and the text of the Specification, then to the extent of such discrepancy, difference or conflict the text of the Specification shall prevail; provided, however, any work called for by the text of the Specification and not shown on the plans of the Specification and any work shown on the plans of the Specification but not called for in the text of the Specification shall be performed by the BUILDER as part of the Contract work.

Any discrepancy, difference or conflict described hereabove discovered by one of the parties hereto shall be brought to the attention of the other party hereto promptly in writing.

3. Counterparts:

This Contract may be executed and delivered, including execution and delivery by facsimile or portable data format (PDF) transmission, in counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

4. Prior Agreements:

This Contract, including the Specification and Plans and Exhibits, which are incorporated herein and made part of this Contract, and the Guaranty constitute the entire agreement of the parties with respect to the subject matter hereof and thereof and shall supersede any and all prior negotiations, understandings and agreements between the parties, including, without limitation, the Right of First Refusal and Advance Design Agreement between the parties dated as of April 25, 2022.

5. Amendments and Waivers:

Any provision of this Contract may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of any amendment, by each party to this Contract, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall

operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

6. Third Party Beneficiaries:

No provision of this Contract is intended to confer upon any party other than the parties hereto any rights or remedies hereunder.

7. Rules of Construction:

Unless the context otherwise requires:

a) "or" is not exclusive;

b) "including" means "including, without limitation";

c) words in the singular include the plural and words in the plural include the singular;

d) for purposes of computation of periods of time hereunder, the word "days" means calendar days, "from" means "from and including" and the words "to" and "until" each mean "to but excluding";

e) references in this Contract to Articles, Paragraphs, subparagraphs or Exhibits shall be to Articles, Paragraphs, subparagraphs or Exhibits of or to this Contract unless otherwise specifically provided;

f) the headings of the Articles, Paragraphs and other parts hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Contract; and

g) the term "contractor" includes "subcontractor" and vice versa.

ARTICLE XXII – LIMITATION OF LIABILITY; INDEMNIFICATION AND NO BROKERAGE; AND FEDERAL CONTRACTOR REQUIREMENTS

1. Limitation of Liability:

The parties confirm that the express remedies and measures of damages provided in this Contract satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of damages is provided, such express remedy or measure of damages shall be the sole and exclusive remedy or measure of damages therefor. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct actual damages only; such direct actual damages shall be the sole and exclusive remedy. The parties confirm and agree that under this Contract, notwithstanding anything to the contrary set forth herein, no party shall be required to pay or be liable for special, consequential, incidental, punitive, exemplary or indirect damages, including, without limitation, lost profit, revenue or business interruption damages, by statute, in tort, contract or otherwise. For clarity, the foregoing limitation of liability does not limit the liability of any party for direct lost profit damages under this Contract. To the extent any damages required to be paid hereunder are liquidated damages, the parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient and the liquidated damages constitute a reasonable approximation of the harm and loss.

2. Indemnification:

The BUILDER shall also be responsible for, and shall defend, indemnify and hold harmless the BUYER and its agents against and from any and all loss, expense, attorneys' fees, claims, actions or liability for injuries to or death of any person or persons including employees of the BUILDER and damage to property occurring at or prior to delivery of the VESSEL in the course of or in connection with the BUILDER's performance of this Contract caused in whole or in part, or alleged to be caused in whole or in part, by any act of the BUILDER, its agents, employees or subcontractors or their employees, but only as and to the extent the liability is alleged to be that of the BUILDER, its agents, employees or subcontractors. It is the intention of the parties hereto that the indemnity provisions herein pertaining to employees of the BUILDER shall be effective despite the provisions of 33 U.S.C. § 905(b) as and to the extent that in any claim or action liability is alleged to be that of the BUILDER, its agents, employees, or subcontractors, it being agreed that for purposes of said section the VESSEL being constructed shall not become a "vessel" until such time as the VESSEL is officially documented by the United States Coast Guard and the Classification Society and becomes a vessel capable of being legally used for transportation of goods on water. The BUILDER's indemnity set forth hereinabove shall not apply to any injury or death of any person or to any damage to or loss of property of third parties occurring in connection with the VESSEL after the delivery and acceptance of the VESSEL by the BUYER, provided that this exclusion shall not apply to claims for injury or death of any person, or to any damage to or loss of property of third parties occurring prior to delivery but for which a claim is not instituted until after delivery and acceptance of the VESSEL by the BUYER.

3. Brokerage:

No third party shall be entitled to receive any brokerage commissions, finder's fees, fees for financial advisory services or similar compensation in connection with the transaction contemplated by this Contract based on any arrangement or agreement made by or on behalf of the BUYER or the BUILDER.

4. Federal Contractor Requirements:

The BUILDER warrants that the BUILDER is not (a) a person or entity identified on any U.S. restricted party list, including those published by the Office of Foreign Assets Control, U.S. Department of the Treasury, such as the Specially Designated Nationals and Blocked Persons List, or otherwise required to be treated as such ("Restricted Party"); or (b) a department, agency or instrumentality of the government of, or is otherwise directly or indirectly controlled by or acting on behalf of, or is ordinarily resident in, a location subject to comprehensive U.S. economic sanctions administered by OFAC, currently Cuba, Iran, North Korea, Syria, and the Crimea, Donetsk, and Luhansk regions of Ukraine.

ARTICLE XXIII – CONFIDENTIALITY; PUBLIC ANNOUNCEMENTS

1. Confidentiality:

a. All information and data disclosed by either party to the other party pursuant to this Contract is the sole and exclusive property of the disclosing party and shall be deemed proprietary, secret, and confidential, regardless of the manner in which it is or was delivered, disclosed or furnished, and whether prepared by or on behalf of the disclosing party and whether delivered, disclosed or furnished prior to, on or after the date of this Contract (collectively, "Confidential Information"); provided that Confidential Information does not include information:

(i) that was in the public domain at the time of the disclosing party's communication thereof to the other;

(ii) that becomes publicly available after the communication thereof other than through a breach of this Confidentiality provision;

(iii) that was in the receiving party's possession free of any obligation of confidentiality at the time of disclosure thereof; or

(iv) that was developed by the receiving party independently of and without reference to any Confidential Information or other proprietary information that the disclosing party has disclosed in confidence to the other.

b. The parties hereto agree that all Confidential Information shall remain the property of the disclosing party, shall be kept in strictest confidence by the receiving party, its parent and its and their directors, officers, direct employees, contractors, attorneys and advisors, and other parties engaged to carry out a party's obligations hereunder and who need to know such information for such purpose (collectively, the "Party's Representatives"), and shall not be disclosed to any other party except as provided herein, without the express prior written consent of the disclosing party. Each party hereto hereby acknowledges (i) that a breach hereof by either party or its Party's Representatives may endanger and damage the other irreparably, and that (ii) money damages may not be a sufficient remedy for any such breach and that the non-breaching party may be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Each party agrees to be responsible for any breach of this Contract by its respective Party's Representatives.

c. The parties agree that Confidential Information may be retained and disclosed as follows:

(i) Confidential Information of the BUYER may be disclosed by the BUILDER to third parties as may be required for the design and construction of the VESSEL; and Confidential Information of the BUILDER may be retained and copied by the BUYER or any transferees of the VESSEL for the life of the VESSEL and may be disclosed by such parties to third parties as may be required in connection with the design, operation, repair, modification, chartering, insuring, financing, or sale of the VESSEL; provided that in each case the BUILDER or the BUYER or a transferee has entered into a confidentiality agreement having provisions

providing substantially the same protections as in this Article XXIII, Paragraph 1.

(ii) Confidential Information that is required to be disclosed by applicable law or by order of a court or governmental authority may be disclosed by either party; provided, however, that the receiving party will give notice to the disclosing party in sufficient time as to permit a protective order to be sought by the disclosing party thereon.

(iii) Confidential Information that is required to be disclosed to a regulatory body in furtherance of the purposes of this Contract, or that is required to be disclosed in a filing with the Securities and Exchange Commission or other government agency having jurisdiction over a party may be disclosed by such party, provided, however, that to the extent such regulatory bodies or government agencies permit a party to assert a claim of confidentiality with respect to such filings, the party making the filings will assert the same.

2. Public Announcements:

The parties hereto will coordinate the issuance of any public announcement (including a press release or public filing) by them or their affiliates with respect to this Contract and the transactions contemplated hereby (an "Announcement"). Neither party hereto nor any of its affiliates may issue an Announcement unless that party has consulted with and received approval for such Announcement from the other party hereto with respect to the content and timing of such Announcement; provided that a party hereto or its affiliates may make an Announcement as may be required by applicable law or any listing agreement related to the trading of the shares of such party or its affiliates on any securities exchange without such approval upon advance written notice to each other party.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Shipbuilding Contract to be duly executed as of the date first written above.

PHILLY SHIPYARD, INC.

By: /s/ Steinar Nerbovik
Steinar Nerbovik
President and Chief Executive Officer

MATSON NAVIGATION COMPANY, INC.

By: /s/ John W. Sullivan
Name: John W. Sullivan
Title: Senior Vice President

Signature page to
Shipbuilding Contract – Hull No. 042

EXHIBIT 21

MATSON, INC.

Subsidiaries as of December 31, 2022

ABHI-Crockett, Inc.	Hawaii
Matson Navigation Company, Inc.	Hawaii
Subsidiaries:	
Matson Alaska, Inc.	Delaware
Subsidiaries:	
Horizon Lines Holding Corp.	Delaware
Subsidiaries:	
Horizon Lines of Puerto Rico, LLC	Delaware
HLPR Holding Corp.	Delaware
Horizon Logistics, LLC	Delaware
Subsidiaries:	
Horizon Services Group, LLC	Delaware
Aero Logistics, LLC	Delaware
Horizon Lines, LLC	Delaware
Subsidiaries:	
Horizon Lines of Guam, LLC	Delaware
Horizon Lines Vessels, LLC	Delaware
H-L Distribution Service, LLC	Delaware
Matson Navigation Company of Alaska, LLC	Delaware
Subsidiaries:	
Horizon Lines Merchant Vessels, LLC	Delaware
Subsidiaries:	
Horizon Lines Alaska Vessels, LLC	Delaware
Horizon Lines Alaska Terminals, LLC	Delaware
Matson Logistics, Inc.	Hawaii
Subsidiaries:	
Matson Logistics Services, LLC	Hawaii
Matson Logistics Warehousing, Inc.	Hawaii
Span Intermediate, LLC	Delaware
Subsidiary:	
Span Acquisition Co., LLC	Delaware
Subsidiaries:	
Span-Alaska Transportation, LLC	Washington
Alaska Freight Express, LLC	Washington
Midnight Sun Transportation Services, LLC	Alaska
Matson Navigation Vessels, LLC	Delaware
Matson Terminals, Inc.	Hawaii
Matson Ventures, Inc.	Hawaii
Matson Logistics (Shanghai) Co., Ltd.	China
Matson Shipping (Hong Kong) Limited	Hong Kong
Matson Shipping (Shanghai) Co., Ltd.	China
Matson Logistics Limited	Hong Kong
Matson Shipping Japan KK	Japan
Matson South Pacific Holdco Limited	New Zealand
Subsidiary:	
Matson South Pacific Limited	New Zealand
Subsidiaries:	
Tranz Pacific Ship Management Limited	New Zealand
Island Chief Shipping Limited	Antigua & Barbuda
Liloa II Shipping Limited	Antigua & Barbuda
Olomana Shipping Limited	Antigua & Barbuda
Papa Mau Shipping Limited	Antigua & Barbuda

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-258289 and 333-212194 on Form S-8 of our report dated February 24, 2023, relating to the consolidated financial statements of Matson, Inc. and subsidiaries and the effectiveness of Matson, Inc. and subsidiaries' internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP

Honolulu, Hawaii
February 24, 2023

EXHIBIT 31.1

CERTIFICATION

I, Matthew J. Cox, certify that:

1. I have reviewed this Annual Report on Form 10-K of Matson, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's 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 the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Matthew J. Cox
Matthew J. Cox, Chairman and
Chief Executive Officer

Date: February 24, 2023

EXHIBIT 31.2

CERTIFICATION

I, Joel M. Wine, certify that:

1. I have reviewed this Annual Report on Form 10-K of Matson, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's 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 the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Joel M. Wine
Joel M. Wine, Executive Vice President
and Chief Financial Officer

Date: February 24, 2023

EXHIBIT 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

In connection with the Annual Report of Matson, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Matthew J. Cox, as Chairman and Chief Executive Officer of the Company, and Joel M. Wine, as Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Matthew J. Cox
Name: Matthew J. Cox
Title: Chairman and Chief Executive Officer
Date: February 24, 2023

/s/ Joel M. Wine
Name: Joel M. Wine
Title: Executive Vice President and Chief Financial Officer
Date: February 24, 2023