

Dated 30 September 2020

Tanocerian Maritime (Cyprus) Ltd

as Absorbing Company

and

Tanocerian Maritime S.A.

as Absorbed Company

CROSS-BORDER MERGER PLAN

Cross-Border Merger Plan dated 30 September 2020

1 Introduction

This is a merger proposal (hereinafter “**the Merger Plan**”) by the boards of directors of:

Tanocerian Maritime (Cyprus) Ltd, a private limited liability company incorporated and existing under the laws of the Republic of Cyprus and governed by the Companies Law of Cyprus Cap. 113, having its registered office at 261, 28 Oktovriou, VIEW POINT TOWER, 3035, Limassol, Cyprus, registered with the Registrar of Companies and Official Receiver of the Republic of Cyprus (Registrar of Companies) with registration number HE 349872 (hereinafter “**the Absorbing Company**”)

and

Tanocerian Maritime S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg and governed by Luxembourg Companies Act, having its registered office at 19, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés*) with registration number B 182865 (hereinafter “**the Absorbed Company**” and together with the Absorbing Company, “**the Merging Companies**”).

2 Background and Plan

- 2.1 The Board of Directors of each of the Merging Companies propose to effect a cross-border merger within the meaning of the Directive 2005/56/EC of the European Parliament and of the Council of the European Union of 26 October 2005 on cross-border mergers of limited liability companies, the Companies Law of Cyprus Cap. 113, (hereinafter “**the Cyprus Companies Law**” and the Luxembourg Companies Act of 10 August 1915 on commercial companies, as amended (hereinafter “**the Luxembourg Companies Act**”). As a result of the proposed cross border merger, the Absorbed Company will cease to exist, and the Absorbing Company will acquire the assets and liabilities of the Absorbed Company under a universal title of succession, (hereinafter “**the Merger**”).
- 2.2 This merger falls within a business restructuring process in which the concentration of the merging companies will facilitate their management and help achieve their strategic objectives whilst strengthening their equity.
- 2.3 The Merging Companies’ merger balance sheets shall be those corresponding to the financial year closed on December 31, 2019. The balance sheet of the Absorbed Company has been approved by its General Shareholders Meeting on 9th June 2020 and the balance sheet of the Absorbing Company has been approved by its General Shareholders Meeting on 5th May 2020.
- 2.4 Pursuant to article 1021-12 and seq. of the Luxembourg Companies Act , the Merger Plan shall first be approved during an extraordinary general meeting of shareholders of the Absorbed Company, to be executed in front of a Luxembourg notary public, at least one month after the filing and subsequent publication of the Merger proposal in the *Recueil Electronique des Sociétés et Associations* (the official online gazette). Thereafter, the Luxembourg notary public will issue a pre-merger certificate, attesting that all legal acts and

formalities necessary to implement the Merger under Luxembourg Companies Act have been complied with (hereinafter “**the Luxembourg Pre Merger Certificate**”).

- 2.5 The Shareholders of the Absorbing Company will hold an Extraordinary General Meeting at which they will receive the Management Report and will approve the Merger Plan. This Extraordinary General Meeting will be held at least one month after the filing of the Merger proposal with the Registrar of Companies and its subsequent publication in the Official Gazette of the Republic of Cyprus, in accordance with articles 2010-201KZ of the Cyprus Companies Law.
- 2.6 Following the approval of the Merger Plan, the Absorbing Company will file a petition with the District Court of Limassol, requesting the issuance of a pre - merger certificate, confirming the correct execution of the acts and formalities necessary prior to the Merger, (hereinafter “**the Cyprus Pre Merger Certificate**”).
- 2.7 Within six months from the issuance of the Cyprus and Luxemburg Pre – Merger Certificates, the Absorbing Company will file a petition with the District Court of Limassol, requesting the Court to approve and confirm the completion of the Merger by issuing a Final Merger Certificate and define the merger effective date as the date of the issuance of the Final Merger Certificate, (hereinafter “**the Merger Effective Date**”).
- 2.8 The Absorbed Company is the sole shareholder of the Absorbing Company.
- 2.9 The Absorbing Company will acquire, as a result of the Merger, all assets and liabilities of the Absorbed Company by way of universal succession, including the shares of the Absorbing Company. Provided that under the Cyprus Companies Law, a private company limited by shares is not allowed to acquire its own shares, the Absorbed Company will transfer the shares of the Absorbing Company to its sole shareholder, Karpathia Foundation, a foundation registered and existing under the laws of Panama, with registration number 7809 (hereinafter “**Karpathia Foundation**”), per the procedure described in paragraph 4.09 below. As a result, Karpathia Foundation, will become the holder of all the shares of the Absorbing Company, as of the Merger Effective Date.
- 2.10 As of the Merger Effective Date, the Absorbing Company shall be subrogated to all rights and obligations of the Absorbed Company towards third parties. The rights and claims comprised in the assets of the Absorbed Company shall be transferred to the Absorbing Company with all securities, either in rem or personal, attached thereto.
- 2.11 The Absorbing Company will continue as of the Merger Effective Date to perform the obligations of the Absorbed Company under any agreements to which the latter is a party.
- 2.12 Any claims and debts existing as at the Merger Effective Date between the Merging Companies are cancelled upon the completion of the Merger.
- 2.13 The Merger will entail the transfer by the Absorbed Company of all its assets and liabilities, without exception, to the Absorbing Company, so that the Absorbed Company shall be dissolved without liquidation after the completion of the Merger.

- 2.14 The Absorbed Company does not own any industrial and intellectual property rights or real estate assets and does not have any employees.
- 2.15 None of the Merging Companies has any employee or has established a works council therefore the Merger will not have any implication regarding employment.
- 2.16 The mandates of the current directors of the Absorbed Company will come to an end as of the Merger Effective Date.
- 2.17 The books and records of the Absorbed Company will be delivered to the Absorbing Company and will be kept at the registered office of the Absorbing Company in accordance with applicable laws.
- 2.18 Neither the Absorbing Company nor the Absorbed Company have issued securities other than shares.
- 2.19 The Merger Plan will be published in accordance with both Cyprus and Luxembourg Companies Act.
- 2.20 The Merging Companies are in good standing , and no resolution has been adopted to dissolve the Merging Companies, nor has any request thereto been filed; the Merging Companies have not been declared bankrupt, nor has a suspension of payment been declared, nor have any requests thereto been filed.

3 Waiver

The respective shareholder of each of the Merging Companies have irrevocably waived their right to be provided with an independent expert report on the Merger Plan and confirming the Exchange Ratio so established by the board of managers of the Merging Companies, pursuant to waiver letters (the **Waiver Letters**).

4 Merger data

The data to be mentioned pursuant to the Cyprus Companies Law and article 1021-1 of the Luxembourg Companies Act are as follows:

4.1 *Type of legal entity, name and official seat of the Merging Companies*

- (a) Tanocerian Maritime (Cyprus) Ltd, a private company with limited liability under the laws of the Republic of Cyprus, having its official seat in 261, 28 Oktovriou, VIEW POINT TOWER, 3035, Limassol, Cyprus, registered with the Registrar of Companies and Official Receiver of the Republic of Cyprus (Registrar of Companies) under number HE 349872.
- (b) The public limited liability company (*société anonyme*) governed by Luxembourg Companies Act Tanocerian Maritime S.A., having its registered office at 19 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg register of commerce and companies under number B 182865.

4.2 **Articles of association of the Absorbing Company**

- (a) The articles of association of the Absorbing Company shall not change due to the Cross-Border Merger under this Merger proposal.
- (b) Current constitutional documents of the Absorbing Company have been drafted in accordance with the Laws of the Republic of Cyprus, submitted to the Registrar of Companies and approved by the Registrar of Companies on 8 December 2015, the date of the incorporation of the Absorbing Company and are herein attached as **Annex A**.

4.3 **Rights and compensations at the expense of the Absorbing Company granted pursuant to the Cyprus Companies Law and article 1021-1 (2) 6° of the Luxembourg Companies Act**

No special rights shall be conferred by the Absorbing Company to Karpathia Foundation .

4.4 **Benefits to be granted in connection with the Merger to a member of the board of the Merging Companies or to another party involved with the Merger**

- (a) No party involved with the Merger will receive any special advantage from the Absorbed Company.
- (b) No party involved with the Merger will receive any special advantage from the Absorbing Company.

4.5 **Date per which the financial data of the Absorbed Company will be accounted for in the annual accounts of the Absorbing Company**

The financial data of the Absorbed Company will be accounted for in the annual accounts of the Absorbing Company as per 1 January 2020. The last financial year of the Absorbed Company will therefore end on 31 December 2019.

4.6 **Intentions involving continuance or termination of activities**

The activities of the Absorbed Company will be continued by the Absorbing Company in all material respects, including any changes currently contemplated.

4.7 **Effects of the Merger on the goodwill and the distributable reserves of the Absorbing Company**

- (a) The Merger does not have any effects on the amount of goodwill of the Absorbing Company.
- (b) The distributable reserves of the Absorbing Company will be increased with the balance between (i) the value of the assets and liabilities of the Absorbed Company that will be acquired by the Absorbing Company pursuant to the Merger and (ii) the sum of the nominal value of the common shares in the capital of the Absorbing Company being allotted as part of the Exchange Ratio (as defined below) and any

reserves the Absorbing Company must maintain pursuant to Cyprus law or its articles of association.

4.8 ***Approval of the Merger Plan***

- (a) The Board of Directors of each of the Merging Companies shall pass a resolution approving the present Merger Plan and proceed with signing. In addition, the Board of Directors of the Absorbing Company shall prepare a management report pursuant to article 201IΔ of the Cyprus Companies Law (hereinafter “the Management Report” and make it available to the shareholders at the Extraordinary General Meeting where a resolution to approve the Merger Plan will be proposed.
- (b) Pursuant to article 1021-3 of the Luxembourg Companies Act, the general meeting of shareholders of the Absorbed Company will have to resolve upon the Merger on the basis of this proposal by a majority of at least two thirds of the votes cast in a meeting in which at least one half of the share capital of the Absorbed Company is represented.
- (c) Pursuant to article 135 of the Cyprus Companies Law and the articles of association of the Absorbing Company, the shareholders of the Absorbing Company will pass a resolution approving the Merger Plan at an Extraordinary General Meeting, by a majority of at least ¾ of the shareholders present and entitled to vote, provided that a quorum of 50% of the shareholders entitled to vote are present at the EGM. The resolution of the shareholders of each of the Merging Companies, by which the Merger Plan is approved, is not subject to any further approval of a company body of a Merging Company nor of any other third party

4.9 ***The exchange ratio of the shares and the extent of the payments pursuant to the exchange ratio***

- (a) The share capital of the Absorbed Company consists of one hundred (100) ordinary shares (divided in ten (10) classes of alphabet shares) of EUR310 each, all held by Karpathia Foundation. At the date hereof, the Absorbed Company has only ordinary shares issued and outstanding and currently it is not foreseen that any other shares will be issued prior to the Merger Effective Date.
- (b) The Absorbing Company has an authorized and issued share capital of EUR7,000 divided into 7,000 ordinary shares of EUR1 each, numbered 1 – 7000 (both inclusive), all held by the Absorbed Company.
- (c) Based on the net book value of the Merging Companies, the Absorbing Company shall receive 100% of its share capital, which is currently held by the Absorbed Company. However, Cyprus Companies Law does not allow a company to acquire its own shares. Therefore, the share capital of the Absorbing Company will be acquired by Karpathia Foundation and not by the Absorbing Company itself. Karpathia Foundation, in exchange for the shares it holds in the Absorbed Company (details in paragraph 4.9(a) above) will receive 100% of the share capital of the Absorbing Company (details in paragraph 4.9 (b) above), in accordance to the

procedure described in paragraph 4.9(d) below (hereinafter “**the Exchange Ratio**”).

- (d) To effect the transfer of the share capital of the Absorbing Company to Karpathia Foundation, the Absorbed Company, through this Merger, will transfer the shares of the Absorbing Company to Karpathia Foundation, by filing the HE57 form with the Registrar of Companies, together with the Pre - Merger Certificate. As a result, on the Merger Effective Date, the Absorbing Company will have 7.000 ordinary shares of EUR 1,00 each, and all will be held by Karpathia Foundation.
- (e) No other (cash) payments shall be made pursuant to the Exchange Ratio in connection with the Merger.
- (f) As a result of the Merger, all assets and liabilities of the Absorbed Company will be transferred under universal title of succession to the Absorbing Company. As the value of the Absorbing Company immediately after the Merger will equal the value of the Absorbed Company immediately prior to the Merger, Karpathia Foundation will pro rata be entitled to shares in the Absorbing Company pursuant to the Exchange Ratio, as a result whereof its profit rights and voting rights in the Absorbed Company will remain unchanged after the Merger has become effective.
- (g) The Merger is designed to give to Karpathia Foundation shares in the Absorbing Company of equivalent value to the shares it owns in the Absorbed Company, immediately prior to the Merger Effective Date.

4.10 ***Date per which the shareholders of the Absorbed Company will share in the profits of the Absorbing Company***

The New Shares in the capital of the Absorbing Company allotted as part of the Exchange Ratio will share in the profits of the Absorbing Company as per the Merger Effective Date. The rights to profits and distributions of the shares in the capital of the Absorbing Company are set out in the attached articles of association of the Absorbing Company as they will read after amendment thereof in connection with the Merger as per the Merger Effective Date.

4.11 ***Likely effects on employment***

None of the Merging Companies currently has any employees.

4.12 ***Procedures for employee participation***

As none of the Merging Companies is subject to national rules concerning employee participation in the Member State of the European Union where it has its official seat and/or its registered office, no employee participation arrangements as referred to in [relevant Cyprus law provisions] and within the meaning of article 2 (k) of Directive 2001/86/EC have to be made by the Absorbing Company.

4.13 ***Information on the valuation of assets and liabilities of the Absorbed Company to be acquired by the Absorbing Company and the date of the most recently adopted annual accounts or interim financial statements***

- (a) The value of the assets and liabilities of the Absorbed Company to be acquired by the Absorbing Company will be determined on the basis of the relevant net book value at the Merger Effective Date.
- (b) The valuation of the relevant assets and liabilities of the Absorbed Company was lastly done on 31 August 2020.
- (c) The conditions of the Merger have been established on the basis of the interim financial statements of the Absorbed Company as per 31 August 2020 and the interim financial statements of the Absorbing Company as per 31 August 2020.

4.14 **Creditors**

- (a) As of the Merger Effective Date, the creditors of the Absorbed Company shall become creditors of the Absorbing Company.
- (b) The creditors of the Merging Companies have the rights granted to them under articles 201C and 201D of the Cyprus Companies Law and the rights they are entitled to under article 1021.9 of the Luxembourg Companies Act.
- (c) In accordance with article 201IC of the Cyprus Companies Law with the publication of the Merger Plan, the creditors will be notified of their respective rights.
- (d) In accordance with article 1021-9 of the Luxembourg Companies Act, the creditors may, during a period of two months starting from the publication of the decision of the shareholders' meeting of the Absorbed Company in the *Recueil Electronique des Sociétés et Associations* (the official online gazette) and notwithstanding any agreement to the contrary, apply to the judge presiding the chamber of the *Tribunal d'Arrondissement à Luxembourg* dealing with commercial matters and sitting as in urgency matters, to obtain adequate safeguards or collateral for any matured or unmatured debts, in case the Merger would make such protection necessary.
- (e) Further information may be obtained free of charge at the Merging Companies' registered offices.

4.15 **Information regarding the Merger**

The following documents shall be held available for inspection by the shareholders of each of the Merging Companies at their respective registered offices, at least one (1) month prior to any of the shareholders' meeting approving the Merger:

- i. the Merger Plan;
- ii. the annual accounts and the management reports for the last three (3) financial years, as applicable, of each of the Merging Companies; and
- iii. the Waiver Letters.
- iv. the Management Report (applicable only to the Absorbing Company)

The Absorbing Company shall itself carry out all formalities, including such announcements

as are prescribed by law, which are necessary or useful to carry into effect the Merger and the transfer and assignment of the assets and liabilities by the Absorbed Company.

Insofar as required by law or deemed necessary or useful, appropriate transfer instruments shall be executed by the Merging Companies to effect the transfer of the assets and liabilities contributed to the Absorbing Company and to execute such transfer instruments and assignments.

Based on the developments set out above and due to the fact that the figures and parities provided in the present Merger Proposal are valued at the present date on a provisional basis, the board of directors of each of the Merging Companies may at any time be entitled to proceed to adjustments, where appropriate, pertaining to the values and postulates considered in the Merger Plan and submit the revised figures and parities to the approval of the shareholders.

4.16 **Costs**

The expenses, costs, fees and charges resulting from the Merger shall be borne by the Absorbing Company.

4.17 **Signing formalities and annexes**

- (a) This Merger Plan will have to be signed by Mr. Rois Potamitis for and on behalf of the Absorbing Company as the Sole Director of the Absorbing Company and by Mr. Barry Black for and on behalf of the Absorbed Company, as a member of its Board of Directors.
- (b) The following annexes form an integrated part of this Merger Plan:
 - (i) current articles of association of the Absorbing Company which will remain the same after the Merger Effective Date.

(signature pages to follow)

SIGNATURE PAGE

**Tanocerian Maritime
(Cyprus) Ltd**

By: Rois Potamitis
Title: sole director

Tanocerian Maritime S.A.

By: Barry Black
Title: director