

15.14 Severability and Construction. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect if essential terms and conditions of this Agreement for each Party remain valid, binding, and enforceable.

15.15 Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

15.16 Survival. Notwithstanding the termination of this Agreement in accordance with its terms or the Transfer of Notes by a Party in accordance with this Agreement, the agreements and obligations of the Parties in Section 14, Sections 15.06 to 15.17 shall survive such Transfer and/or termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof and thereof.

15.17 Capacities of Supporting Holders. Each Supporting Holder has entered into this agreement on account of all Notes that it holds (directly or through discretionary accounts that it manages or advises) and, except where otherwise specified in this Agreement, shall take or refrain from taking all actions that it is obligated to take or refrain from taking under this Agreement with respect to all such Notes.

15.18 Public Disclosure. The Supporting Holders hereby consent to the disclosure by the Company in any press release or other public announcement or disclosure of the execution, material terms and contents of this Agreement and the Term Sheet. The Company and the Supporting Holders shall (a) consult with each other before issuing any press release or otherwise making any public statement with respect to the transactions contemplated by this Agreement, (b) provide to each other for review a copy of any such press release or public statement, and (c) not issue any such press release or make any such public statement prior to such consultation and review and the receipt of the prior written consent of the Company and the reasonable consent of the Required Supporting Holders (as confirmed to the Company by counsel to the ad hoc group of holders of Notes representing that it is acting with the authority of the Required Supporting Holders), unless required by applicable law or regulations of any applicable stock exchange or governmental authority (each, an “Authority”), in which case, the Party required to issue the press release or make the public statement shall (i) only disclose such information as is required to be disclosed by the applicable Authority and (ii) prior to issuing such press release or making such public statement, use its commercially reasonable efforts to allow the Company or Supporting Holders, as applicable, reasonable time to comment on such release or statement to the extent practicable and shall in good faith consider and include such comments unless the Party required to issue the press release or make the public statement is advised by its external legal advisor not to include such comments; *provided*, that no Party need consult with any other Party with respect to any press release or public statement relating to the termination of this Agreement pursuant to the terms hereof; *provided further*, that for the avoidance of doubt and except as required by law or any rule or regulation of any securities exchange or any governmental agency, the Company shall not, without such Supporting Holder’s prior consent (such consent not to be unreasonably withheld, conditioned or delayed), (y) use the name of a Supporting Holder or its controlled affiliates, officers, directors, managers, stockholders, members, employees, partners,

representatives or agents in any press release or filing with the Securities and Exchange Commission or (z) disclose the individual holdings of a Supporting Holder to any person; *provided, further*, that the foregoing shall not prohibit the disclosure of the aggregate percentage or aggregate principal amount of Note holdings held by the Supporting Holders.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

Pierovernassa@gmail.com
Eletson Investor Relations/06:03:2018 19:09

**Company Parties' Signature Page to
the Transaction Support Agreement**

**ELETSON HOLDINGS INC.
ELETSON FINANCE (US) LLC**

By: _____
Name:
Title:
Email:
Address:

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pierovernassa@gmail.com*

AGATHONISSOS SPECIAL MARITIME ENTERPRISE
ALONISSOS SPECIAL MARITIME ENTERPRISE
ANGISTRI SPECIAL MARITIME ENTERPRISE
ERIKOUSSA SPECIAL MARITIME ENTERPRISE
MAKRONISSOS SPECIAL MARITIME ENTERPRISE
MEGALONISSOS SPECIAL MARITIME ENTERPRISE
PELAGOS II SPECIAL MARITIME ENTERPRISE
SARAKINO SHIPPING CORPORATION
SHINOUSSA SHIPPING CORPORATION
SKYROS II SHIPPING CORPORATION
SIKINOS II SHIPPING CORPORATION
SKOPELOS II SPECIAL MARITIME ENTERPRISE
VENETIKO SHIPPING CORPORATION

By: _____
Name:
Title:

Pierovernassa@gmail.com 19:09
Eletson Investor Relations/06:03:2017

EXHIBIT A

Term Sheet

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Eletson Investor Relations/06:03:2018 19:09

**ELETSON HOLDINGS, INC.
AND ELETSON FINANCE (US) LLC**

SUMMARY OF PROPOSED TERMS

*Eletson Investor Relations/06:03:2018 19:09
pierovernassa@gmail.com*

This Term Sheet (the “**Term Sheet**”) sets forth the outline of certain material terms and conditions of proposed transactions (the “**Transactions**”) involving the Companies (as defined below). This Term Sheet is intended as a summary for discussion purposes only and does not constitute a commitment, obligation or agreement to provide, arrange or syndicate any financing on the part of the Supporting Noteholders (as defined below) or an agreement by the Companies to proceed with any of the Transactions. Any binding agreement with respect to the transactions contemplated herein will be predicated upon, and subject to, the Supporting Noteholders and the Companies agreeing to a Transaction Support Agreement (as defined below) and other definitive documentation acceptable to the Companies (in their discretion) and reasonably acceptable to the Requisite Supporting Noteholders (as defined below). In addition, if a Transaction Support Agreement is executed, consummation of the Transactions will be subject to satisfaction or waiver of the conditions set forth in such Transaction Support Agreement and definitive documentation. This Term Sheet does not include descriptions of all of the terms, conditions and other provisions that would be contained in the definitive documentation relating to the Transactions and is not intended to limit the scope of discussion and negotiation of any matter not inconsistent with the specific matters set forth herein. This Term Sheet is subject to due diligence, and thus, remains subject to further comment regarding structuring and legal issues following such due diligence review.

This Term Sheet is highly confidential and shall not, without the consent of the Supporting Noteholders and the Companies, be disclosed by any recipient hereof to any third party (except that this Term Sheet may be disclosed (i) by the Companies or, with the Companies’ consent, by the Supporting Noteholders, in connection with discussions with certain other holders of Existing Notes (as defined below) who may become Supporting Noteholders, (ii) to the extent required by law and (iii) if a Transaction Support Agreement is entered into and this Term Sheet is attached thereto, as provided in such Transaction Support Agreement).

This Term Sheet does not purport to express or imply any view concerning valuation of the Companies, including for purposes of this Term Sheet. This Term Sheet is proffered in the nature of a settlement proposal in furtherance of settlement discussions and is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and any other applicable statutes or doctrines protecting the use or disclosure of confidential information and information exchanged in the context of settlement discussions.

Company	Eletson Holdings Inc. (“ Holdings ”) and Eletson Finance (US) LLC (collectively with Holdings, the “ Company ,” and together with its restricted subsidiaries that guarantee the Existing Notes (as defined below), the “ Companies ”).
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<p>Existing Noteholders</p>	<p>Each of the entities (each, a “Existing Noteholder”) that is the beneficial holder of the 9.625% First Preferred Ship Mortgage Notes due 2022 (the “Existing Notes”) issued by the Company pursuant to the Indenture dated as of December 19, 2013 (as amended, supplemented or modified from time to time, the “Indenture”) by and among the Company, certain guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee and collateral agent.</p>
<p>The Exchange Offer</p>	<p>As described below, the Transactions contemplate, among other things, an issuance of up to \$300 million in new first preferred ship mortgage notes (the “New Notes”) (to be adjusted proportionately if there is less than 100% participation in the Exchange Offer (as defined below) less any Existing Notes redeemed with Trust Monies (as defined in the Indenture)), plus the amount of the Additional New Notes (as defined below), in exchange for the Existing Notes. In this connection, the ad hoc group of certain holders (each a “Supporting Noteholder”, and together, the “Supporting Noteholders”) of the Existing Notes will agree to, among other things, tender the full principal amount of their Existing Notes in a transaction (the “Exchange Offer”) in which the Company would offer, subject to the conditions described below, to exchange any or all of the Existing Notes for the New Notes.</p> <p>In connection with the Exchange Offer, the Existing Noteholders participating in the Exchange Offer (the “Tendering Existing Noteholders”) will agree that (1) 100% of the cash interest payments on the Existing Notes due on January 15, 2018 will be capitalized and issued to the Tendering Existing Noteholders in the form of New Notes upon the closing of the Exchange Offer (“Additional New Notes”) and (2) 100% of the first installment of cash interest payments on the New Notes (on 7/15/18) shall, at the Company’s option, not be paid in cash, and instead will be capitalized as Additional New Notes.</p> <p>Additionally, Trust Monies will be used to redeem at par Existing Notes <i>pro rata</i> that are tendered for exchange in the Exchange Offer.</p>
<p>Consent Solicitation</p>	<p>Concurrently with the Exchange Offer, the Company will undertake a consent solicitation (the “Consent Solicitation”) in which it will seek consents from the Existing Noteholders to amend the Indenture governing the Existing Notes, to release the collateral securing the Existing Notes and remove substantially all of the restrictive covenants and certain events of default from the Indenture governing the Existing Notes upon consummation of the Exchange Offer.</p>

<p>Description of New Notes</p>	<p>Description: Up to \$300 million of New Notes (to be adjusted proportionately if there is less than 100% participation in the Exchange Offer less any Existing Notes redeemed with Trust Monies), plus the amount of the Additional New Notes, issued by the Company.</p> <p>Guarantees: Same as under the Existing Notes.</p> <p>Maturity: Same as under the Existing Notes.</p> <p>Cash Interest: Beginning on April 15, 2019 and through maturity, interest will be paid quarterly rather than semi-annually. Beginning on January 15, 2019 through maturity, the following cash interest rate construct shall apply to the New Notes and Additional New Notes:</p> <ul style="list-style-type: none"> • 9.625% if the Company achieves less than \$20,000 TCE trailing average per day for the 6 month period prior to the interest payment date across the Collateral fleet • If the TCE rate achieved is \$20,000 trailing average per day for the 6 month period prior to the interest payment date across the Collateral fleet the interest rate will increase by 100 bps • Additionally, the rate will increase 100 bps for every trailing 6 month average \$2,000 TCE per day increase thereafter, capped at 14.625% (which would be achieved at 6 month average TCE rate of \$28,000 per day and above) • In the event, after a rate increase above 9.625% on an interest payment date, the trailing average TCE per day for the 6 months prior to the next interest payment date declines below the levels described above, then there will be a corresponding decline in the rate, provided that the rate will never be less than 9.625% <p>PIK Interest: Will accrue at the rate of 12% per annum.</p> <p>Collateral: Same as Existing Notes, plus liens on equity interests of Eletson Finance (US) LLC and the Guarantors (as defined in the Indenture).</p> <p>Negative Pledge: The Company will provide a negative pledge on its shares in Eletson Gas LLC.</p>
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Cash Segregation: Prior to the closing of the Exchange Offer, the Company will segregate cash flows from the Collateral fleet. Cash allocated to the Collateral fleet at closing and generated by the Collateral fleet post-closing will be subject to noteholders' lien/lock-box arrangement and will not be used for purposes other than operation and maintenance of the Collateral fleet and service of the New Notes and Additional New Notes (other than an agreed-upon allocation of corporate overhead).

Covenants: Same as Existing Notes, plus the following:

- Any and all dividends prohibited
- 75% of excess cash flow generated by Collateral fleet subject to a minimum liquidity requirement of \$13 million ("**Excess Cash Flow**") offer at par (semi-annually until 4/15/19 and quarterly on and after 4/15/19) commencing on 7/15/18. There will be no debt service reserve account.
- Minimum liquidity requirement of \$13 million, tested on each interest payment date, pro forma for coupon payment
- Golden Share Mechanism (as defined below)
- Cross-acceleration event of default threshold to be reduced from \$20 million to \$10 million
- Restrictions on G&A and other expenses (to be negotiated)
- Neither the Collateral securing the New Notes nor the Company's available cash shall be used to make new build payments
- Liquidation of the Piraeus Bank Common Stock within 45 days of closing on the Transactions.

Reporting: Enhanced reporting consistent with reporting requirements in bank credit agreements for companies of this type (but taking into account the public form of the New Notes) to be determined.

Initial Advisor Retention: Company shall retain a third party advisor acceptable to the noteholders to assist with monthly reporting and cash management.

Financial Advisor Retention: Upon the occurrence of certain financial thresholds not being satisfied, noteholders will have the right to appoint a financial advisor.

Documents will be set-up to provide that either the Initial Advisor or the Financial Advisor will be designated as a “back-up” manager in the event that the Golden Share Mechanism is utilized.

Additional New Notes and New Notes will be issued under a single indenture and will be fungible.

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<p>Conditions to Consummation of the Exchange Offer</p>	<p>In addition to the Minimum Participation Requirement set forth below, consummation of the Exchange Offer and the other transactions contemplated herein shall be contingent upon customary conditions precedent, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • a \$3,000,000 cash contribution to the Company’s capital; • the execution and/or implementation of the Golden Share Mechanism; • the deferral of at least 85% of amortization payments under the Company’s bank facilities until January 31, 2019, and any such amendments to the Company’s bank facilities shall be reasonably acceptable to the Supporting Noteholders holding at least 66-2/3% in principal amount of the Existing Notes held by the Supporting Noteholders in the aggregate (the “Requisite Supporting Noteholders”); • the Company shall have used its commercial best efforts to attain maximum amortization relief from the CSIC facility; • the Company shall have used its commercial best efforts to attain amortization relief from the payment due to Piraeus Bank in 2018; • receipt of any and all required regulatory and third-party consents or approvals; • there shall not have been instituted or threatened or be pending any action or proceeding, before or by any court, governmental, regulatory or administrative agency or instrumentality in connection with the Exchange Offer that would be reasonably expected to prohibit, prevent, restrict or materially delay consummation of the foregoing; • no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been promulgated, enacted, entered, enforced or deemed applicable to the Exchange Offer by or before any court or governmental regulatory or administrative agency or authority, tribunal, domestic or foreign, that would be reasonably expected to prohibit, prevent, restrict or materially delay consummation of the foregoing; • the negotiation and execution of the Definitive Documents (as defined below) and other appropriate legal documentation reasonably acceptable to the Companies and reasonably acceptable to the Requisite Supporting Noteholders; and • other conditions typical for transactions of this nature.
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Minimum Participation Requirement	It shall be a condition to the consummation of the Exchange Offer that no less than 95% of the aggregate principal amount outstanding of Existing Notes shall have been validly tendered pursuant to the Exchange Offer and not withdrawn prior to the expiration date of the Exchange Offer (the “ Minimum Participation Requirement ”). The Companies may elect, with the consent of the Requisite Supporting Noteholders, to reduce or waive the Minimum Participation Requirement.
Conditions to Launch of the Exchange Offer:	The launch of the Exchange Offer shall be subject to the conditions precedent specified in the Transaction Support Agreement, which conditions may be waived by the Companies in their discretion, with the approval of the Requisite Supporting Noteholders (which approval shall not be unreasonably withheld, conditioned or delayed).
Definitive Documents	The Companies and the Supporting Noteholders will, in good faith, negotiate the terms of the definitive documents pursuant to which the Transactions described in this Term Sheet will be consummated (together with such other agreements or documents as may be reasonably necessary or appropriate to give effect thereto, the “ Definitive Documents ”), including, without limitation, (i) the Transaction Support Agreement, (ii) any offering memorandum and consent solicitation statement, one or more letters of transmittal and other related offering documents in connection with the Exchange Offer, (iii) an indenture and related documents governing the New Notes (the “ New Notes Indenture ”), all of which shall be in the form, and reflect the terms and provisions, of the existing Indenture and Security Documents, as modified hereby and (iv) the Supplemental Indenture. The Definitive Documents shall be in form and substance reasonably acceptable to the Companies and reasonably acceptable to the Requisite Supporting Noteholders, it being understood that a written acknowledgement that the Definitive Documents are acceptable shall be required prior to the launch of the Exchange Offer.
Golden Share Mechanism	The Definitive Documents will contain an agreed upon mechanism (the “ Golden Share Mechanism ”) which will provide that upon the occurrence of an Event of Default (as defined in the New Notes Indenture), the expiration of any applicable grace and cure periods and acceleration of all payments due under the New Notes Indenture, the holders of the New Notes will have the option to obtain control of either (i) the entities holding the Collateral securing the New Notes or (ii) Holdings. The Definitive Documents will also contain a “golden share” or “independent director” concept requiring the vote of the holders of the golden share or independent director to commence

	<p>insolvency proceedings. As noted above, an agreed-upon back-up manager provision will also be included in such Definitive Documents.</p> <p>The ancillary features and mechanics will be discussed. The Golden Share Mechanism in respect of Holdings must be acceptable to the lenders under Holdings' bank facilities and the Requisite Supporting Noteholders.</p>
Legal Advisors	<p>The Supporting Noteholders will be represented by their legal counsel, Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss") and, as to Greek law, by PPT Legal ("PPT") and, as to Liberian law, by Gilmartin, Poster & Shafto LLP ("Gilmartin Poster"). The Companies shall pay the reasonable and documented fees and expenses of Paul Weiss, PPT, and Gilmartin Poster (plus any local counsel as reasonably required and engaged upon advance written notice to the Company) in connection with the Transactions.</p> <p>The Companies will be represented by their legal counsel Holland & Knight LLP and, as to Greek law, by Moratis-Passas.</p>
Governing Law	<p>This Term Sheet shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of law principles thereof.</p>
Reservation of Rights	<p>Nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Companies and the Supporting Noteholders to protect and fully preserve all of their rights, remedies, claims and interests, including the Supporting Noteholders' claims against the Companies or any other party in interest or their respective property. If the Exchange Offer is not consummated, the Companies and the Supporting Noteholders fully reserve any and all of their respective rights.</p>
No Admission	<p>Nothing in the Term Sheet is or shall be deemed to be an admission of fact or liability or deemed binding on the Companies or the Supporting Noteholders.</p>
Transaction Support Agreement	<p>It is anticipated that an updated and more comprehensive version of this Term Sheet will be an exhibit to a definitive transaction support and forbearance agreement (the "Transaction Support Agreement") to be executed by the Companies and each of the Requisite Supporting Noteholders initially party thereto. The form and substance of the Transaction Support Agreement shall be reasonably acceptable to the Companies and reasonably acceptable to the Requisite Supporting Noteholders.</p>

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EXHIBIT B

Form of Joinder Agreement

The undersigned ("Joinder Party") hereby acknowledges that it has read and understands the Transaction Support Agreement, dated as of February 28, 2018 ([as amended,]the "Agreement"), by and among: (i) the Company and (ii) the Supporting Holders (collectively, the "Parties") and agrees to be bound as a Supporting Holder (as therein defined) by the terms and conditions thereof to the extent the other Supporting Holders are thereby bound, and shall be deemed a "Supporting Holder" under the terms of the Agreement. Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

The Joinder Party specifically agrees to be bound as a Supporting Holder by the terms and conditions of the Agreement and makes all representations and warranties and agreements of a Supporting Holder contained therein as of the date hereof and any further date specified in the Agreement.

Date Executed:

Name:

Title:

Address:

Email address(es):

Telephone(s):

<i>Aggregate Amounts Beneficially Owned or Managed on Account of:</i>	
Note Claims (principal amount)	\$
Other	

Schedule 11.01(d)(ii)

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Schedule 11.01(d)(ii)

Bank loans

1. Credit Agricole
2. DVB
3. CSIC
4. Citi

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